

Annual Report 2018

# BUILDING VALUE FOR TOMORROW



Sri Bestari International School



Damansara Seresta



Astoria at Ampang



Sena Parc at Senawang

# ABOUT LAND & GENERAL BERHAD



Land & General Berhad originally operated as a saw-miller and timber trader by securing several timber concessions. In the mid-1980s, the company expanded its business following the introduction of a new management team.

As of today, the company is an investment holding company with subsidiaries, principally engaged in the property investment and development business. The Group also engages in the cultivation of rubber and oil palm, management of club activities, and provision of education services.

From its small beginnings to its standing today, Land & General has proven its entrepreneurial ability and strength which will propel solidly into the future. Land & General Berhad has established itself in the property sector through its signature development at Bandar Sri Damansara, the winner of the FIABCI Malaysia Property Award 1996. Its property development business will form the mainstay of the Group but its aspirations mean that its horizon will continue to be broadened.

## VISION & MISSION

Land & General Berhad's visionary management style is inspired by the motto "Building Value For Tomorrow." Delivering on this, Land & General Berhad's plan for the future is innovating to create projects, which grow in appreciation over time, enriching both customers and stakeholders alike.

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CORPORATE  
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## DIRECTORS

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*Chairman*

Low Gay Teck,  
*Managing Director*

Ferdaus Mahmood

Dato' Ir Dr A Bakar Jaafar

Dato' Hj Ikhwan Salim Dato' Hj Sujak

YM Tengku Maruan Tengku Ariff

Chiu Andrew Wah Wai

Hoong Cheong Thard

Dato' Pahlawan Mohd Shukri Dahlan

## REGISTERED OFFICE

8trium, Level 21 Menara 1  
Jalan Cempaka SD 12/5  
Bandar Sri Damansara  
52200 Kuala Lumpur  
Tel : 603 6279 8000  
Fax : 603 6277 7061

## CORPORATE OFFICE

8trium, Level 21 Menara 1  
Jalan Cempaka SD 12/5  
Bandar Sri Damansara  
52200 Kuala Lumpur  
Tel : 603 6279 8000  
Fax : 603 6277 7061  
Email : lgb@land-general.com  
Website : www.land-general.com

## AUDIT COMMITTEE

Dato' Hj Ikhwan Salim Dato' Hj Sujak,  
*Chairman*

Dato' Ir Dr A Bakar Jaafar

Hoong Cheong Thard

## AUDITORS

Ernst & Young  
Chartered Accountants

## LISTING

Main Market of Bursa Malaysia Securities Berhad

## NOMINATING COMMITTEE

Dato' Hj Zainal Abidin Putih,  
*Chairman*

Dato' Ir Dr A Bakar Jaafar

YM Tengku Maruan Tengku Ariff

## REMUNERATION COMMITTEE

Dato' Ir Dr A Bakar Jaafar,  
*Chairman*

Hoong Cheong Thard

Chiu Andrew Wah Wai

## SECRETARY

Lee Siw Yeng (MAICSA 7048942)

## SHARE / ICULS REGISTRARS

Symphony Share Registrars Sdn Bhd  
(Company No. 378993-D)  
Level 6, Symphony House  
Pusat Dagangan Dana 1  
Jalan PJU 1A/46  
47301 Petaling Jaya  
Selangor  
Tel : 603 7849 0777  
Fax : 603 7841 8151/8152  
Email : ssr.helpdesk@symphony.com.my

## OPERATING RESULTS (RM'000)

### KEY FINANCIAL POSITION DATA (RM'000)

## SHARE INFORMATION (RM)

('000)

## FINANCIAL RATIOS

REVENUE  
(RM'000)

2018	<div></div>	98,018
2017	<div></div>	47,193
2016	<div></div>	342,062
2015	<div></div>	465,790
2014	<div></div>	491,916

PROFIT BEFORE TAX  
(RM'000)[illegible]

### BASIC EARNINGS PER SHARE (RM)

[illegible]NET ASSETS PER SHARE  
(RM)[illegible]



**DATO' HJ ZAINAL ABIDIN PUTIH**

Independent Non-Executive Chairman

Dato' Hj Zainal Abidin Putih, a Malaysian male aged 72, was appointed as Chairman of L&G on 1 June 2010. He is a Fellow of the Institute of Chartered Accountants in England and Wales ("ICAEW"), a member of the Malaysian Institute of Certified Public Accountants ("MICPA") and the Malaysian Institute of Accountants ("MIA").

Dato' Hj Zainal qualified as a Chartered Accountant of the ICAEW in 1972 and has very extensive experience in audit throughout his career as a practising accountant. He also has a good working knowledge of taxation and has been involved in management consulting especially those involved in acquisition, take over, amalgamation and restructuring of companies and company flotation.

Dato' Hj Zainal was formerly the Country Managing Partner of Messrs Hanafiah Raslan and Mohamad and was an Adviser with Messrs Ernst & Young Malaysia until his retirement in 2005. He was the President of MICPA from 1989 until 1991 and the Chairman of the Malaysian Accounting Standards Board from 2003 until 2009.

He had also served in Government Agencies as the Chairman of Pengurusan Danaharta Nasional Berhad, a member of the Malaysian Communications & Multimedia Commission and a member of the Investment Panel of the Employees Provident Fund.

Dato' Hj Zainal was awarded the Darjah Setia Negeri Sembilan ("D.S.N.S.") by the Yang Di Pertuan Besar Negeri Sembilan and the Jaksa Pendamai ("J.P.") by the Yang Di Pertua Negeri Melaka in 1995 and 2008, respectively.

Dato' Hj Zainal is the Chairman of CIMB Bank Berhad, Dutch Lady Milk Industries Berhad and Tokio Marine Insurans (Malaysia) Berhad and sits as a Board Member of Petron Malaysia Refining & Marketing Bhd.

Dato' Hj Zainal is also the Chairman of Mobile Money International Sdn Bhd, Touch 'n Go Sdn Bhd and a director of several private limited companies. He is a trustee of the National Heart Institute Foundation ("IJNF"). He is also a member of Frost & Sullivan's FinTech Advisory Council.

Dato' Hj Zainal does not have any family relationship with any Director and/or major shareholder of L&G and he does not have any conflict of interest with L&G. He has no conviction for any offences over the last five (5) years and has not been imposed with any public sanction or penalty by the relevant regulatory bodies during the financial year 2018.

He attended six (6) out of six (6) Board Meetings held during the financial year ended 31 March 2018.

Dato' Hj Zainal is the Chairman of the Nominating Committee of L&G.

## DIRECTORS' PROFILE (cont'd)



### LOW GAY TECK

Managing Director

Mr Low Gay Teck, a Malaysian male aged 53, was appointed as Director of L&G on 15 October 2007 and was redesignated as the Managing Director of L&G on 1 January 2008. Mr Low holds a Bachelor of Civil Engineering from Footscray Institute of Technology (now known as Victoria University), Australia.

Prior to joining L&G, Mr Low was with the Mayland Group since 1996. In 2002, he was appointed Director of the Mayland Group and assumed the position of Managing Director in 2005. Mr Low has been involved in property development and project management for the past 29 years, handling and implementing projects such as residential, commercial, shopping complex, hotel, golf course, condominium and serviced apartments.

Currently, Mr Low sits on the Board of a few subsidiaries of L&G and several private limited companies.

Mr Low does not have any family relationship with any Director and/or major shareholder of L&G and he does not have any conflict of interest with L&G. He has no conviction for any offences over the last five (5) years and has not been imposed with any public sanction or penalty by the relevant regulatory bodies during the financial year 2018.

He attended six (6) out of six (6) Board Meetings held during the financial year ended 31 March 2018.

Mr Low is a committee member of the Tabung Amanah Land & General Berhad.



### FERDAUS MAHMOOD

Non-Independent Non-Executive Director

Encik Ferdaus Mahmood, a Malaysian male aged 63, was appointed as Executive Director of L&G on 16 June 2008 and was redesignated as Non-Independent Non-Executive Director on 1 January 2016 following his retirement as Executive Director on 31 December 2015.

Encik Ferdaus started his career as Trainee Accountant with Tractors Malaysia Bhd in 1974 and joined United Estate Projects Sdn Bhd (UEP) (initial developer of Subang Jaya, Selangor) in 1976 where his last position was the Credit Controller.

Subsequently, in 1980, Encik Ferdaus made a decisive switch in his career into the main stream of the property industry and since then has garnered extensive experience in this industry especially in the areas of marketing, sales, credit control and property management.

In 1990, Encik Ferdaus joined L&G as the General Manager in one of the property subsidiaries of L&G. In 1998, he was appointed the Chief Operating Officer to head the property operations of L&G in Australia and returned to Malaysia in 2005 to be based in Kuala Lumpur as the Director of Property Division, L&G.

Currently, he sits on the Board of Kejuruteraan Asastera Berhad and a few subsidiaries of L&G.

Encik Ferdaus does not have any family relationship with any Director and/or major shareholder of L&G and he does not have any conflict of interest with L&G. He has no conviction for any offences over the last five (5) years and has not been imposed with any public sanction or penalty by the relevant regulatory bodies during the financial year 2018.

He attended six (6) out of six (6) Board Meetings held during the financial year ended 31 March 2018.

**DIRECTORS'  
PROFILE**  
(cont'd)**DATO' IR DR A BAKAR JAAFAR**

Senior Independent Non-Executive Director

Dato' Ir Dr A Bakar Jaafar, a Malaysian male aged 68, was appointed as Director of L&G on 18 October 1999 and redesignated as the Senior Independent Director of L&G on 28 November 2012. He is an engineer by profession and holds a Bachelor of Engineering (Honours) degree in Mechanical Engineering from the University of Newcastle, Australia, a Master of Environmental Science from Miami University and a Doctorate in Marine Geography from the University of Hawaii at Manoa. On 18 November 2017, he was conferred with Honorary Degree Doctor of Science from University Malaysia Terengganu. On 10 February 2018, he was awarded with "Tokoh Asas 2018" from "Persatuan Alumni Sekolah Alam Shah".

He served in the Malaysian Civil Service for over 22 years in various positions including as the Director-General of the Department of Environment from 1990 to 1995. He continued to serve the Malaysian Government as the Elected-Member to the Commission on the Limits of Continental Shelf, UN HQ, New York (1997-2002) (2002-2007) (2007-2012). He is now a Professor at the Perdana School of Science, Technology and Innovation Policy of University of Technology Malaysia (UTM), as well as Director of UTM Ocean Thermal Energy Centre (OTEC).

Currently, Dato' Ir Dr A Bakar sits on the Board of several private limited companies.

Dato' Ir Dr A Bakar does not have any family relationship with any Director and/or major shareholder of L&G and he does not have any conflict of interest with L&G. He has no conviction for any offences over the last five (5) years and has not been imposed with any public sanction or penalty by the relevant regulatory bodies during the financial year 2018.

He attended six (6) out of six (6) Board Meetings held during the financial year ended 31 March 2018.

Dato' Ir Dr A Bakar is the Chairman of the Remuneration Committee as well as a member of the Audit Committee and the Nominating Committee of L&G.

**DATO' HJ IKHWAN SALIM****DATO' HJ SUJAK**

Independent Non-Executive Director

Dato' Hj Ikhwan Salim Dato' Hj Sujak, a Malaysian male aged 61, was appointed as Director of L&G on 1 December 2007. He holds a Bachelor of Science (Economics & Accounts) from Queen's University Belfast, United Kingdom.

In 1977, he began his career as an auditor with Coopers & Lybrand, UK and joined Nestle (M) Sdn Bhd as Finance Executive in 1979. In 1980, he moved on to be the Group Financial Planning Manager of Kumpulan Low Keng Huat Sdn Bhd.

Currently, Dato' Hj Ikhwan runs his private business, Konsortium Jaringan Selangor Sdn Bhd. He is also a Board member of Malaysia Steel Works (KL) Berhad, Glomac Berhad, A2A Capital Services Berhad and several private limited companies.

Dato' Hj Ikhwan does not have any family relationship with any Director and/or major shareholder of L&G and he does not have any conflict of interest with L&G. He has no conviction for any offences over the last five (5) years and has not been imposed with any public sanction or penalty by the relevant regulatory bodies during the financial year 2018.

He attended six (6) out of six (6) Board Meetings held during the financial year ended 31 March 2018.

He is the Chairman of the Audit Committee of L&G.





### YM TENGKU MARUAN TENGKU ARIFF

Independent Non-Executive Director

YM Tengku Maruan Tengku Ariff, a Malaysian male aged 65, was appointed as Director of L&G on 1 July 2008 and was redesignated as Independent Non-Executive Director on 24 August 2011. He holds a Bachelor of Mechanical Engineering (Design) Degree from University of Huddersfield, United Kingdom.

YM Tengku Maruan started his career as a credit officer with Citibank Berhad, Kuala Lumpur ("Citibank") in 1980 where he was exposed to various aspects of the banking industry. In 1985, YM Tengku Maruan left Citibank holding the position of Manager and joined Southern Bank Berhad as the Head of Personal Banking Division where he was involved in all aspects of budgeting, credit, product marketing and business development. Subsequently in 1996, he joined Rohas Sdn Bhd ("Rohas") as the General Manager and also served on the board of several companies related to Rohas until his retirement in 2008. While in Rohas, he was responsible for various business operations such as manufacturing, education, property management and investments.

Currently, YM Tengku Maruan sits on the Board of several private limited companies.

YM Tengku Maruan does not have any family relationship with any Director and/or major shareholder of L&G and he does not have any conflict of interest with L&G. He has no conviction for any offences over the last five (5) years and has not been imposed with any public sanction or penalty by the relevant regulatory bodies during the financial year 2018.

He attended six (6) out of six (6) Board Meetings held during the financial year ended 31 March 2018.

YM Tengku Maruan is a member of the Nominating Committee of L&G.



### HOONG CHEONG THARD

Non-Independent Non-Executive Director

Mr Hoong Cheong Thard, a Malaysian male aged 49, was appointed as Director of L&G on 1 June 2010. He is a member of the Institute of Chartered Accountants in England and Wales (ICAEW) and holds a Bachelor in Mechanical Engineering degree from Imperial College, University of London, United Kingdom.

Mr Hoong has extensive experience in mergers and acquisitions as well as international capital markets. He was an investment banker for over 12 years and had held senior positions at Deutsche Bank, Hong Kong and UBS, Hong Kong where he was responsible for corporate finance business in Asia.

Mr Hoong was the Chief Executive Officer of China LotSynergy Holdings Ltd (a company listed on the Hong Kong Stock Exchange) (2006) prior to joining Far East Consortium International Limited ("FECIL") in September 2008 as Managing Director.

As the Managing Director of FECIL, Mr Hoong is responsible for the formulation and implementation of the FECIL group's overall strategies for development.

Mr Hoong also sits on the Board of several public companies which are incorporated and listed overseas and several private limited companies which are incorporated in Malaysia.

Mr Hoong does not have any family relationship with any Director and/or major shareholder of L&G and he does not have any conflict of interest with L&G. He has no conviction for any offences over the last five (5) years and has not been imposed with any public sanction or penalty by the relevant regulatory bodies during the financial year 2018.

He attended five (5) out of six (6) Board Meetings held during the financial year ended 31 March 2018.

Mr Hoong is a member of the Audit Committee and Remuneration Committee of L&G.

**DIRECTORS'  
PROFILE**  
(cont'd)**CHIU ANDREW WAH WAI**

Non-Independent Non-Executive Director

Mr Chiu Andrew Wah Wai, a male Chinese citizen of Hong Kong SAR aged 29, was appointed as Director of L&G on 1 April 2014.

Mr Chiu started his career as Property Executive with DTZ Hong Kong in 2008 and joined FECIL as Project Manager in 2009. Later, he became the Assistant to Chairman of FECIL.

Currently, Mr Chiu is the Executive Chairman of Land Pacific Limited, Deacon House International Limited and Ariana Social Community Limited.

Mr Chiu is the son of YBhg Tan Sri Dato' David Chiu, the major and controlling shareholder of Prestige Aspect Sdn Bhd, the holding company of Malaysia Land Properties Sdn Bhd and its subsidiaries (Mayland Group).

He does not have any conflict of interest with L&G. He has no conviction for any offences over the last five (5) years and has not been imposed with any public sanction or penalty by the relevant regulatory bodies during the financial year 2018.

He attended four (4) out of six (6) Board Meetings held during the financial year ended 31 March 2018.

Mr Chiu is a member of the Remuneration Committee of L&G.

**DATO' PAHLAWAN MOHD SHUKRI  
DAHLAN**

Independent Non-Executive Director

Dato' Pahlawan Mohd Shukri Dahlan, a Malaysian male aged 64, was appointed as Director of L&G on 20 November 2017. He holds a Diploma in Policing and Aviation Security Management from Edith Cowan University, Australia and Diploma in Public Administration from Institute of Technology MARA (ITM).

Dato' Pahlawan Mohd Shukri had served the Royal Malaysian Police for 37 years and had held important positions at state level including Chief Police Officer ("CPO") of Terengganu (2008 - 2010), CPO of Perak (2010 - 2013) and CPO of Selangor (2013 - 2014). In 2014, he retired as CPO of Selangor with the rank of Commissioner of Police.

Currently, Dato' Pahlawan Mohd Shukri serve as the Chairman of the Senior Police Officers' Association, whose primary function is to address issues related to the welfare and service of police personnel. He is also a Director of Putrajaya Perdana Berhad and several private limited companies.

Dato' Pahlawan Mohd Shukri does not have any family relationship with any Director and/or major shareholder of L&G and he does not have any conflict of interest with L&G. He has no conviction for any offences over the last five (5) years and has not been imposed with any public sanction or penalty by the relevant regulatory bodies during the financial year 2018.

He attended two (2) out of two (2) Board Meetings held during the financial year ended 31 March 2018.

## KEY SENIOR MANAGEMENT PROFILE



**TAN BOON SIONG**

Chief Financial Officer



**JENNY CHEE YUET SIN**

Group Financial Controller

Mr Tan Boon Siong, a Malaysian male aged 50, joined L&G on 1 March 2016 as Corporate Advisor and later was appointed as Chief Financial Officer on 1 October 2017. He graduated with a Bachelor of Commerce (Hons) Degree from University of Melbourne and is a member of Australian Society of Certified Practising Accountants.

Mr Tan Boon Siong has over 27 years of work experience in audit, finance, corporate finance, investment banking and private equity roles. He has worked extensively in various capacities, which includes stints at one of the Big Four accounting firms, corporate finance and investment banking at an investment bank, Finance Director at a Malaysian conglomerate, including a 9 year stint in the United Kingdom.

Currently, Mr Tan Boon Siong sits on the Board of a subsidiary of L&G.

Mr Tan Boon Siong does not have any family relationship with any Director and/or major shareholder of L&G and he does not have any conflict of interest with L&G. He has no conviction for any offences over the last five (5) years and has not been imposed with any public sanction or penalty by the relevant regulatory bodies during the financial year 2018.

Ms Jenny Chee Yuet Sin, a Malaysian female aged 53, was appointed as Group Financial Controller of L&G on 1 December 2010. She holds a Professional Qualification from CPA Malaysia and is a member of Malaysia Institute of Certified Public Accountants (MICPA) and Malaysian Institute of Accountants (MIA).

Prior to joining L&G, Ms Jenny Chee Yuet Sin had worked as a Group Finance Manager in a public listed company and a Senior Manager with the Big Four accounting firms, PricewaterhouseCoopers and Ernst & Young. She is a Chartered Accountant with more than 22 years of experience in finance, audit and taxation covering various industries such as manufacturing & trading, hospitality and property development.

Ms Jenny Chee Yuet Sin does not have any family relationship with any Director and/or major shareholder of L&G and she does not have any conflict of interest with L&G. She has no conviction for any offences over the last five (5) years and has not been imposed with any public sanction or penalty by the relevant regulatory bodies during the financial year 2018.

## KEY SENIOR MANAGEMENT PROFILE (cont'd)



**TAI YOON JEN**

Project Director



**CHIN FOO TECK**

Senior Project Manager

Mr Tai Yoon Jen, a Malaysian male aged 46, joined L&G on 10 July 2017 as Project Director. He holds a Bachelor of Development Science from National University of Malaysia and a Master of Science in Planning from University Science Malaysia. He is also a Graduate Member of Malaysian Institute of Planners.

Mr Tai Yoon Jen has over 22 years of work experience in property development and construction industries. He has worked extensively in various capacities which includes as Chief Operating Officer in KIP Group Sdn Bhd, Group General Manager of Projects in Plenitude Berhad and Deputy General Manager in Dijaya Corporation Berhad.

Mr Tai Yoon Jen does not have any family relationship with any Director and/or major shareholder of L&G and he does not have any conflict of interest with L&G. He has no conviction for any offences over the last five (5) years and has not been imposed with any public sanction or penalty by the relevant regulatory bodies during the financial year 2018.

Mr Chin Foo Teck, a Malaysian male aged 57, joined L&G on 8 February 2012 as the Senior Project Manager in property implementation.

Mr Chin Foo Teck attained his Master in Business Administration from University of Leicester UK in 2002 and graduated with a Diploma from Tunku Abdul Rahman College, Kuala Lumpur in 1984.

Mr Chin Foo Teck has more than 33 years of experience in property development and construction industries.

Prior to joining L&G, he also held other senior position in several established public companies. He has hands-on experience in managing high rise residential building and project management of high end lifestyle residential development.

Currently, Mr Chin Foo Teck sits on the Board of a few subsidiaries of L&G.

Mr Chin Foo Teck does not have any family relationship with any Director and/or major shareholder of L&G and he does not have any conflict of interest with L&G. He has no conviction for any offences over the last five (5) years and has not been imposed with any public sanction or penalty by the relevant regulatory bodies during the financial year 2018.

## KEY SENIOR MANAGEMENT PROFILE (cont'd)



### CHIAH HWA KAI

Senior Project Manager



### JENNY YAP YIN KUEN

Senior Manager, Township Development

Mr Chiah Hwa Kai, a Malaysian male aged 41, joined L&G on 18 July 2011 as Project Manager and was later promoted to Senior Project Manager in 2015. He holds a B. Eng (Hons) in Civil Engineering from University of Leeds and is a Graduate Member of the Institution of Engineers Malaysia.

Mr Chiah Hwa Kai has over 19 years of work experience in property development and construction industries. He has worked extensively in various capacities in his previous companies which involved in projects such as residential, shopping complex and highways.

Currently, Mr Chiah Hwa Kai sits on the Board of a few subsidiaries of L&G.

Mr Chiah Hwa Kai does not have any family relationship with any Director and/or major shareholder of L&G and he does not have any conflict of interest with L&G. He has no conviction for any offences over the last five (5) years and has not been imposed with any public sanction or penalty by the relevant regulatory bodies during the financial year 2018.

Ms Jenny Yap Yin Kuen, a Malaysian female aged 53, was appointed as Senior Manager, Township Development of L&G on 15 October 2014. She holds an Advanced Diploma in Business & Management from Swansea Institute (associated institution of University of Wales).

Ms Jenny Yap Yin Kuen has more than 20 years working experience in the property development industry with SP Setia Berhad in various capacities and experience.

Currently, Ms Jenny Yap Yin Kuen sits on the Board of a few subsidiaries of L&G.

Ms Jenny Yap Yin Kuen does not have any family relationship with any Director and/or major shareholder of L&G and she does not have any conflict of interest with L&G. She has no conviction for any offences over the last five (5) years and has not been imposed with any public sanction or penalty by the relevant regulatory bodies during the financial year 2018.



## KEY SENIOR MANAGEMENT PROFILE (cont'd)



**DR STEVEN BAPTIST**

Principal, Sri Bestari Private School



**DR WONG SIEW CHIN**

Principal, Sri Bestari International School

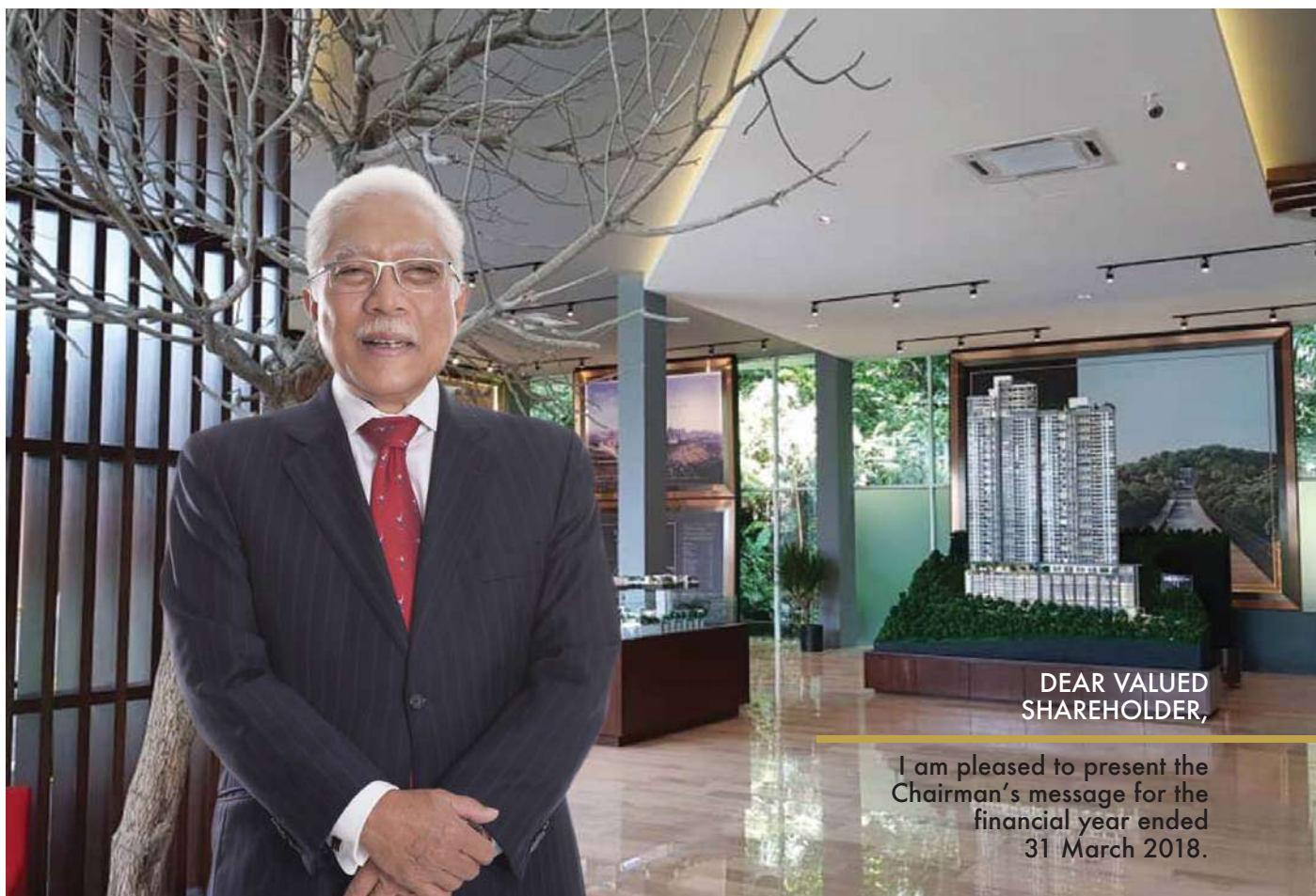
Dr Steven Baptist, a Malaysian aged 50, was appointed as Principal of Sri Bestari Private School on 3 June 2013. He holds a double degree in Industrial Chemistry (B.Sc. (Hons.) and Law, LLB (Hons.) from University of London. Dr Steven also is a double Masters holder in the field of Process Chemistry (M.Sc.) and Real Estate (Exec. MBA) coupled with a Doctorate in Extension Education in the field of Training Management and in specific Creative Thinking Development. Dr Baptist has 15 years' work experience in higher education starting off as a lecturer and moving on to assume positions as programme coordinator, head of department, registrar and group human resources.

Dr Baptist does not have any family relationship with any Director and/or major shareholder of L&G and he does not have any conflict of interest with L&G. He has no conviction for any offences over the last five (5) years and has not been imposed with any public sanction or penalty by the relevant regulatory bodies during the financial year 2018.

Dr Wong Siew Chin, a Malaysian female aged 38, was appointed as Principal of Sri Bestari International School on 8 May 2017. She holds a Bachelor of Science from University of Malaya, a Master of Science from University of Malaya and a Doctorate in Management and Education Policy from University of Malaya. She is also a Master holder in Business Administration from Monash University.

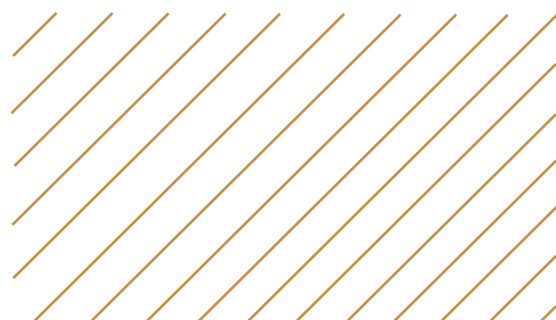
Dr. Wong Siew Chin has more than 16 years of working experience in the private education sector. Prior joining Sri Bestari International School, she has worked extensively in various capacities. She started off her career as a Lecturer in Tunku Abdul Rahman College. Dr. Wong was then with Cempaka International School where she helmed various academic and management positions over the course of 14 years, from an A-Levels teacher to becoming the Head of A-Levels and later as a Principal in Cempaka Schools (National and International Schools), Cheras campus.

Dr Wong Siew Chin does not have any family relationship with any Director and/or major shareholder of L&G and she does not have any conflict of interest with L&G. She has no conviction for any offences over the last five (5) years and has not been imposed with any public sanction or penalty by the relevant regulatory bodies during the financial year 2018.



## DEAR VALUED SHAREHOLDER,

The operating landscape for the property industry continued to be challenging throughout 2017 and the first half of 2018. In spite of this, L&G has managed to turn in year-on-year growth in profit after tax backed by an increase in revenue. This performance underscores the perseverance and dedication of the L&G team as well as our Group's determination to deliver sustainable value to our shareholders.



On this heartening note and on behalf of the Board of Directors of Land and General Berhad ("L&G" or "the Group"), I am pleased to present to you our annual report for the financial year ended 31 March 2018.

## OPERATING LANDSCAPE

The global economy recorded improved performance in 2017 and is expected to grow to 3.1% in terms of gross domestic product in 2018, according to the World Bank. This was due to the continued recovery in investment, manufacturing, and trade. Commodity-exporting economies like Malaysia has also benefited from firming commodity prices. *(Sources: Global Economic Prospects, June 2018)*

In Malaysia, Bank Negara Malaysia reported that the economy recorded a growth of 5.9% in 2017, a notable increase from 4.2% in 2016. Headline inflation averaged at 3.7% during the year, which was relatively high compared to 2.1% in 2016. Bank Negara also stated that the overall Malaysian economy in 2017 was buoyed by the expansion in private sector demand, which remained the primary driver of growth, while external demand provided further support to the expanding economy. On the supply side, the manufacturing and services sectors remained key growth drivers. *(Sources: Bank Negara Malaysia, Economic and Financial Developments in Malaysia in the Fourth Quarter of 2017)*

In contrast to the expanding economy, Bank Negara's Financial Stability and Payment Systems Report 2017 indicated that property developers' profitability fell with lower operating margin at 16.2% in 2017 (2016: 18.0%). Furthermore, in a report by the National Property Information Centre (NAPIC), the number of unsold completed residential units (including serviced apartments and small office, home offices (SoHos) for the fourth quarter of 2017, totalled 24,738 units. This represented an increase of 67.24% when compared to 14,792 unsold completed residential units recorded in the corresponding period a year ago. *(Sources: Key Data Property Market Report 2017)*

Lower operating profits for property players and a significant property overhang are reflective of a soft property market in tandem with the industry down-cycle that began three years ago. Other contributing factors ranged from weak consumer sentiments to mismatch of demand to product offered. Despite the persistent downtrend, property values remained stable. This is an indication of the resilience of the industry and continued demand, more so for well-priced residential properties in strategic urban locations.

The tough industry backdrop in 2017 has made the achievement of the L&G team in delivering improved performance year-on-year even more notable. Well-timed launches, innovative marketing and pro-active cost management were some of the key reasons behind our positive performance.

## FINANCIAL PERFORMANCE

For the financial year ended 31 March 2018, the Group posted a pre-tax profit of RM85.98 million (FYE2017: RM69.75 million) on the back of a turnover of RM98.02 million (FYE2017: RM47.19 million).

The higher revenue and pre-tax profit year-on-year were mainly due to higher contribution from our Property Division, which recorded a revenue of RM74.19 million (FYE2017: RM21.55 million) and an operating profit of RM91.91 million (FYE2017: RM56.09 million) for the year.

Meanwhile, the Education Division posted a revenue of RM13.92 million (FYE2017: RM13.13 million) and an operating profit of RM4.98 million (FYE2017: RM5.37 million), while the Group's non-core business activities, which are placed under Other Division, recorded a revenue of RM15.41 million (FYE2017: RM17.99 million) and an operating loss of RM3.20 million (FYE2017: an operating profit of RM8.88 million).

A more detailed discussion of the Group's financial performance can be found in the Management Discussion and Analysis (MD&A) section within this Annual Report.

## DIVIDEND

In view of the Group's performance and in line with our commitment towards rewarding our loyal shareholders, the Board has recommended a final single tier dividend payment of 1.5 sen per ordinary share for the financial year ended 31 March 2018. This final dividend is subject to shareholders' approval at the forthcoming Annual General Meeting.

## CORPORATE DEVELOPMENTS

On 15 November 2016, L&G proposed to acquire the entire equity of four companies, namely Primal Milestone Sdn Bhd ("PMSB"), Quantum Bonus Sdn Bhd ("QBSB"), Triumph Bliss Sdn Bhd ("TBSB") and Forward Esteem Sdn Bhd ("FESB"), from Malaysia Land Properties Sdn Bhd ("Mayland") and acquisition of the entire equity of Soho Prestige Sdn Bhd via a call option granted by Mayland ("SPSB Option") together with the proposed Rights Issues.

The acquisitions of PMSB, QBSB, TBSB and FESB were completed on 22 May 2017 with the exception of the SPSB Option. Subsequently, L&G exercised the said Option on 30 April 2018. Upon exercising the Option, the Company had on the even date entered into the SPSB Share Sale Agreement with Mayland.

## MOVING FORWARD

L&G's prospects in the immediate to medium term remains bright. The cyclical nature of the property industry places the sector at a point where the market is expected to recover and strengthen further. The winds of change is also driven by the change in political landscape in Malaysia, which has generated a newfound sense of confidence and optimism amongst Malaysians.

The Group has weathered the industry downturn throughout the recent years and has managed to deliver profitability year-after-year, without fail. Moving forward, L&G is poised to take advantage of the strengthening market with new launches worth a total of RM710.0 million in Gross Development Value. Our timing could not have been better.

In addition, as of 31 March 2018, our on-going development and undeveloped landbank stands at over 3,000 acres. This provides the Group with an avenue to sustain our growth. Moreover, with our healthy net cash position, we have the capability to seize opportunities that can further enhance our performance.

In order to fully capitalise on the improving operating landscape, it is important that the Group pursues innovative marketing approaches to enhance its sales for its existing and upcoming projects. In addition, customer experience and satisfaction are also integral elements to build long-lasting affinity for the brand.

All in all, the Board of Directors and the senior management team of L&G are committed to working closely and cohesively with each other to ensure that the Group is able to deliver yet another positive performance for our 2019 financial year.

## ACKNOWLEDGEMENT

On behalf of the Board of Directors, I would like to express my sincerest gratitude to our senior management team as well as all employees at L&G for contributing in a positive manner towards continuous profitability of the Group.

We would also like to thank our clientele, business associates, regulators and relevant government authorities for their continued support and cooperation and our shareholders for their confidence and unfailing support over the years.

Further, on behalf of the Board of Directors, I would like to welcome Dato' Pahlawan Mohd Shukri Dahlan, who joined the Board as an Independent Non-Executive Director on 20 November 2017. I would also like to record our appreciation to Mr Chai Keng Wai, who had resigned from the Board on 22 May 2018, for his contribution to the Group.

Terima kasih.

**Dato' Hj Zainal Abidin Putih**  
Chairman  
27 July 2018



## MANAGEMENT DISCUSSION AND ANALYSIS



**Low Gay Teck**  
Managing Director

### DEAR ESTEEMED SHAREHOLDER,

In business as it is in life, change is inevitable. In order to thrive, it is important that an organisation embraces change in a positive manner.

Land & General Berhad (“L&G” or “the Group”) has always been mindful towards change and we have been ever-ready to adapt while at the same time, quickly seizing opportunities that change may bring. This has been reflected in our success of delivering profitable performance over the last eight consecutive years.

The Group has also remained financially strong, with robust cash flow and low gearing in spite of an industry down-cycle. In addition, we are also looking forward to new and exciting product launches that can sustain our performance moving forward.

Ultimately, as Malaysia is experiencing an era of unprecedented change, we at L&G is optimistic that we can maintain our status quo of continuously delivering strong performance to the benefit of our shareholders and grow our Group in a sustainable yet dynamic way.

### A SUCCESS-ORIENTED PROPERTY GROUP

L&G is a Property Group that has been listed on the Main Market of Bursa Malaysia (then known as Stock Exchange of Kuala Lumpur and Singapore) since 1968. L&G’s core business activity is in property development and investment, which is spearheaded by its Property Division. There are also other business activities conducted by the Group, namely education, oil palm cultivation, club operations and building management.

Property Division is the Group’s primary and major income generator. In Malaysia, the Group’s developments are focused in the high-growth Greater Klang Valley area. L&G is also involved in an overseas joint venture development in Melbourne, Australia, called *Hidden Valley*.

In terms of property offerings, L&G’s expertise spans across all property categories, from residential to commercial developments. Nevertheless, since 2009, the Group has been consciously focused on developing high-rise residential properties in vibrant urban communities. This is to cater to Malaysia’s strong economic growth and rapid urbanisation, which has led to a greater demand for well-located high-quality residences.





In terms of property investment, the Group leases two levels of retail space within *8trium*, our premium integrated commercial project in Bandar Sri Damansara. The Group also owns a 13-storey office tower, *Menara L&G*, which is located in Precinct 3, Putrajaya. *Menara L&G* is currently available for lease.

In the Education Division, L&G owns and manages a private school, namely Sri Bestari Private School (formerly known as *Sekolah Sri Bestari*), which offers students a comprehensive high quality education programme from Kindergarten through to Primary and Secondary levels based on the Malaysian national syllabus.

To date, *Sri Bestari Private School* has close to 880 students within its three schools. The school has a strong emphasis on English and Bahasa Malaysia. It also offers an education programme tailored at enabling students to be prepared and equipped to thrive in a competitive work environment as well as being capable of adapting to the global society.



In 2017, the Group's Education Division added *Sri Bestari International School* into its portfolio. The first inaugural intake took place in September 2017 with Year 1 and Year 7 intakes. The International School will have its own buildings and facilities, which are expected to be completed by September 2019 and will be capable of accepting students at all levels, from Year 1 to Year 10.

As of 31 March 2018, the Group is supported by its ever-expanding and diverse workforce of over 300 strong. L&G operates from its headquarters located at *8trium* as well as from its various offices in key locations across its business operations.

## ENHANCING PRESENCE WITHIN THE INVESTMENT COMMUNITY

L&G aims to become a distinguished mid to large market-cap property counter on Bursa Malaysia. Our strategic goal is to see the Group gain presence not only in its size but also in the way the brand is perceived by our industry peers, our customers, our shareholders and our stakeholders at large. We want to see the L&G brand becoming synonymous with excellence in performance reinforced by timely and quality product delivery.

We have made significant strides to achieve our strategic goals in terms of asset growth and market capitalisation. As of 31 March 2018, the Group's total assets is at RM1.55 billion, a noteworthy increase of 40.09% compared to a year ago. Meanwhile, the Group's market capitalisation was at approximately RM512.80 million, a significant increase of 109.05% compared to five years ago (FYE2013).

Clearly, by consistently delivering positive performance year after year, L&G has sustained the growth of its asset base while becoming more and more attractive to the investment community locally and abroad.

In order to achieve positive results consistently, L&G is committed to developing and offering property products that are of high quality, innovative in design and feature layouts that are practical, efficient and functional. Our mindset is to always strive to delight our buyers and investors in every facet of their engagement with us and our products. Only with satisfied customers can L&G's brand equity be strengthened in terms of trust, buy-in and loyalty.

While high-rise residential properties will remain the primary staple of the Group's offerings, we also aim to diversify our portfolio by developing landed properties in strategic locations. This will help safeguard our earnings from short-term fluctuations in demand and pricing.

Simultaneously, L&G will also be constantly on the lookout for strategic landbank that have the potential to generate income growth and positive returns on our investments. With the Group's strong financial footing in the midst of a slow market, we believe that opportunities of good value will present itself in the foreseeable future.

## MANAGEMENT DISCUSSION AND ANALYSIS (cont'd)

### REVIEW OF FINANCIAL RESULTS

For the financial year ended 31 March 2018, L&G recorded a revenue of RM98.02 million, a 107.70% increase compared to RM47.19 million last year. The improvement in revenue was due to higher contribution from the property division.

Operating expenses increased from RM80.55 million to RM105.82 million while other operating income decreased slightly to RM101.49 million from RM103.69 million a year ago.

During the year under review, the Group registered an investment related expense of RM1.19 million. This was mainly due to foreign exchange loss of foreign quoted shares. The Group's finance cost during the year under review rose slightly to RM4.41 million from RM3.81 million.

For FYE 2018, L&G did not record any share of results of a jointly controlled entity (FYE2017: RM3.23 million) but recorded a share of loss from an associate amounting to RM3.30 million. The loss from an associate arose as a result of a subdued performance by Country Garden Properties (M) Sdn Bhd in line with a slower property market during the year.

During the period under review, the Group achieved a pre-tax profit of RM85.98 million, a 23.27% jump compared to RM69.75 million a year ago while profit after tax rose to RM74.91 million from RM51.56 million.

Basic earnings per share attributable to owners of company as at 31 March 2018 was lower at 2.74 sen compared to 3.20 sen a year ago. This was due to the increase in the number of issued and paid-up share capital following the Group's Rights Issue exercises that was completed on 18 May 2017 and the ICULS conversions during the financial year.

Net tangible assets of the Group increased to RM1.12 billion from RM672.81 million a year ago due to the acquisition of companies from Mayland while the gearing ratio as at 31 March 2018 stood at 0.17 times, a slight increase from 0.14 times a year ago. The slight increase was mainly due to the borrowing of Triumph Bliss Sdn Bhd following the acquisition of the said company.

#### Property Division

From a segmental perspective, the Group's Property Division recorded a revenue of RM74.19 million (FYE2017: RM21.55 million) and an operating profit of RM91.91 million (FYE2017: RM56.09 million). The higher operating profit was mainly due to further sales and progressive billings derived from its *Astoria Ampang* project; sale of the Group's land and assets amounting to RM34.66 million arising from the MRT project; and the writeback of provision of RM45.21 million in relation to its *Damansara Foresta* project (FYE2017: RM74.15 million in writeback).

#### Education Division

The Group's Education Division posted a revenue of RM13.92 million (FYE2017: RM13.13 million) and an operating profit of RM4.98 million (FYE2017: RM5.37 million). Operating profit was marginally lower due to higher overheads from the launch of the new *Sri Bestari International School*.

#### Other Businesses

The Group's Other Businesses Division achieved revenue of RM15.41 million (FYE2017: RM17.99 million) and an operating loss of RM3.20 million (FYE2017: an operating profit of RM8.88 million) for the year ended 31 March 2018. This was mainly due to loss on fair value changes on quoted shares.

### REVIEW OF OPERATIONS

#### Property Development: Embracing Excellence with Innovation

The overall Malaysian property sector throughout 2017 and the first half of 2018 remained subdued due to a myriad of factors, from macroeconomic uncertainties to weak consumer sentiment. Nevertheless, there were silver-linings amidst the gloom as the market recorded an improvement in interest and take-up, especially for property projects within strategic locations throughout Malaysia.

According to the National Property Information Centre (NAPIC), the residential sub-sector recorded a slight downturn of 4.1% in transaction volume in 2017 compared to a year ago. Transaction value for the same sub-sector, however, rose by 4.4% year-on-year. The year also saw a 14.4% jump in residential housing projects launches compared to 2016, a possible indication that developers are more confident of the market outlook.





During the year under review, L&G successfully launched Phase 1a of *Sena Parc* in Senawang, Negeri Sembilan, which has a gross development value of RM75.8 million. The development will consist of three phases in total, with total Gross Development Value ("GDV") valued at approximately RM600.0 million.

In June 2018, the Group obtained the final approvals required for *Damansara Seresta* in Bandar Sri Damansara, Selangor, and the first tower of the development is currently opened for sale. The total estimated GDV for the entire *Damansara Seresta* project is RM480 million.

The Group's 112.3-acre landbank at U10, Shah Alam, has successfully obtained its development order in the 2<sup>nd</sup> quarter of 2018. The mixed development project will be branded as *Aria Rimba* and will consist of link houses, semi-detached houses, serviced apartments and affordable houses under the *Rumah Selangorku* initiative.

The Group's acquisition of Triumph Bliss Sdn Bhd from Mayland Properties Sdn Bhd (Mayland) had included a 15.3-acre strategic landbank located at South Lake in The Mines Resort Sri Kembangan. L&G has also obtained a development order for the project, which will consist of a 2,222-unit high-rise serviced apartment that is to be developed in three phases. The total GDV for the project is around RM1.9 billion and is expected to have a time frame of 10 years.

In addition to the Group's upcoming offerings in Shah Alam and Sri Kembangan, L&G is also planning to roll-out several key projects within the next three to five years. These include the redevelopment of the Sri Damansara Club in Bandar Sri Damansara and the residential development for its Ladang Sungai Jernih landbank in Hulu Selangor.

L&G is also in the planning stage to develop the 4.6-acre land located in Taman Sri Ukay Ampang, Selangor, which was acquired from Mayland. The Group intends to spearhead a high-rise development comprising serviced apartments on the

land. This project will have an estimated GDV of RM480 million.

In view of the current and upcoming developments as well as taking into account the operating landscape, L&G has put in place innovative marketing solutions to bolster the sales of its new offerings. At the same time, the Group also embarked on effective advertising and promotional initiatives to strengthen brand awareness and brand affinity. These efforts are reflected in the Group's ability to bring in sales and turn in a stronger performance year-on-year.

### Sena Parc

L&G's flagship landed residential property development in Negeri Sembilan, *Sena Parc*, comprises bungalows, link-cluster houses, semi-detached cluster homes and apartments. This development, which was formerly a prestigious golf course, is set to create a resort-lifestyle experience in and around the state capital of Seremban.

In February 2018, the Group launched Phase 1a of *Sena Parc* that comprises 163 units of double-storey linked houses. To date, the take-up rate for Phase 1a has reached 60%. The encouraging demand was due to the development's attractive product, location and price.





## MANAGEMENT DISCUSSION AND ANALYSIS (cont'd)

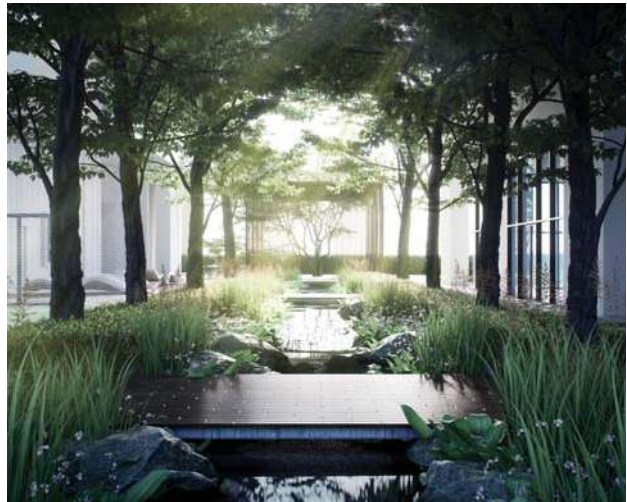
### Damansara Seresta

Located in the matured and thriving township of Bandar Sri Damansara, *Damansara Seresta* comprises two towers, one 43 storeys high and the other 48 storeys, with a total of 452 units and a GDV of RM480 million.

Set against the Bukit Lanjan Forest Reserve as its backdrop, *Damansara Seresta* offers a unique enclave filled with unparalleled greenery, natural beauty and a peaceful ambience. Taking its cue from nature, the development features an ideal integration of modern and contemporary lines with the natural environment.

Residents at *Damansara Seresta* will have the rare opportunity to enjoy the very best that nature has to offer within a stone's throw away from all the facilities and amenities that can cater to the contemporary urban lifestyle. Built-ups of the units range from 1,291 to 3,165 sq ft. and the design offers ample layout, ranging from 3 bedroom-2 bathroom units to 4 + 1 bedroom-5 bathroom units.

*Damansara Seresta* has opened its Tower 1 for sale since June 2018. The entire project is expected to be completed by end of 2021.





## Astoria Ampang

*Astoria Ampang* is a luxury serviced apartment located off Jalan Ampang, Kuala Lumpur. The development follows L&G's successful project in the same vicinity called *The Elements*. *Astoria Ampang* is developed on a 5.7 acre site and is made up of four blocks of service apartment towers. Each tower is 43 storeys high, with 253 units in each block.

The development features a massive 3-acre green recreational area for residents, thus setting itself apart through its architectural excellence as well as its offering of rare lush natural green space in the heart of Kuala Lumpur's city centre. The project also offers a variety of amenities and facilities that cater to the modern urban lifestyle. These include a yoga zone, tennis court, Tai Chi lawn, cycling path, jogging path and an Olympic-length swimming pool, fitness pod, amongst others.

*Astoria Ampang* is also located close to the Middle Ring Road 2 (MRR2), Duke Highway and is within easy access to the public transportation systems.





## MANAGEMENT DISCUSSION AND ANALYSIS (cont'd)

### COMMITMENT TOWARDS QUALITY EDUCATION

Private Education Institutions remain an important component to support nation building. L&G expects to see the demand for private education to grow but nevertheless, the expansion in the number and types of private schools, especially in the Klang Valley, means more intense competition for its schools.

*Sri Bestari Private School*, which is owned and operated by the Group's wholly-owned subsidiary, Lang Education Sdn. Bhd., has been in operation at L&G's flagship township of Bandar Sri Damansara since 1995.

During the year under review, a rebranding exercise was carried out to establish the *Sri Bestari Private School* brand from its previous *Sekolah Sri Bestari* in view of the commencement of *Sri Bestari International School*. The rebranding saw the introduction of a new logo as well as a change in the colour of the existing building from green to a more vibrant multicolored theme.

*Sri Bestari Private School's* implementation of an inquiry-based system in the teaching of science in 2016 onwards has resulted in 100% passes in UPSR Science; where 25% of candidates scored A's in the 2017 national examination. In 2017, the school also secured its second "Green Flag" for eco-schools under World Wildlife Fund ("WWF") and the Foundation of Environmental Education, Denmark. The WWF Green Flag Award is the highest award certification given to schools that are participating in the Eco-School Programme and have showcased continuous commitment, improvement and dedication towards educating their students on matters related to the environment.



*Sri Bestari International School* is the Group's expansion of its offerings to include an international school based on the British National Curriculum. Also managed by Lang Education Sdn Bhd, *Sri Bestari International School* held its first Info Day on 3 June 2017 and has commenced the first intake in September 2017. The school plans to conduct its operations from new buildings starting from September 2019. The new buildings will feature state-of-the-art facilities such as ICT suites, Hall of Arts, large multi-purpose hall, dedicated music rooms, an outdoor swimming pool, a covered indoor playground, larger library and purpose-built classrooms within the same compound of *Sri Bestari Private School*.

On 4 August 2017, *Sri Bestari International School* obtained the Cambridge Assessment International Examinations ("CAIE") approval and has been certified as one of the Cambridge Schools. This is a critical milestone as the school is recognised as a centre that offers Cambridge assessments that include Cambridge Primary Checkpoint, Cambridge Lower Secondary Checkpoint, IGCSE and A-Level Examinations. The first Primary and Lower Secondary Checkpoint was conducted in April 2018. IGCSE Examinations were successfully conducted in June 2018.

*Sri Bestari International School* was able to showcase its competitive capabilities early when its students participated in *World Maths Day 2018*, which was the world's largest online education games associated with UNICEF. In spite of being relatively new, the school was ranked 6<sup>th</sup> in the world under the Year 7 category.



## RISK MANAGEMENT

As a progressive and results-oriented organisation, L&G is mindful of the diverse forms of risk that may impact the Group during the course of its operations.

In order to identify and mitigate these risks, the L&G team pays very close attention to trends and health of the industry. Consistent feedback from our stakeholders are important in ensuring that we are close to the pulse of the industry.

The Board with the support of the Senior Management team also consistently reviews our corporate direction and strategy in response to anticipated changes in political, regulatory and economic conditions.

The Group's commitment towards managing risks pro-actively and comprehensively is detailed in the Statement on Risk Management and Internal Control section of this Annual Report.

## CHARTING SUCCESS IN A NEW ERA

The change in Malaysia's political landscape has brought about a reinvigorated spirit of national pride, camaraderie amongst our fellow Malaysians and confidence in our nation's future ahead. The new Government's commitment towards supporting business growth, enhancing employment opportunities and lowering the cost of living have also injected a measure of optimism not only at home but abroad.

At L&G, we believe that in spite of the short term uncertainties, the future outlook for the property industry is brighter than ever. Improved consumer sentiment and confidence are important factors that will enhance the transaction volume and value of residential and commercial properties throughout Malaysia. As household incomes in Malaysia continue to grow and cost of living at manageable levels, the purchase of properties as a viable investment asset class will also be more active, benefiting developers that are focused on innovation and quality.

L&G remains upbeat on its prospects for its 2019 financial year. The Group's two immediate projects, namely *Sena Parc* and *Damansara Seresta*, are expected to contribute to its financial results in the coming year.

As a Group, we are certainly headed in the right direction. We will continue to unlock maximum value from our existing landbanks while meticulously search and secure landbanks that can add further value to our future growth and prosperity.

In addition, L&G is also mindful of the need to invest and retain the right talent. Our human capital is the most important factor of our success and as such we have and will continue to nurture our employees so that they have the right skills-set and mindset to succeed in this highly competitive industry.

All in all, with the expected challenges ahead, the Group remains optimistic to achieve another profitable year for our financial year ending 31 March 2019.

**Low Gay Teck**  
**Managing Director**

27 July 2018

# CORPORATE GOVERNANCE OVERVIEW STATEMENT

The Board of Directors (“the Board”) of Land & General Berhad (“the Company”) is fully committed to the principles of the Malaysian Code on Corporate Governance 2017 (“MCCG”).

The Board constantly strives to ensure that good corporate practices are carried out throughout the Group as fundamental to fulfilling its responsibilities, which include protecting and enhancing shareholder value as well as the financial performance of the Company.

The Board is pleased to present this Corporate Governance Overview Statement to provide an overview of the application of the 3 Principles as set out in the MCCG. In addition, the Corporate Governance Report which sets out the application of each Practice is available for viewing in the Company’s corporate website at [www.land-general.com](http://www.land-general.com).

## PRINCIPLE A: BOARD LEADERSHIP AND EFFECTIVENESS

### I. Board Responsibilities

#### Board Charter

The Board had formalised a Board Charter, which the primary objective of the Board Charter is to set out the roles and responsibilities of the Board, the division of authority and responsibilities of the Board and Management, terms of reference and composition of Board Committees, and other administrative policies and procedures in relation to the operation of the Board as a whole.

The Board Charter has been reviewed to ensure it remains consistent with the Board’s objective and responsibilities, and all the relevant standards of corporate governance.

The Board Charter can be found from the Company’s website at [www.land-general.com](http://www.land-general.com).

#### Roles and Responsibilities

The roles of the Chairman and the Managing Director are clearly defined, with each carrying out his duties and responsibilities within the Company. The Chairman heads the Board and is responsible for ensuring the effectiveness of the Board. The Managing Director has overall executive responsibilities for the day-to-day business operations and the implementation of the Board’s decisions.

The details of the roles and responsibilities of the Chairman and Managing Director are clearly stated in the Board Charter of the Company.

The Board has established written policy determining which issues would require Board decision and which issues are delegated to the Board Committee or Management, subject to variation from time to time as determined unanimously by the Board.

The Board reserves full decision making powers on the matters relating to:-

- a) conflict of interests relating to major shareholders or a Director or persons connected to Director;
- b) whether convening of a general meeting to approve a transaction or contract is required;
- c) material acquisition and disposal of Company assets not in the ordinary course of business which may require the shareholders’ approval;
- d) investments of capital levels;
- e) authority level, in particular cheque signatories;
- f) cash investment policies; and
- g) key human resource issue e.g. renewal of contract of service and remuneration of executive Directors.

### Overseeing the Conduct of Businesses of the L&G Group

The Board has delegated the Group’s executive responsibilities for day to day business operations to the Managing Director and the Board reviews the business performance of the Group quarterly. Management personnel are in turn delegated with specific functions as assigned by the Managing Director. Plans and operating procedures are in place for each function to ensure continuity and smooth business operations of the L&G Group.

Strategic planning is an ongoing process in L&G. Performance of the Group in each business unit is reviewed and variance analysis is conducted each quarter and reported by the Managing Director at the Board Meeting in the Managing Director’s Report.

Management conducts review and revision of budget of a financial year before end of the 3<sup>rd</sup> financial quarter and also draw up budgets and plans for the next financial years. The revised budget and the budget for the next financial years had been tabled to the Board for deliberation and approval in the 4<sup>th</sup> financial quarter, before commencement of the new financial year.

### **Board Committees**

To assist the Board in the discharge of its duties effectively, the Board has delegated certain functions to the following Board Committees as follows:-

- a) Audit Committee;
- b) Nominating Committee; and
- c) Remuneration Committee.

Each operating within clearly defined terms of reference and the details of which could be found in the appendices to the Board Charter, a copy of which is posted on the Company's website.

The Board noted the decisions, recommendations and issues deliberated by the Board Committees through the minutes of these Board Committees.

The composition and key functions of the Board Committees are summarised as follows:-

#### **a) Audit Committee**

The Audit Committee, comprising wholly non-executive Directors with a majority being Independent Directors, is responsible for reviewing and monitoring the work of the Group's internal audit function as well as ensuring that an objective professional relationship is maintained with the external auditors.

#### **b) Nominating Committee**

The Nominating Committee consists exclusively of Independent Directors.

The key functions of the Nominating Committee include assessing and recommending candidates for the appointment of new directors to the Board, and carrying out annual assessment on the effectiveness of the Board as a whole, the effectiveness of the Board Committees, and contribution of each existing individual Director and thereafter, recommend its findings to the Board, where applicable.

#### **c) Remuneration Committee**

The Remuneration Committee, which comprises entirely non-executive Directors, is authorised to review, assess and recommend to the Board the remuneration of Directors.

### **Support Services**

In furtherance of their duties, the Board is supported by a qualified Company Secretary in carrying out its roles and responsibilities. The Board also have access to the advice of both External and Internal Auditors of the Company and any other independent professional advisers, at the Company's expense.

The Company Secretary provides support services to the Board and Board Committees. The Company Secretary attends all Board meetings as well as Board Committee meetings and ensures that accurate and proper records of the proceedings of such meetings are kept. Further, the Company Secretary also provides advice and updates on regulatory requirements to the Board and Board Committees as well as carried out tasks as assigned by the Board and Board Committees.

### **Independent Directors**

The Independent Non-Executive Directors are independent of management and are free from any business or other relationship with the Company which could interfere with the exercise of their independent judgment. These will ensure unbiased and independent view in the decision-making process.

To reinforce independence, the Independent Directors do not receive performance based remuneration or share based incentives from L&G.

For the financial year ended 31 March 2018, the Nominating Committee had reviewed and assessed the performance and independence of all the Independent Directors, including Dato' Ir Dr A Bakar Jaafar and Dato' Hj Ikhwan Salim Dato' Hj Sujak who have served the Board for a cumulative term of more than 9 years, based on the criteria as set out in Paragraph 1.01 of the Main Market Listing Requirements ("MMLR").

## CORPORATE GOVERNANCE OVERVIEW STATEMENT (cont'd)

In addition to the independence criteria stated under the MMLR, the Independent Directors were also assessed on the following aspects:-

- whether the Independent Directors have the ability to exert considerable influence on the L&G Group's financial transactions; and
- whether there is any significant links with other directors through involvement in other companies or body corporates which would materially hamper the independent judgement or ability to act in the best interest of the L&G Group.

The Board had considered and was satisfied with the assessments carried out by the Nominating Committee.

The Board shall seek shareholder's approval to enable Dato' Ir Dr A Bakar Jaafar and Dato' Hj Ikhwan Salim Dato' Hj Sujak to continue to serve as Independent Directors at the 55<sup>th</sup> Annual General Meeting ("AGM") based on the justifications as set out below:-

- (a) they fulfil the criteria of Independent Directors pursuant to the MMLR of Bursa Malaysia Securities Berhad;
- (b) they provide the Board a diverse set of experience, skill and expertise;
- (c) they are familiar with the Company's business operations and the property development market as they have been with the Company for more than 9 years and are aware of current issues confronting the Company and they continue to provide valuable input to steer the Company forward; and
- (d) they have devoted sufficient time and attention to their professional obligations for informed and balanced decision making and they have not over-committed themselves to other directorships, their personal affair or business.

### Board Meetings

Dates for Board meetings are scheduled in advance before the end of the previous financial year to enable Directors to plan ahead and fit the year's meetings into their own schedules.

Board meetings are held every quarter and additional meetings are convened as and when necessary. Additional Board meetings are held when there are important corporate exercises or issues that require urgent consideration or decision of the Board.

During the financial year ended 31 March 2018, a total of six (6) Board meetings were held.

The attendance of the Board meetings held during the financial year ended 31 March 2018 is as follows:

Directors	No. of Meetings attended/held
Dato' Hj Zainal Abidin Putih	6/6
Low Gay Teck	6/6
Ferdaus Mahmood	6/6
Dato' Ir Dr A Bakar Jaafar	6/6
Dato' Hj Ikhwan Salim Dato' Hj Sujak	6/6
YM Tengku Maruan Tengku Ariff	6/6
Hoong Cheong Thard	5/6
Chiu Andrew Wah Wai	4/6
Dato' Pahlawan Mohd Shukri Dahlan	
(Appointed as Director w.e.f. 20 November 2017)	2/2
Chai Keng Wai	
(Resigned as Director w.e.f. 22 May 2018)	6/6

To ensure effective conduct of Board meetings, a structured formal agenda and Board meeting papers relating to the agenda are circulated to all Directors prior to each Board meeting. Board meeting papers include progress reports on operations, quarterly results of the Group and the Company, financial and minutes of the Board and Board Committees. The Directors are thus given sufficient time to peruse the matters that will be tabled at the Board meetings to enable them to participate in the deliberations of the issues to be raised and to make informed decisions.

Management personnel was invited to attend Board meetings to furnish additional details or clarification on matters tabled for the Board's consideration.

### Directors' Training



# CORPORATE GOVERNANCE OVERVIEW STATEMENT (cont'd)

Directors' Training is important to enable the Directors to equip themselves with the knowledge to discharge their duties more effectively.

The Directors shall attend relevant training programmes conducted by external experts and in addition to this, internal management shall, from time to time, provide updates regarding any latest amendments pertaining to the Listing Requirements of Bursa Securities and statutory provisions or new regulations and accounting standards imposed by the relevant authorities.

Annually, an In-house Directors' Training is organised after the training need of the Directors is reviewed by the Board where the Board would consider whether the training should cover topic on regulatory updates, finance, accounting, taxation, risk management or corporate governance.

During the financial year under review, an In-house Directors' Training entitled "Boardroom Dynamic for A High Performance Organisation" was organised. The said training was conducted by Mr Boey Tak Kong.

Further, the Nominating Committee also encouraged Directors to attend any other appropriate directors' trainings to keep abreast of developments in the marketplace.

The training programmes inclusive of briefings, seminars, conferences, workshops, and others which were attended by the existing Directors of L&G during the financial year, are as stated below.

## Dato' Hj Zainal Abidin Putih

■ Compliance Conference 2017 - Bank Negara	18 May 2017
■ FIDE Core Program - Module A for Insurance - FIDE/ICLIF	2 & 3 August 2017
■ 2018 CIMB Group Risk Posture Workshop for Combined Board Risk Committees - CIMB	10 August 2017
■ CIMB Joint Audit Committees & Board Risk Committees Sharing Sessions - CIMB	17 & 18 August 2017
■ 2017 Global Symposium on Development Financial Institutions - Bank Negara Malaysia	19 September 2017
■ Khazanah Megatrends Forum - Building True Value in a Post Truth World - Khazanah Nasional Berhad	2 & 3 October 2017
■ 2017 CIMB Group Annual Management Summit	17 & 18 November 2017
■ L&G In-house Directors' Training - Boardroom Dynamic for A High Performance Organisation	1 March 2018
■ Audit Committee Conference 2018 - MIA	27 March 2018

## Low Gay Teck

■ Property Market 2017: Status Quo or Road to Recovery - Redha	19 April 2017
■ MIDS Workshop - Bursa Malaysia	2 August 2017
■ Future Forward Forum 2017 - Redha	7 September 2017
■ Global Economic Update - OCBC Bank	20 September 2017
■ Setting the ESG Agenda for Sustainability Reporting - Bursa Malaysia	31 October 2017
■ Annual Regional Real Estate & Property Development Conference - Redha	9 November 2017
■ The 20th National Housing & Property Summit 2017 - ASLI	5 & 6 October 2017
■ One Belt One Road Initiative - Exploring Business Opportunities in Guangdong - Star Property & LBS	18 January 2018
■ L&G In-house Directors' Training - Boardroom Dynamic for A High Performance Organisation	1 March 2018
■ CG Briefing: MCCG Reporting and CG Guide	15 March 2018
■ Breakfast Forum - Navigating 2018 & Beyond - Savills Malaysia	20 March 2018

## Ferdaus Mahmood

■ L&G In-house Directors' Training - Boardroom Dynamic for A High Performance Organisation	1 March 2018
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# CORPORATE GOVERNANCE OVERVIEW STATEMENT (cont'd)

## Dato' Ir Dr A Bakar Jaafar

- Layang-layang PFS Deliverables Presentation at DCNS, Wisma Binja, Kuala Lumpur 16 May 2017
- "Environmental Permitting and Licensing", Paper presented at 3<sup>rd</sup> National Workshop on Ocean Energy 2017: Legal Framework For Ocean Energy - Driven Development in Malaysia, UTM Ocean Thermal Energy Centre 17 May 2017
- "Haze from the scientific perspective: THE WAY FORWARD"  
Paper Presented at UNESCO Expert Group Consultation (EGC) on Bioethical Perspective of Haze 18 September 2017
- "MOSTI-Briefing on OTEC- Ocean Thermal Energy Conversion (OTEC) project under SATREPS and Its Benefits for Sabah, Malaysia" 2 October 2017
- 6<sup>th</sup> MIMA South China Sea Conference (SCS) 2017:  
Forging A Shared Future In The South China Sea 2 October 2017
- Scientific Challenges in EIA Studies in the Deep Waters of the Tropics",  
Paper presented at the 5th International OTEC Symposium, IUT, Le Reunion, France 7-9 November 2017
- OTEC for Power, Water, & Food for Sabah Presentation to  
Ketua Setiausaha PTD Turus II, YBhg Dato' Seri Ir Dr Zaini bin Ujang at  
Kementerian Tenaga Teknologi Hijau Dan Air (KeTTHA) 29 January 2018
- L&G In-house Directors' Training - Boardroom Dynamic for A High Performance Organisation 1 March 2018

## Dato' Hj Ikhwan Salim Dato' Hj Sujak

- L&G In-house Directors' Training - Boardroom Dynamic for A High Performance Organisation 1 March 2018

## YM Tengku Maruan Tengku Ariff

- L&G In-house Directors' Training - Boardroom Dynamic for A High Performance Organisation 1 March 2018

## Hoong Cheong Thard

- China and RMB Forum 2017 - HSBC 6 April 2017
- Seminar - Economic and Market Outlook 2018 - Bank of East Asia 15 January 2018
- CIO Conference Luncheon - Deutsche Bank 31 January 2018

## Chiu Andrew Wah Wai

- UBS Disruptive Technology CEO Summit 2017 - UBS 26 September 2017

## Dato' Pahlawan Mohd Shukri Dahlan

- Mandatory Accreditation Programme (MAP) - ICLIF 12 & 13 February 2018
- L&G In-house Directors' Training - Boardroom Dynamic for A High Performance Organisation 1 March 2018

## Sustainability

In the course of pursuing the vision and mission of the Group, the Board acknowledges that practices which support corporate responsibility are keys to the sustainability of the Group. The Board believes no company can prevail by maximising the shareholder's value alone, and the needs and interests of other stakeholders must be taken into consideration.

More information is provided in the Sustainability Statement on page 44 to 66 of this Annual Report.

### **Code of Conduct**

The Company had adopted a Code of Conduct for Directors relating to ethical practices. A separate set of Code of Ethical Practices relating to Group's business operations was formulated for staff and employees.

Code of Conduct for Directors stresses on the following key values where all Directors of the Group are to:

- act honestly, fairly and professionally in all business dealings;
- foster a culture of integrity;
- work together to promote a safe, ethical and professional workplace;
- comply with the laws, rules and regulations under which the Company conducts its business; and
- respect the local communities wherever the Company operates.

The Code of Conduct for Directors can be found from the Board Charter published at the Company's website at [www.land-general.com](http://www.land-general.com).

### **Whistle-blowing policy**

The Board had formalised a whistle-blowing policy as the Board is committed to the highest standard of integrity, openness and accountability in the conduct of its businesses and operations. It aspires to conduct its affairs in an ethical, responsible and transparent manner. In recognising these values, L&G provides avenues for all employees, and members of the public to disclose any improper conduct within the L&G Group of Companies.

Any concerns relating to misconduct, questionable issues or improper actions should be emailed to [whistleblower@land-general.com](mailto:whistleblower@land-general.com) by providing the following information:-

- nature of misconduct, questionable issues or improper actions;
- name of person/persons involved;
- date, time and location;
- the details of events taken place;
- other witness, if any; and
- documentation or evidence available.

Alternatively, such concerns which shall be classified as "Strictly Private and Confidential" may be directed in writing to the Senior Independent Director which the contact details are set out on page 34 of this Annual Report.

## **II. BOARD COMPOSITION**

### **Composition of the Board of Directors**

The Board's composition is well balanced with five (5) Independent Non-Executive Directors, four (4) Non-Independent Non-Executive Directors and one (1) Managing Director.

The Company is led and controlled by an experienced Board made up of professionals and entrepreneurs who have a diverse range of business, financial and technical skills and experience.

Following the retirement of Encik Ferdaus Mahmood on 31 December 2015 as Executive Director, Encik Ferdaus Mahmood has been redesignated as Non-Independent Non-Executive Director with effect from 1 January 2016. Encik Ferdaus Mahmood continues to undertake the advisory role to Management on operational matters of the Group.

During the year under review, Dato' Pahlawan Mohd Shukri Dahlan was appointed as Independent Non-Executive Director on 20 November 2017 due to his diverse background and experience.

This mix of skills and experience is essential for the successful attainment of the corporate plans and objectives of the Group. A brief profile of each Director is set out on pages 4 to 8 in the *Directors' Profile* of this Annual Report.

### **Activities of the Nominating Committee**

Pursuant to Paragraph 15.08A of MMLR, the activities of the Nominating Committee in respect of the financial year ended 31 March 2018 are summarised as stated below.

The Nominating Committee had two (2) meetings during the financial year under review and all the Nominating Committee members attended the said meetings.



## CORPORATE GOVERNANCE OVERVIEW STATEMENT (cont'd)

Firstly, the Nominating Committee had reviewed and recommended the appointment of an additional Independent Non-Executive Director and had assessed the candidate based on the following criteria as follows:-

- (a) qualification and background;
- (b) work experience;
- (c) other directorships; and
- (d) his ability to discharge such responsibilities/functions as expected from Independent Non-Executive.

The Nominating Committee had also recommended the gender diversity policy in relation to the boardroom diversity for the Board's consideration and adoption which is stated in the next section of this statement.

Secondly, the Nominating Committee had assisted the Board in undertaking the assessments summarised as stated below.

### a) Directors' Annual Assessment

The Nominating Committee undertakes an annual review of the performance of each Director through a self-assessment exercise and upon completion of the review and assessment, the Nominating Committee submits its comments and recommendations to the Board for consideration.

The Director's self-assessment in respect of the financial year ended 31 March 2018 covers the following aspects:-

- (i) fit and proper of a director;
- (ii) contribution and performance of a director;
- (iii) calibre and personality of a director;
- (iv) meeting attendance of Board and Board Committees; and
- (v) training, seminar, conference, etc, attended by director.

All Directors had carried out the Director's self-assessment exercise in respect of the financial year ended 31 March 2018 and the Nominating Committee had submitted its comments to the Board for consideration.

The Nominating Committee had also taken into the consideration the outcome of the Director's self-assessment before making recommendations to the Board for Directors who will be seeking re-election and re-appointment at the AGM.

### b) Board Assessment and Board Committee's Assessments

Annually, the Nominating Committee undertakes Board's assessment and Board Committee's assessments.

The Nominating Committee had conducted Board's assessment and Board Committee's assessments in respect of financial year ended 31 March 2018 and had reported its assessments to the Board.

The Board's assessment covers the following aspects:-

- (i) Board structure;
- (ii) Board operations;
- (iii) Board roles and responsibilities; and
- (iv) Board Chairman's roles and responsibilities.

The Nominating Committee had reviewed the Board Committee's assessments consist of questionnaire which had been completed by the Chairman of the respective Board Committee as follows:-

- (i) Audit Committee;
- (ii) Nominating Committee; and
- (iii) Remuneration Committee.

The said assessments had covered the following aspects:-

- (i) composition of the respective Board Committee;
- (ii) effectiveness of the respective Board Committee's roles;
- (iii) consideration on appointment of Chairman of the respective Board Committee; and
- (iv) documentation of the minutes of the respective Board Committee.

c) Assessment on the members of the Audit Committee

Pursuant to the amended Paragraph 15.20 of the MMLR, where the Nominating Committee of a listed issuer must review the term of office and performance of an Audit Committee and each of its members annually to determine whether such Audit Committee and Members have carried out their duties in accordance with their terms of reference.

The Nominating Committee had reviewed and assessed the performance of each of the members of the Audit Committee through a self-assessment exercise and upon completion of its review and evaluation, the Nominating Committee's comments and recommendations were submitted to the Board for consideration.

The said assessment had covered the following aspects:-

- (i) corporate governance, risk management and internal controls;
- (ii) audit and financial reporting; and
- (iii) skill set.

The Nominating Committee agreed and was satisfied with the performance of the Audit Committee and each of its members.

**Boardroom Diversity**

The Board supports gender diversity as part of the agenda in achieving boardroom diversity as the Board acknowledges and embraces that a wide range of perspectives is critical to effective corporate governance and strategic decision making in the fast changing business environment.

The Company does not practise any gender biasness. Any new appointment to the Board shall always be based on merits, capability, experience, skill-sets and integrity.

During the financial year under review, the Board has set the target to appoint at least 1 female director before the 55th AGM at the recommendation of the Nominating Committee.

**III. REMUNERATION**

The Company aims to set remuneration levels which are sufficient to attract and retain the Directors and Senior Management needed to run the Company successfully, taking into consideration the function, workload and responsibilities.

The Board was assisted by the Remuneration Committee to review and recommend on the remuneration of Managing Director pursuant to the contract of service. The Managing Director's remuneration comprises basic salary and other customary benefits made available by the Group. The Board had approved the Managing Director's remuneration after taking into account the market rates and the performance of the Managing Director and the Group.

The Non-Executive Directors' remuneration comprises fees and meeting allowances that are linked to their expected roles and level of responsibilities. The Directors' annual fees, which are determined by the Board as a whole, are approved by shareholders of the Company at each AGM. The meeting allowances of the Non-Executive Directors are also approved by the shareholders of the Company at the relevant AGM.

The former Executive Director, Encik Ferdaus Mahmood who retired on 31 December 2015 and was redesignated as Non-Independent Non-Executive Director on 1 January 2016, has been paid a (fixed) advisory fee of RM10,000 per month based on a contract of service formalised between the Company and the former Executive Director for his advisory role in relation to operational matters of the Group. Encik Ferdaus Mahmood continues to undertake the advisory role for calendar year 2018. This advisory fee is not subject to shareholders' approval.

As for the Senior Management personnel, at the stage of recruitment, the salaries and benefits were agreed upon before engagements were formalised. The salaries and benefits take into consideration the complexities of the works, qualification and experience and also other factors. As senior management personnel work closely with the Managing Director, their salaries and bonuses were reviewed and decided by the Managing Director after the annual performance appraisal exercise of the Group.

In addition to the Directors' remuneration, the overall annual salary increment, the total wage bill and bonuses for each calendar year of the L&G Group were tabled to the Remuneration Committee for review.

The Remuneration Committee had one (1) meeting during the financial year under review. All members of the Remuneration Committee Meeting attended the said meeting.

# CORPORATE GOVERNANCE OVERVIEW STATEMENT (cont'd)

At the coming 55<sup>th</sup> AGM, the Board shall seek shareholders' approval for Directors' fees and meeting allowances.

Pursuant to Paragraph 9.25 and paragraph 11 of Appendix 9C of the MMLR, the details of the Directors' remuneration of the Company and the Group on the named basis for the financial year ended 31 March 2018 are tabulated as follows:

## A) Managing Director

No.	Name	Defined Contribution Plan	Salaries (RM)	Bonus (RM)	Benefits in kind (RM)	Total (RM)
1.	Low Gay Teck	120,260	803,697	198,444	32,891	1,155,292

## B) Non-Executive Directors

No.	Name of Director	Directors' Fees (RM)	Audit Com <sup>(1)</sup> Fees (RM)	Nom Com <sup>(2)</sup> Fees (RM)	Rem Com <sup>(3)</sup> Fees (RM)	Fees for signing DCR <sup>(4)</sup> (RM)	Total Fees (RM)	Meeting Allowance (Paid) <sup>(5)</sup> (RM)	TOTAL FEES AND MEETING ALLOWANCE (RM)
1.	Dato' Hj Zainal Abidin Putih	120,000	-	-	-	12,750	132,750	8,000	140,750
2.	Dato' Ir Dr A Bakar Jaafar	30,000	10,000	5,000	10,000	12,750	67,750	14,000	81,750
3.	Dato' Hj Ikhwan Bin Dato' Hj Sujak	30,000	20,000	-	-	12,750	62,750	11,000	73,750
4.	Tengku Maruan Tengku Ariff	30,000	-	5,000	-	12,750	47,750	8,000	55,750
5.	Hoong Cheong Thard	30,000	10,000	-	5,000	12,750	57,750	10,000	67,750
6.	Chiu Andrew Wah Wai	30,000	-	-	5,000	12,750	47,750	5,000	52,750
7.	Ferdaus Mahmood	30,000	-	-	-	12,750	42,750	6,000	48,750
8.	Dato' Pahlawan Mohd Shukri Dahlan <sup>(6)</sup>	10,833	-	-	-	3,000	13,833	2,000	15,833
9.	Chai Keng Wai <sup>(7)</sup>	30,000	-	-	-	12,750	42,750	6,000	48,750
TOTAL		340,833	40,000	10,000	20,000	105,000	515,833	70,000	585,833

The total fees amounting to RM515,833 is subject to shareholders' approval at the 55th AGM to be convened.

### Notes:

- (1) Audit Committee
- (2) Nominating Committee
- (3) Remuneration Committee
- (4) Basis used for the computation of additional fees to be paid to Non-Executive Directors based on number of Directors' Circular Resolution signed during the financial year ended 31 March 2018
- (5) Mandate from shareholders obtained from the previous 54th AGM for payment of meeting allowance for Board and Board Committees' meeting held during the financial year under review
- (6) Appointed as Director w.e.f. 20 November 2017
- (7) Resigned as Director w.e.f. 22 May 2018

There is no Directors' remuneration at subsidiary companies.



## **PRINCIPLE B: EFFECTIVE AUDIT AND RISK MANAGEMENT**

### **Financial Reporting**

The Board is responsible for keeping proper accounting records, which disclose with reasonable accuracy at any time the financial position of the Group, and for ensuring that the financial statements comply with the Companies Act, 2016 and applicable approved Accounting Standards in Malaysia.

The Board is assisted by the Audit Committee in fulfilling the statutory and fiduciary responsibilities in the assessment and evaluation of the Group's management and financial reports of the performance of business, accounting policies, risk and internal controls.

The Audit Committee serves as an independent party in the review of the financial information presented by Management before distribution to all shareholders and stakeholders. It ensures that the financial statements comply with applicable accounting standards and also provide direction over the internal audit function and relationship with the external auditors to ensure independence from Management.

The Audit Committee has met with the external auditors in relation to the audit of the annual financial statements in respect of the financial year under review without the presence of the management once.

Further details of the Audit Committee are contained in the Audit Committee's Report in the next section of this Annual Report.

### **Internal Controls and Risk Management**

The Board acknowledges their responsibility to maintain a sound system of internal controls covering not only financial controls but also operational and compliance as well as risk management. This system is designed to manage, rather than eliminate, the risk of failure to achieve the Group's corporate objectives, as well as to safeguard shareholders' investments and the Group's assets. The Board seeks regular assurance on the continuity and effectiveness of the internal control system through independent review by the internal and external auditors.

The details of the Enterprise Risk Management ("ERM") framework are disclosed in the Statement on Risk Management and Internal Control in the following section of this Annual Report.

## **PRINCIPLE C: INTEGRITY IN CORPORATE REPORTING AND MEANINGFUL RELATIONSHIP WITH STAKEHOLDERS**

### **Corporate Disclosure**

To ensure timely and high quality disclosure, Company Disclosure Policies and Procedures are in place where policies, authority chart, procedures and processes are clearly defined.

The Board recognises the importance of timely dissemination of information to shareholders and investors to ensure that they are well informed of all major developments of the Company and the Group. Such information is communicated to shareholders and investors through various disclosures and announcements to the Bursa Securities, including the quarterly financial results, annual reports and where appropriate, circulars and press releases.

In compliance with the Listing Requirements of Bursa Securities, all announcements made by the Company to Bursa Malaysia such as the Group's quarterly financial results, annual reports and other mandatory announcements are made available at the Company's website: [www.land-general.com](http://www.land-general.com).

The website also contains current corporate and non-financial information to provide general information and the on-going business activities of the Group.

### **Relationship with Shareholders and Investors**

General meeting represents the principal forum for dialogue and interaction with shareholders. The Board encourages and welcomes participation from shareholders to ask questions regarding the resolutions being proposed at the meeting and also other matters pertaining to the business activities of the Group. The Directors, Senior Management personnel, the external auditors and advisers are present during these meetings to respond to questions raised by shareholders.

At the 54<sup>th</sup> AGM, the Managing Director and Chief Financial Officer of the Company gave a slide presentation to the shareholders on the Group's operating and financial performance for the financial year under review which included up-to-date operational activities of the Group and following that, a question and answer session with the shareholders was held. As good corporate governance practice, the summary of discussion of the 54<sup>th</sup> AGM is published at the Company's website for public viewing.

At the 54<sup>th</sup> AGM held on 13 September 2017, poll vote was conducted.

**CORPORATE GOVERNANCE  
OVERVIEW STATEMENT**  
(cont'd)

To further promote effective communication and proactive engagement, any concerns or queries regarding the Group can be directed to YBhg Dato' Ir Dr A Bakar Jaafar who is the Senior Independent Director of the Company.

Address : YBhg Dato' Ir Dr A Bakar Jaafar  
c/o Land & General Berhad  
8trium, Level 21 Menara 1,  
Jalan Cempaka SD 12/5  
Bandar Sri Damansara  
52200 Kuala Lumpur

Email : a.bakar.jaafar@land-general.com

In addition, to enable the public to forward queries to the Company, the aforesaid Company's website contains the names, contact email addresses and telephone numbers of the following personnel:

Mr Tan Boon Siong  
Chief Financial Officer  
Telephone No: 03-6279 8030  
Fax No: 03-6275 1715  
Email: bstan@land-general.com

Ms Lee Siw Yeng  
Secretary  
Telephone No. 03-6279 8183  
Fax No: 03-6277 7061  
Email: sylee@land-general.com

**KEY FOCUS AREAS AND FUTURE PRIORITIES**

Moving forward, the Board will continue to enhance the corporate disclosures as required by the relevant regulations and continue to improve the Group's corporate governance practices and procedures particularly on effective risk management and internal control.

# STATEMENT OF DIRECTORS' RESPONSIBILITIES

In Respect of the Audited Financial Statements

Directors are required by company law to prepare financial statements for each financial year which give a true and fair view of the state of affairs of the Group and of the Company at the end of the financial year and of the results of the Group and of the Company of the financial year then ended.

In preparing the financial statements for the year ended 31 March 2018, the Directors have:

- adopted suitable accounting policies and then applied them consistently;
- made judgements and estimates that are prudent and reasonable;
- ensured applicable accounting standards have been followed, subject to any material departure 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 safeguarding the assets of the Group and of the Company and, hence, for taking reasonable steps for the prevention and detection of fraud and other irregularities.

## Board Statement on Suitability and Independence of External Auditors

To uphold the integrity of financial reporting, the Board takes the stand that the external auditors must be objective, independent and competent in performing their audit in relation to the financial statements of the Group and the Company so as to ensure the audited financial statements give a true and fair view of the financial position of the Group and the Company.

## ADDITIONAL COMPLIANCE INFORMATION

- Material Contracts**

The Company had on 30 April 2018 exercised its Option granted by Malaysia Land Properties Sdn Bhd ("Mayland") in favour of the Company for the acquisition of the entire equity interests in Soho Prestige Sdn Bhd ("SPSB") for a cash consideration of RM37,250,000. The Company had on the even date entered into the SPSB Share Sale Agreement with Mayland and had subsequently paid a deposit of RM3,725,000, being 10% of the purchase consideration.

Please refer to the Company's announcement dated 30 April 2018 for further information.

- Audit and Non-audit Fees**

The amount of audit fees paid or payable to the external auditor incurred by the Company and the Group for the financial year ended 31 March 2018 has been reflected under Note 8 to the Audited Financial Statements, on Page 106 of this Annual Report.

The amount of non-audit fees paid or payable to the external auditor incurred by the Company and the Group for the financial year ended 31 March 2018 has been reflected under Note 8 to the Audited Financial Statements, on Page 106 of this Annual Report.

- Status of utilisation of proceeds raised from corporate proposals**

As at 29 June 2018, the total proceeds of RM377,759,526.48 arising from rights issue were utilised as follows:-

Purposes	Proposed utilisation RM'000	Actual utilisation RM'000	Balance unutilized RM'000	Intended timeframe for utilisation from completion date
Settlement of balance of purchase consideration and outstanding balances	314,348	276,862	37,486	Within 18 months
Working capital requirements	60,912	15,411	45,501	Within 36 months
Estimated expenses for the Proposals	2,500	2,500	-	Within 6 months
<b>Total</b>	<b>377,760</b>	<b>294,773</b>	<b>82,987</b>	



The Audit Committee ("AC") was established on 8 August 1991 to act as a Committee of the Board to fulfill its fiduciary responsibilities relating primarily to business ethics, policies and practices, and financial management and controls.

## MEMBERS AND MEETINGS

The AC comprises three (3) members, two (2) of whom are Independent Non-Executive Directors and another one (1) is Non-Independent Non-Executive Director.

The AC held 5 meetings during the financial year ended 31 March 2018. The members of the AC and the record of their attendance are as follows:

	Audit Committee	Position on the Board	Attendance/ Number of meetings held
1.	Dato' Hj Ikhwan Salim Dato' Hj Sujak	Chairman of Audit Committee, Independent Non-Executive Director	5/5
2.	Dato' Ir Dr A Bakar Jaafar	Senior Independent Non-Executive Director	5/5
3.	Mr Hoong Cheong Thard	Non-Independent Non-Executive Director	4/5

AC has explicit right to convene meeting with internal and external auditors without the presence of the Management. The AC held one private meeting with the external auditors in the current financial year.

In compliance with the Listing Requirements of Bursa Malaysia Securities Berhad, the terms of reference of the AC is made available at the Company's website: [www.land-general.com](http://www.land-general.com).

## SUMMARY OF ACTIVITIES OF THE AUDIT COMMITTEE FOR THE FINANCIAL YEAR ENDED 31<sup>st</sup> MARCH 2018

For the financial year ended 31 March 2018, the main activities undertaken by the Audit Committee were as follows:-

### A) Financial Reporting

1. Reviewed the draft quarterly unaudited financial results of the Company and the Group and made the necessary recommendations to the Board for approval for announcement to Bursa Malaysia Securities Berhad;
2. Reviewed the Audit Planning Memorandum before the commencement of audit. The external auditors' engagement partner was invited to present to the AC in relation to the audited financial statements for the financial year ended 31 March 2018 ("AFS"). Matters highlighted and discussed are summarised as follows:-
  - a) Auditor's scope of services and audit fees;
  - b) Auditor's independence in relation to the performance of audit in accordance with MIA By-laws;
  - c) Responsibilities of external auditors, directors and management in relation to the AFS;
  - d) Concept of materiality in relation to the performance of audit;
  - e) Auditor's strategy for multiple locations audit;
  - f) Areas of audit emphasis;
  - g) Involvement of internal audit and others;
  - h) Fraud considerations and risks of management override;
  - i) Audit timeline;
  - j) On-going review of Key Audit Matters;
  - k) Financial reporting developments;
  - l) Changes in regulatory environment - New Malaysian Code on Corporate Governance 2017;
  - m) Sustainability Reporting; and
  - n) Cybersecurity.

# AUDIT COMMITTEE REPORT (cont'd)

## A) Financial Reporting (cont'd)

3. The external auditors had reported its audit findings to the AC on the outcome of their audit in relation to the financial positions of the Company and the Group. At the AC Meeting, the AC had considered and discussed the areas of audit emphasis as reported by external auditors;

The Audit Committee and external auditors discussed and considered the areas of audit emphasis and the outcome of the audit of the Group, summarised as follows:-

- a) Adoption of Malaysian Financial Reporting Standards ("MFRS") framework beginning on or after 1 April 2017;
  - b) Revenue recognition and budget review;
  - c) Acquisition of subsidiaries;
  - d) Accrued property development expenditure
  - e) Impairment of assets;
  - f) Fair value disclosures of investment properties;
  - g) Inventories valuation;
  - h) Provision for financial obligation;
  - i) Related party disclosures; and
  - j) Income taxes (including deferred tax).
4. Reviewed on the assistance given by the Group's employees to the external auditors;
  5. Reviewed the audited financial statements of the Company and the Group prior to the submission to the Board for their consideration and approval (to ensure that the audited financial statements were drawn up in accordance with the provisions of the Companies Act, 2016 and the applicable Financial Reporting Standards in Malaysia); and
    - a) independence and objectivity;
    - b) audit scope and planning;
    - c) audit communication;
    - d) quality processes/performance; and
    - e) audit fees.

## B) Internal Audit

1. Reviewed, discussed and agreed the internal audit plan, scope, timeline and professional fees before commencement of internal audits. The AC also considered experience and background of the principal of the internal audit firm;
2. Reviewed and discussed the internal audit findings and internal audit follow-ups on the key divisions of the Group at the AC meetings. Issues highlighted and discussed include internal control issues and implementation of recommended control measures to be undertaken by the relevant divisions;
3. Reviewed the updated risk profile of the Group and the adequacy and integrity of the internal control systems to manage these risks; and
4. Reviewed and deliberated the internal audit function evaluation pursuant to Guidance for Practice 10.1 of MCCG 2017.

## C) Others

1. Reviewed the Statement on Risk Management and Internal Control and the AC Report for Board's consideration and approval for inclusion in the annual report.

## INTERNAL AUDIT FUNCTION

The internal audit function of the Group was carried out by Bridge Corporate Advisory Sdn Bhd, an independent professional services provider whose principal responsibility is to undertake regular and systematic reviews of the system of internal controls, so as to provide reasonable assurance that such systems continue to operate effectively and efficiently. The internal audit function is to assist the Board and the AC to evaluate the system of internal control and to provide their recommendation to the Board and the Management for further improvement.

The professional service provider is headed by Mr. Tam Kok Meng who reports to the AC. He is a Chartered Member of The Institute of Internal Auditors Malaysia, and member of Malaysian Institute of Certified Public Accountants and Malaysian Institute of Accountants. He is supported by a team of qualified and experienced internal audit professionals.

**INTERNAL AUDIT FUNCTION (cont'd)**

The internal auditors had carried out audits according to the internal audit plan and carry out the function according to International Standards for the Professional Practice of Internal Auditing. The following activities were carried out during the financial year:-

Subsidiaries / Division	Business Process Reviewed
Sri Damansara Sdn Bhd - Seresta and Xtreme Meridian Sdn Bhd - Astoria: Project Development	Tender and Selection of Consultants and Contractors Project Planning and Cost Monitoring Sales and Marketing Management Non Contract Procurement Management General Management
Sri Damansara Sdn Bhd, Maple Domain Sdn Bhd - Property Investment Management	Sales and Marketing Management Cash Management Administration Management
Land & General Properties Sdn Bhd - Property Management	Fees and Collection Management Asset and Facility Management Accounting Management Administration Management

During the financial year, the costs incurred for the internal audit function was RM89,551.56.

DATO' HJ IKHWAN SALIM DATO' HJ SUJAK  
Chairman of Audit Committee  
(Independent Non-Executive Director)

18 July 2018

# STATEMENT ON RISK MANAGEMENT AND INTERNAL CONTROL

## INTRODUCTION

The Malaysian Code on Corporate Governance 2017 requires listed companies to maintain a sound system of risk management and internal controls to safeguard shareholders' investments and the Group's assets. Pursuant to paragraph 15.26(b) of the Listing Requirements of Bursa Malaysia Securities Berhad ("Bursa Securities"), the Board of Directors are required to include a statement in the Annual Report on the state of the Group's risk management and internal controls for financial year under review as set out in the "Statement on Risk Management and Internal Control: Guidance for Directors of Public Listed Issuers" issued by the Institute of Internal Auditors Malaysia.

## BOARD'S RESPONSIBILITY

The Board recognises the importance of a sound system of risk management and internal control to safeguard shareholders' investment and the Group's businesses and assets. The Board acknowledges its primary responsibility to ensure that risks in the Group are identified, measured and managed with appropriate system of risk management and internal controls, and to ensure that the effectiveness, adequacy and integrity of the risk management and internal control systems are reviewed on an on-going basis.

The review covers, inter alia, financial, operational and compliance system controls and risk management procedures of the Group. However, such procedures are designed to manage rather than to eliminate risks that may impede the achievement of the Group's business objectives. Accordingly, the system can only provide reasonable and not absolute assurance against material errors, misstatement, losses or fraud.

The Group has in place an on-going process for identifying, evaluating and managing significant risks that may affect the achievement of business objectives for the year and up to the date of this report. The top risks are reported to the Board on regular basis for their deliberation.

The review of the adequacy and effectiveness of risk management and internal control processes is delegated by the Board to Audit Committee ("AC").

The AC continuously evaluates and monitors the significant risks relevant to the Group and appraises and assesses the efficacy of controls implemented to mitigate those risks through a formalised monitoring and reporting process. Reviews are conducted by the AC on regular basis, with additional reviews as and when required.

Internal control and risk-related matters which warranted the attention of the Board were recommended by the AC to the Board for its deliberation and approval and matters or decisions made within the AC's purview were escalated to the Board for its notation.

## ENTERPRISE RISK MANAGEMENT (ERM)

The Board has formalised a comprehensive Enterprise Risk Management ("ERM") Framework and clear governance structure that takes into account all significant aspects of internal control including risks assessment, the control environment and control activities, information and communication and monitoring. Key business risks have been categorised to highlight the source of the risk, and scored to reflect both financial and reputational impact of the risk and the likelihood of its occurrence.

The Board, AC, Senior Management Team and Heads of Department / Operating units ("HOD") of the Group play an important role in ensuring the effective management of risks. The risk management governance structure sets out the structure used to assign responsibility for managing risks and is based on the following key principles:-

1. Head of Department (or Operating Unit)
  - a) The responsibility of risk identification and management of each operating unit lies with the respective HOD, with the assistance of ERM Service Provider. Any significant risks identified with the corresponding risk management activities are communicated to Senior Management Team before the results are being communicated to the Board;
  - b) Involvement in identification, assessment, mitigation, monitoring and reporting of risks that are appropriate to the needs of the organisation; and
  - c) Implement and manage various controls identified.
2. Senior Management Team
  - a) Provide further input on identification, assessment, mitigation, monitoring and reporting of risks;
  - b) Moderate risk scoring based on group level risk tolerance; and
  - c) Consider and recommend changes of risk profile to AC by looking into the significance and impact of the risk on the overall Group operation assisted by ERM Service Provider.



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

## ENTERPRISE RISK MANAGEMENT (ERM) (cont'd)

### 3. AC

- Ensure that there is a structured risk management framework in place;
- Review the status of implementation of the policies approved by the Board;
- Review the key risk profile of the Group and ensures adequate allocation of resources, appropriate measurements are in place for managing the prioritised risks;
- Communicate to the Board on the changes to the Key Risk Profiles and the course of action to be taken by Senior Management Team and/or HOD in mitigating these risks on periodic basis; and
- Approve changes to Risk Profiles based on recommendation by Senior Management Team assisted by ERM Service Provider.

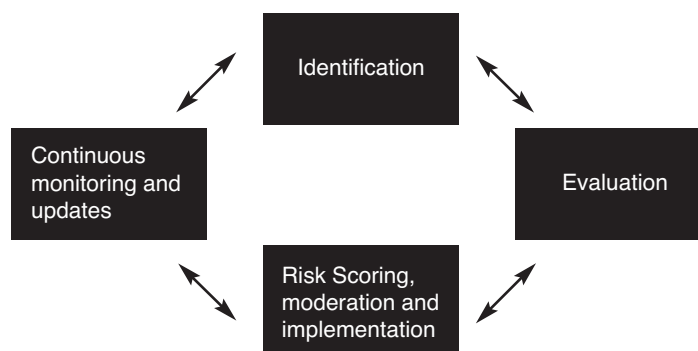
### 4. Board of Directors

- Assumes ultimate accountability over the effectiveness of the risk management and internal control system of the Group by establishing and supervising the operation of the risk management framework.

### 5. Internal Audit

- Review risk management activities adopted to ensure implementation and effectiveness.

The ERM process adopted is as follows:-



## Significant or Main Principal Risk relating to Group's Business

The Group has identified the significant risks that have high potential of impact and likelihood to the overall Group's operation and at the same time maintains the risk management system to ensure that the corporate objectives and strategies are achieved within the acceptable risk appetite of the Group:

Risk Profile	Causes	Mitigation Control
<b>Changes in Interest Rate</b>	Arises from the increase in overnight policy rate by Bank Negara Malaysia (BNM) and margin pricing by banks.	<p>While changes in interest rate is an external factor which is beyond control, the Group mitigates such risk by:</p> <ul style="list-style-type: none"> <li>Monitor the medium term interest rate curve with a view to hedge interest rate risk if it climbs above the project feasibility.</li> <li>Negotiate aggressively with lending banks to reduce finance costs.</li> <li>Spread borrowings with more banks so as not to be too dependent on the usual bankers.</li> </ul>

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

### Significant or Main Principal Risk relating to Group's Business (cont'd)

Risk Profile	Causes	Mitigation Control
<b>Changes in Credit Policy by the Bank Negara and Other Financial Institution</b>	Arises due to new policy adopted by the authorities and tightening of lending policy (i.e. calculation of disposable net income).	The group mitigates such risk by: <ul style="list-style-type: none"> <li>Aggressive sourcing and targeting qualified prospective buyers.</li> <li>Enhancement and value added products by introducing more features (facilities &amp; layout) which differ and outshine its competitors.</li> <li>Proper planning on launch timeline</li> </ul>
<b>Poor Quality of Completed Properties</b>	Arises due to below risks: <ul style="list-style-type: none"> <li>Poor monitoring of project,</li> <li>Corruption among site personnel,</li> <li>Shortage of skilled, workers, and</li> <li>Delays in construction resulting in rushed work.</li> </ul>	The group mitigate such risk by: <ul style="list-style-type: none"> <li>Periodic monitoring and reporting to the management by the project manager.</li> <li>Engagement of competent and responsible site supervisor and manager to monitor quality of properties.</li> <li>Competent consultants visiting site on a timely basis and do not certify claims submitted by contractor for work that is not up to the mark.</li> <li>Benchmark the construction against international standards.</li> <li>Warranty clause and performance bond are imposed on contractors.</li> <li>Warranty certificate will be issued by contractor upon completion of work.</li> <li>Payment will be held for any Non-Conformance Report (NCR) issued by engineer or architect until work / issue rectified.</li> </ul>

The ERM policy is mandatory for all operating units and forms an integral part of good management practice for the Group. Its purpose is to foster a proactive risk management culture within the Group's companies and departments.

As at the date of the Annual Report, the ERM framework and the Group risk profile are subject to yearly review or as and when necessary.

### INTERNAL AUDIT FUNCTIONS

The internal audit function of the Group is carried out by Bridge Corporate Advisory Sdn. Bhd., an independent professional services provider which supports the Board with much of the assurance it requires regarding the adequacy and effectiveness of the Group's system of controls, procedures and operations.

Internal audits are undertaken to provide independent assessments of the adequacy, efficiency and effectiveness of the Group's internal control systems, and reports are made to the AC on a quarterly basis. The AC also has full access to both internal and external auditors and receives reports on all audits performed.

The internal audit function reviews the internal controls in the key activities of the Group's business based on the annual audit plan and carry out the function according to International Standards for the Professional Practice of Internal Auditing, which is presented to the AC for approval. Since the adoption of the risk policy, the internal audit function has taken on a risk-based approach when preparing its audit strategy and plans, after having considered the risk profiles of the operating companies and divisions of the Group.

The system of internal control has been structured in such a manner that it has provided reasonable assurance that the likelihood of a significant adverse impact on objectives arising from a future event or situation is at a level acceptable to the business. It achieved this through a combination of preventive, detective and corrective measures.

The audit reports that were tabled to the AC for their deliberation on quarterly basis include management response and corrective actions taken or to be taken in regards to the specific findings and recommendations. The Management as a whole is responsible for ensuring that the necessary corrective actions on reported weaknesses are promptly taken. The AC presents its findings regularly to the Board.

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

## OTHER KEY ELEMENTS OF INTERNAL CONTROL

The other key elements of the Group's internal control system that are regularly reviewed by the Board and are described below:

- Defined appropriate level of delegation and reporting lines of responsibilities to Board Committees and to Management, including organisational structures and appropriate authority levels;
- Documented internal policies and procedures set out in the Group Procedures & Authorities (GPA) Manual, which are continuously reviewed and improved upon to reflect changes in business structures and processes. This provides a sound framework of authority and accountability within the organization and facilitates proper corporate decision making at the appropriate level in the organization's hierarchy;
- The Board receives and reviews regular reports including key operating statistics from the Management on the performance of operating units;
- A detailed budgeting process requires all operating units to prepare budgets annually which are reviewed and approved by the Board;
- The Board deliberates and approves the quarterly financial information which have been reviewed by the AC;
- The Board ensures that the risk management and control framework is embedded into the culture, processes and structures of the Group, where the framework is responsive to changes in the business environment and clearly communicated to all levels; and
- In respect of material joint ventures and associates, there are Board level representations from the Group to oversee the administration, operation, performance and executive management of these companies. Financial and operational information of these companies is provided regularly to the Management of the Group.

## REVIEW OF THE STATEMENT BY EXTERNAL AUDITORS

As required by Paragraph 15.23 of the MMLR, the external auditors have reviewed this Statement on Risk Management and Internal Control ("Statement") and reported to the Board that nothing has come to their attention that causes them to believe that the Statement is not prepared, in all material aspects, in accordance with the disclosures required by Paragraphs 41 and 42 of the Statement on Risk Management and Internal Control: Guidelines for Directors of Listed Issuer, nor is the Statement factually inaccurate.

## CONCLUSION

The Board has received assurance from the Managing Director and Chief Financial Officer that the Group's risk management and internal control system is operating adequately and effectively, in all material aspect, based on the risk management and internal control system of the Group.

The Board is of the view that risk management and internal control system in place for the year under review and up to the date of issuance of the financial statement, is adequate and effective to safeguard shareholders' investment and the Group's asset. Notwithstanding this, reviews of all control procedures will be continuously improved and enhancement of the existing system of risk management and internal controls will be made, taking into consideration the changing business environment.

# SUSTAINABILITY STATEMENT

## 1. About This Statement

We at Land & General Berhad (“L&G” or “the Group”) are pleased to present our second sustainability statement that describes our responsible business practices across economic, social and environmental parameters. By monitoring the progress of our sustainability issues, we are able to track our sustainability progress and move forward to achieve our corporate vision which is depicted in our motto of “Building Value for Tomorrow”.

This sustainability statement covers activities carried out during the reporting period, which is from 1 April 2017 to 31 March 2018 and has been prepared in accordance with the Global Reporting Initiatives (GRI) 4.0 Sustainability Reporting Guidelines.

The scope of this statement covers the Group’s two main business divisions, i.e. the property and education division with an emphasis on the property division which is the division with the highest contribution to the Group’s revenue.

## 2. Sustainability Strategy and Roadmap

### Our Sustainability Strategy

In building value for tomorrow in line with the principles of sustainability, it is important to establish a strong governance structure that would steer the Group towards developing a sustainable business model. By building on our commitment to embed sustainability in the marketplace, workplace, environment and community, we are able to establish ourselves as a successful business in Malaysia and the region.

## Building Value for Tomorrow

### Vision

Establish ourselves as a major and successful business group in Malaysia and the region

### Mission

- Bring in sustainable profits in the future along with a living community and environment that is both invaluable and sustainable
- Prioritise long-term relationships with shareholders and stakeholders to secure value and profit for all parties and their investments
- Create development projects that upgrade and enhance lifestyles, propelling working and living environment to greater heights
- Build a solid financial foundation to ensure shareholders obtain consistently good returns

Using our corporate vision and mission statements as the foundation, we have developed our long-term sustainability strategy. The 4 pillars of our sustainability strategy capture our aspiration towards strengthening our presence in the marketplace, creating a productive and conducive workplace, promoting environmental stewardship and building a more resilient and sustainable community.



## Sustainability Strategy



### Marketplace

To establish a market presence built on a solid financial foundation that ensures a sustainable revenue stream for the Group and good returns for our investors.



### Workplace

To create a workplace that is safe, embraces diversity and provides fair and equal opportunity for employee growth and career development.



### Environment

- To promote environment stewardship in property development and education by establishing the concept of sustainability and embedding the culture into our value chain.
- To develop sustainable and well-planned urban living spaces without compromising on our responsibility to the surrounding environment, both during construction and upon completion of project.



### Community

- To build projects of enduring value for our customers and to uplift the quality of surrounding areas, to have a positive impact on the surrounding communities.
- To integrate entrepreneurship into sustainability and develop leaders of tomorrow, both within the Group and the local community, to drive the vision of sustainability throughout our operations and towards nation building.

### Our Commitment to the Global Agenda on Sustainable Development

Globally, there is an increasing awareness on the economic, environmental and social challenges facing our planet. To combat these challenges and to ensure the preservation of our planet for future generations, the United Nation's unveiled the 17 Sustainable Development Goals (SDGs). These SDGs were affirmed by 193 member states including Malaysia. The 17 SDGs, as shown below, lay the foundation for the achievement of the targets presented in the 2030 Agenda for Sustainable Development.

# SUSTAINABILITY STATEMENT (cont'd)



At L&G, we are cognisant of our responsibility in supporting the aspirations of the United Nations and the Government of Malaysia and therefore strive to embed the SDGs into the Group's business operations. Of the 17 SDGs, 5 SDGs, namely, Good Health and Well-Being (SDG3); Quality Education (SDG4); Decent Work and Economic Growth (SDG8), Sustainable Cities and Communities (SDG 11) and Peace, Justice and Strong Institution (SDG16) are relevant to our operations. We have therefore integrated elements of these goals into our operations to advance sustainable development through the investments we make, the solutions we develop, and the business practices we adopt.

To this end, our business practices, policies and developments are built on a robust framework that is aligned to these five (5) SDGs, where we invest in developing our surrounding communities and providing opportunities for quality education and well-being.



## SDG 3:

We are committed to creating a safe workplace and promoting healthy living amongst our employees.



## SDG 4:

Our education division serves to educate and train our students to be the next generation of leaders.



## SDG 8:

By providing job opportunities and equipping our employees with various training and development programmes, we aim to create a workplace that is conducive to productivity and growth.



## SDG 11:

We build sustainably by integrating the natural environment with the built environment and preserving the habitat for most of our development projects.

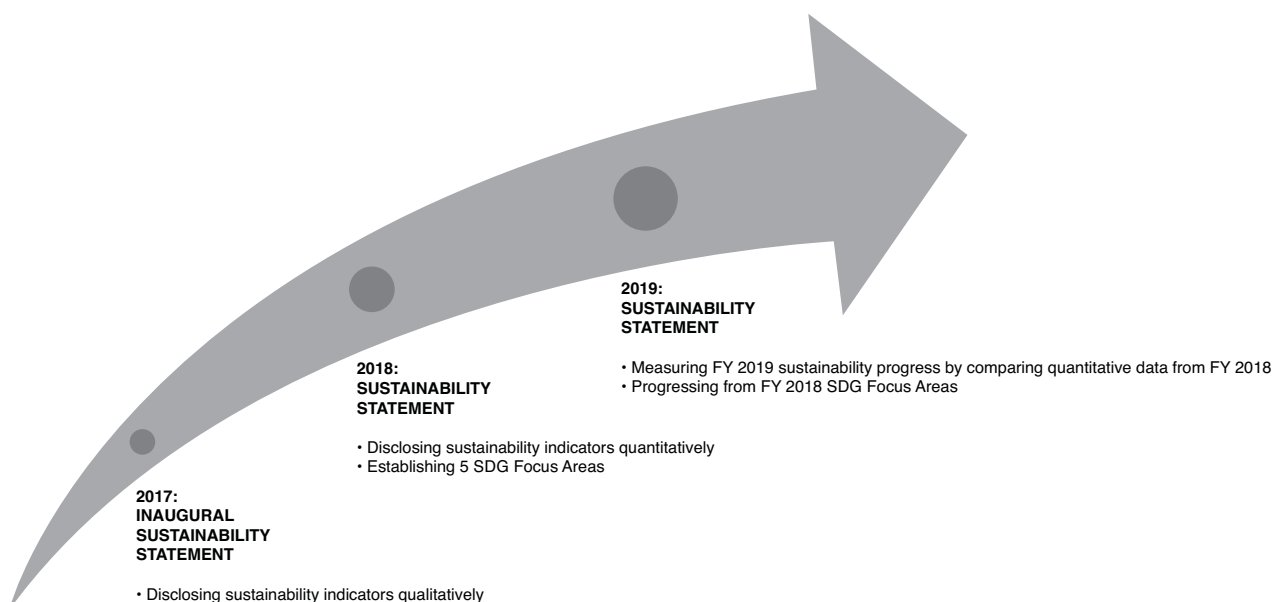


## SDG 16:

We place ethics and integrity at the centre of our business operations and have policies in place towards embedding such values throughout our organisation.

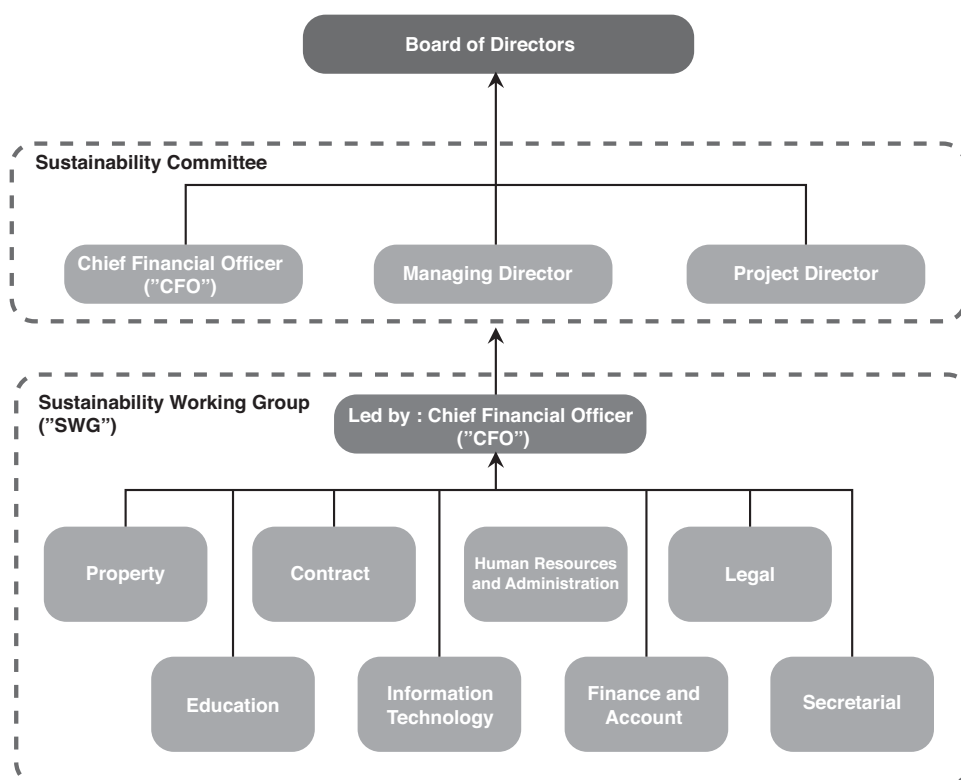
## Our Sustainability Journey

Building from our previous inaugural sustainability statement, we have improved our data disclosure by collecting quantitative data on additional indicators which form the baseline to improve upon for the following years. We have also aligned our sustainability initiatives to the selected United Nations SDGs to show our commitment towards corporate sustainability. Moving ahead, we will show improvement based on our achievement in 2018.



## 3. Sustainability Governance

We recognise that the key to embed the culture of sustainability across the Group and to effectively implement sustainability initiatives is to establish a robust governance structure. Our governance structure is essentially a two-tier structure as illustrated below.



## SUSTAINABILITY STATEMENT (cont'd)

The Sustainability Working Group (SWG), led by the Chief Financial Officer (CFO) constitutes representatives from six departments from our Corporate office and two representatives from our Education and Property Divisions respectively.

The Managing Director (MD) who plays an advisory role to the Sustainability Committee is tasked to provide support, guidance and oversight of the SWG's progress. The Sustainability Committee will engage in frequent discussions to review and evaluate the sustainability development progress as implemented by the SWG across the Group. The final responsibility of sustainability lies with the BOD.

### **Roles and Responsibilities**

#### **BOD**

- Oversees the Group's sustainability initiatives
- Reviews and approves sustainability strategies, policies and initiatives
- Endorses the proposed sustainability initiatives and material sustainability matters related to the Group

#### **Sustainability Committee**

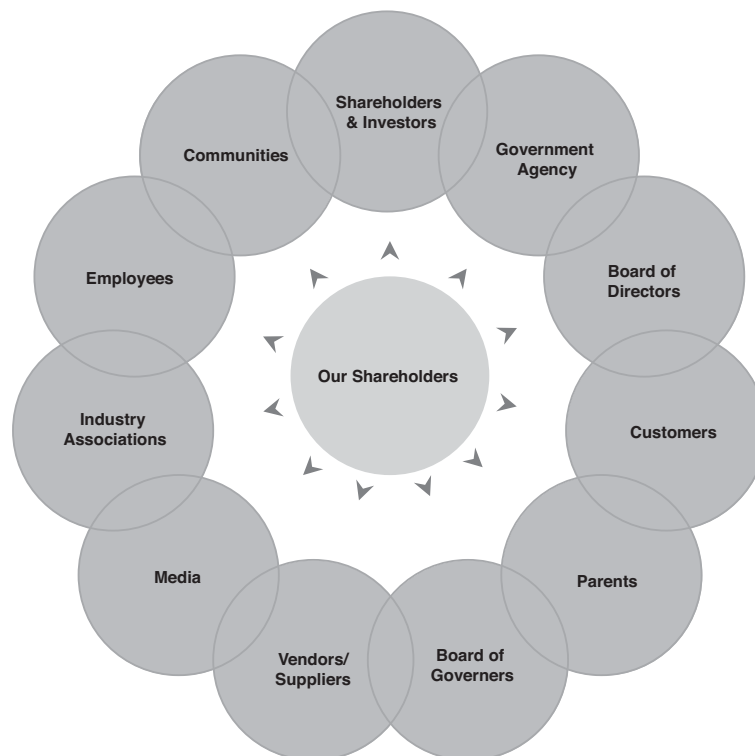
- Guides and advises the SWG on the development of sustainability strategies and initiatives
- Reports to the BOD on the proposed sustainability initiatives
- Presents the annual sustainability statement for approval of the BOD

#### **SWG**

- Identifies the material sustainability matters relevant to the Group
- Implements sustainability initiatives approved by the BOD across the Group
- Collects data and reports the progress of the Group's sustainability efforts

#### **4. Stakeholder Engagement**

Our key stakeholders are those who are influenced by our business operations and whose concerns and interests regarding our business practices influence the direction of the Group. Each stakeholder group has their own areas of interest and we continue to maintain an open channel of communication to ensure that their concerns are addressed.



The stakeholder engagement table illustrates the areas of interest each stakeholder group – both internal and external – may have and the way we maintain our communication with them. Each stakeholder group was evaluated by the SWG to identify whether they are of critical, high or moderate priority to the Group. The level of priority is mentioned against each stakeholder group in the table below.



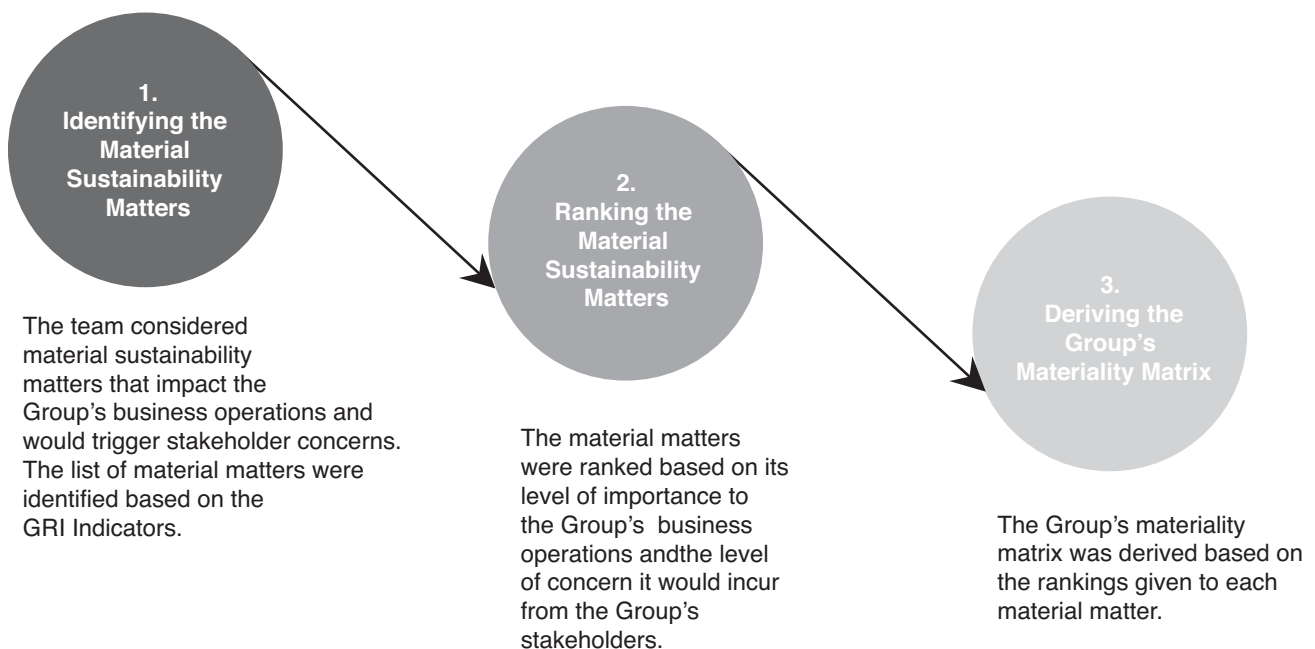
Stakeholders	Areas of Interest	Methods of Engagement
<b>Stakeholders &amp; Investors</b> (Critical)	<ul style="list-style-type: none"> <li>• Group's financial performance</li> <li>• Corporate governance and compliance</li> <li>• Ethical business conduct</li> </ul>	<ul style="list-style-type: none"> <li>• Annual general meeting</li> <li>• Quarterly results announcement</li> <li>• Investor Relations page on the Group's website</li> <li>• Concerns and queries directed to Chief Financial Officer / Company Secretary</li> <li>• Meeting with analysts and fund managers</li> </ul>
<b>Government Agency</b> (Critical)	<ul style="list-style-type: none"> <li>• Approval and permit</li> <li>• Compliance with the latest regulations and requirements</li> </ul>	<ul style="list-style-type: none"> <li>• Regular meetings with regulators</li> <li>• Public consultations with residents' association &amp; local authorities</li> <li>• Site inspections</li> </ul>
<b>Board of Directors</b> (Critical)	<ul style="list-style-type: none"> <li>• Financial performance</li> <li>• Compliance</li> <li>• Growth and direction of company</li> </ul>	<ul style="list-style-type: none"> <li>• Quarterly meetings</li> <li>• Board meetings</li> <li>• Ongoing electronic communications</li> </ul>
<b>Customers</b> (Critical)	<ul style="list-style-type: none"> <li>• Product and service quality</li> <li>• Updates on latest product and service offerings</li> <li>• Green building certification</li> </ul>	<ul style="list-style-type: none"> <li>• Feedback and enquiry templates</li> <li>• Marketing campaigns</li> <li>• Company website and social media network</li> <li>• Student Portal and Parent's Portal</li> <li>• Customer Satisfaction Survey</li> </ul>
<b>Employees</b> (Critical)	<ul style="list-style-type: none"> <li>• Career development</li> <li>• Safety and health at workplace</li> <li>• Work life balance</li> <li>• Employee welfare and benefits</li> <li>• Staff training</li> </ul>	<ul style="list-style-type: none"> <li>• Performance appraisal</li> <li>• Staff e-Portal (Education)</li> <li>• Work safety training on site</li> <li>• Annual dinners</li> <li>• Sports Club activities</li> <li>• Best Employee Awards</li> </ul>
<b>Parents</b> (Critical)	<ul style="list-style-type: none"> <li>• Environmental and surrounding of school</li> <li>• Eco-schools certification</li> <li>• Academic performance</li> </ul>	<ul style="list-style-type: none"> <li>• Campaigns and events</li> <li>• Open Days</li> </ul>
<b>Board of Governors</b> (High)	<ul style="list-style-type: none"> <li>• Teaching methodology</li> <li>• Academic performance</li> </ul>	<ul style="list-style-type: none"> <li>• Quarterly meetings</li> <li>• E-mail communications</li> </ul>
<b>Vendors / Suppliers</b> (High)	<ul style="list-style-type: none"> <li>• Cost of materials and services</li> <li>• Quality and time-efficient delivery</li> <li>• Legal compliance</li> </ul>	<ul style="list-style-type: none"> <li>• Contract negotiations</li> <li>• Supplier audits and evaluations</li> <li>• Vendor registration screening (pre-qualification of suppliers and contractors)</li> </ul>
<b>Media</b> (High)	<ul style="list-style-type: none"> <li>• Company reputation</li> <li>• Creating awareness of product offerings</li> <li>• Communication of corporate news</li> </ul>	<ul style="list-style-type: none"> <li>• Ongoing engagement sessions</li> <li>• Press conferences and interviews (mainstream media and web-based platforms)</li> <li>• AGM Meetings</li> </ul>
<b>Industry Associations</b> (Moderate)	<ul style="list-style-type: none"> <li>• Environmental and social issues in relation to business operations</li> <li>• Latest building products and services</li> <li>• New acts and regulations relevant to business operations</li> </ul>	<ul style="list-style-type: none"> <li>• Information exchange</li> <li>• Seminars, events and networking sessions</li> </ul>
<b>Communities</b> (Moderate)	<ul style="list-style-type: none"> <li>• Environmental impacts</li> <li>• Social contribution</li> <li>• Community care &amp; support</li> </ul>	<ul style="list-style-type: none"> <li>• Corporate social responsibility activities</li> <li>• Community engagement and outreach programmes</li> <li>• Strategic partnership</li> <li>• Charity Run</li> </ul>

## SUSTAINABILITY STATEMENT (cont'd)

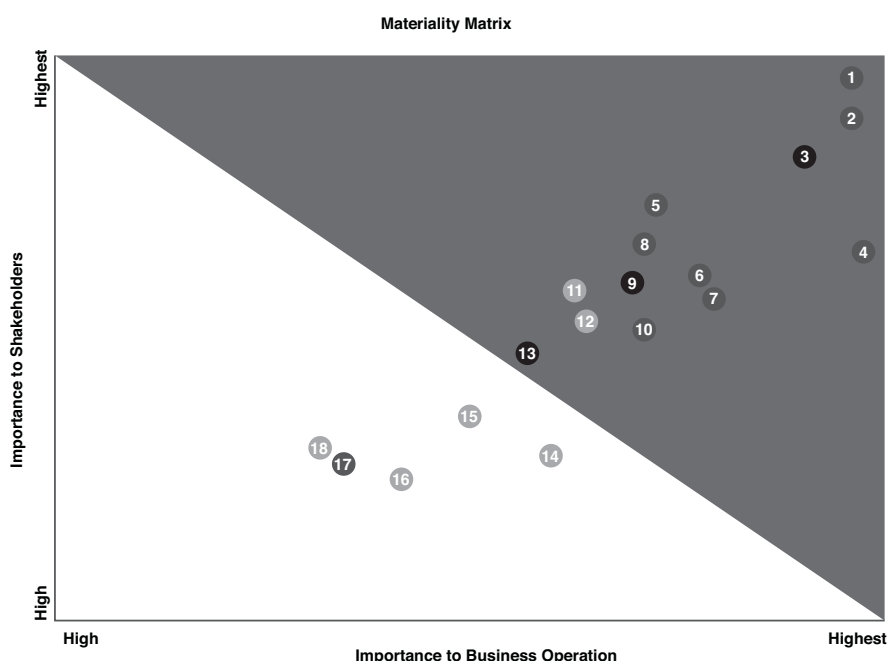
### 5. Materiality Assessment

Taking a robust approach to identify and rank the Group's economic, environmental and social (EES) material sustainability matters is key to achieving our sustainability ambition and realising our corporate vision. Prioritising each material matter based on its level of importance to our business operations as well as our stakeholders enable us to identify key focus areas that we will be able to meaningfully address and improve in the long run.

Our materiality assessment followed a series of systematic steps that involved open engagement with our internal stakeholders and the SWG in a workshop setting.























Results from our materiality assessment were mapped out into a matrix as presented below.



(Note: Please refer EES Matters as tabulated in the next page of the sustainability statement.)

We also took the added steps to map each EES material matter to its respective stakeholder group(s), GRI indicator and related SDGs which has been presented in the table below.

Material Sustainability Matters	Applicable GRI Indicator(s)	Relevant Stakeholders	Related SDGs
1. <b>Product Quality and Services</b>	Product Service and Labelling	Vendor/Suppliers, Customers	
2. <b>Compliance</b>	Compliance	Shareholders & Investors, Government Agency, Parents	
3. <b>Economic Performance</b>	GRI General Standard Disclosure	Shareholders & Investors, Government Agency, Civil Society Organisations, Industry Associations	
4. <b>Customer Feedback and Response</b>	GRI General Standard Disclosure	Shareholders & Investors, Government Agency, Civil Society Organisations, Industry Associations	
5. <b>Anti-Corruption</b>	Anti-Corruption	Shareholders & Investors, Government Agency, Industry Associations	
6. <b>Employee Development and Training</b>	Training and Education	Employees, Board of Directors	
7. <b>Health and Safety</b>	Occupational Health and Safety	Employees, Government Agency, Industry Associations	 
8. <b>Diversity and Equal Opportunity</b>	Diversity and Equal Opportunity	Employees, Board of Directors	
9. <b>Industry Presence</b>	GRI General Standard Disclosure	Industry Associations, Shareholders & Investors	
10. <b>Employee Benefit and Engagement</b>	Diversity and Equal Opportunity	Employees, Board of Directors	
11. <b>Waste Management</b>	Waste and Effluent	Government Agency, Communities, Industry Associations	
12. <b>Energy</b>	Energy	Communities, Industry Associations	
13. <b>Procurement Practices</b>	Procurement Practices	Shareholders & Investors, Government Agency, Board of Directors, Customers, Vendors/Suppliers, Industry Associations	
14. <b>Water</b>	Water	Government Agency, Communities, Industry Associations	
15. <b>Biodiversity</b>	Biodiversity	Government Agency, Communities, Industry Associations, Customers	
16. <b>GHG Emission</b>	Emissions	Government Agency, Communities, Industry Associations	
17. <b>Local Community Contribution</b>	Local Communities	Communities	 
18. <b>Eco Schools Programme Status</b>	GRI General Standard Disclosure	Industry Associations, Parents, Media, Communities	

# SUSTAINABILITY STATEMENT (cont'd)

## 6. Our Marketplace

As an established player in the Malaysian property development market, we strive to strengthen the local economy and sustain the economy into the future while maintaining financial profitability. Our economic sustainability activities focus on business efficiency, delivery of quality product and profitability.

We have delivered sustainable economic growth to our stakeholders by designing and engineering each development project to secure value, profit and investment for all parties. The Group's economic performance is disclosed and further discussed in the Management Discussion and Analysis section of this Annual Report.

### 6.1 Risk Management

The Group's success over the past decades as an established property developer has progressively increased our depth of understanding the trends and risks associated with the property sector. A comprehensive Enterprise Risk Management (ERM) framework has been established and diligently implemented to formalise the process of risk identification and management procedures. The ERM framework was prepared in accordance to Malaysia's **Statement on Risk Management and Internal Control: Guidance for Directors of Public Listed Issuers**. Further details of the ERM framework and its management practices are described on Page 40 to Page 43. of this Annual Report.

By effectively managing our business and operational risks, we ensure the sustainability of the Group and address those material matters that can detrimentally impact the economic value and market presence of the Group.

Assessing the Group's risk factors in an effective and unbiased manner involved external auditors and the input from five key departments of the Group – Finance and Accounts, Project Development, Property Investment and Maintenance, Sales and Marketing, and Legal.

### 6.2 Corporate Governance

In governing our economic material matters, we adopted the Malaysian Code on Corporate Governance 2017 (MCCG 2017) which outlines three main "Principles" that an organisation should incorporate into its business practices. Detailed descriptions of the Principles are disclosed on Page 24 to Page 34 of this Annual Report.

In addition to the MCCG 2017, we assure our stakeholders of our compliance to Malaysia's regulations by adhering to all laws and regulations.

Two important material aspects that influence our business operations is compliance to human rights and health and safety requirements set by the government. These social risks make up part of the identified EES risks that are relevant to the Group's business operations are governed among others by the following regulations:

- **Companies Act 2016**
- **Housing Developers (Control and Licensing) (Amendment) Act 2015**
- **Strata Titles (Amendment) Act 2013**
- **Strata Management Act 2013**
- **Stamp Act 1949**
- **Employment Act 1955**
- **Capital Markets and Services Act 2007**
- **Occupational Safety and Health Act (OSHA) 1994**
- **Children and Young Persons (Employment) Act 1966**

Education plays an important role in shaping the future of our younger generation. As the Group continues to make its impact in the property industry, we ventured into the education industry by providing quality education. Through strict implementation of the national curriculum at Sri Bestari Private School ("SBPS" or "the School"), we adhere to the **Education Act 1996** and the **National Education Policy**.

Our main contractors appointed for our development projects are required to strictly adhere to these regulations thereby preventing any form of child or forced compulsory labour practices that would breach human rights practices and negatively impact the integrity of our development projects.

#### MCCG 2017 Principles

**Principle A:** Board Leadership and Effectiveness

**Principle B:** Effective Audit and Risk Management

**Principle C:** Integrity in Corporate Reporting and Meaningful Relationship with Stakeholders



## 6.3 Ethics and Integrity

We expect our employees to uphold professional conduct throughout their tenure at the Group. As a service provider for both the property and education industry, our employees are required to perform to the best of their abilities and be accountable for their actions and decisions when liaising with the rest of our stakeholders. To effectively manage this, the Group has outlined a Code of Conduct and Ethical Practices (Code) to ensure that our business operations are carried out with the highest degree of professionalism.

The Code represents the Group's expectations on its employees with respect to integrity, creating a corruption-free environment, avoidance of conflict of interest and ensuring regulatory compliance. New employees within the Group are briefed on the Code and its requirements during their induction training.

Code of Conduct  
and Ethical  
Practices  
(Management)

### 6.3.1 Whistle-blowing Policy and Procedures

We established the Group's **Whistle-blowing Policy and Procedures** as an avenue for our stakeholders to anonymously report any concerns regarding any business malpractices or non-compliance to regulatory requirements. The policy outlines a list of misconducts that would require reporting. The policy also outlines the protection a whistle-blower is entitled to receive once the reported information has been verified and ensures that no penalty will be imposed if the claims were found to be untrue.

## 6.4 Procurement Practices

L&G has put in place a **Standard Operating Procedure and Best Practices on Procurement** to ensure a transparent procurement process that improves competition and reduces the possibility of unfairness and corruption.

We prefer to source and procure locally as an action to support the local vendors and suppliers thus further improving Malaysia's economy. By sourcing locally, we also minimise our contribution to carbon emissions by reducing the number of import materials from international suppliers which would require additional transport, subsequently utilising more fuel and releasing more carbon emissions.

## 6.5 Hiring of Senior Management

When hiring our Senior Management, we prefer to hire from the local community. This is to provide opportunities for qualified and experienced Malaysians in senior leadership positions. We also consider hiring of local candidates as investing in the local economy and as a measure towards securing local employment opportunities. Furthermore, as Malaysians, they have a better understanding of the Group's business needs in Malaysia, taking into account the diversity of culture, values and traditions that exist within the multi-racial population of Malaysia. Our senior management is entirely hired from the local talent pool.

100%  
Local Hires for  
Senior  
Management  
Positions

## 6.6 Product Quality and Services

In L&G, we place product quality to be of utmost importance. To maintain the quality of our development projects, we closely monitor the quality of work delivered by our contractors by adopting Quality Control tool such as Project Quality Plan.

Appointed contractors are required to submit a Project Quality Plan which consists of Quality Policy, Quality Management System and Quality Operating Procedure to ensure there is proper monitoring and measures to control the contractor's work quality. For example, we guarantee project quality assurance for our Astoria project, by applying the Quality Assessment System in Construction (QLASSIC) whereby developers are required to achieve more than 75 points through the assessment system to receive the building quality certification.

### Project Quality Plan

- Quality Policy
- Quality Management System
- Quality Operating Procedure

## 6.7 Customer Feedback and Response

As a responsible developer, we respond promptly to our customers' concerns and feedback. We strive to resolve customer complaints within 30 days from the day the complaint is lodged. Part of the challenge we encounter is the volume of complaints received from our projects. While this does not represent the integrity of business operations, we strive towards achieving betterment in the promptness of our response to customer feedbacks and look towards ensuring that our future projects incur less negative feedbacks.

## SUSTAINABILITY STATEMENT (cont'd)

### 7. Our Workplace

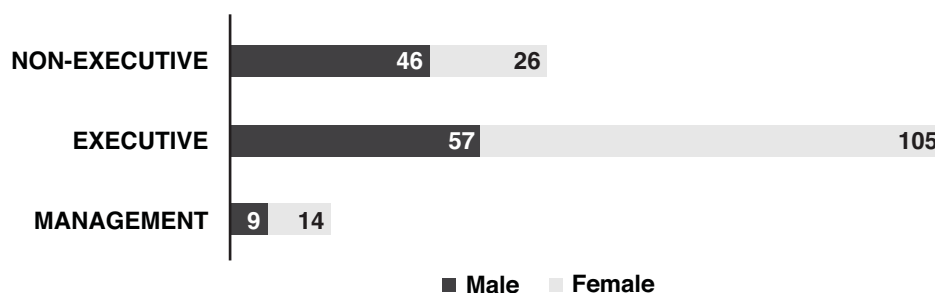
We are committed to creating a conducive workplace in L&G by understanding, accepting and valuing diversity amongst our employees. We consider employee safety to be of utmost importance and invest in various training and development programmes to equip our employees with adequate skills and competency to maintain a competitive edge in the marketplace.

Our success in the property and education industry has further solidified our status as a diverse business that provides services that benefit the community around us. This success is not achievable without the dedication and excellence of our employees and contractors alike. While it is important to maintain the well-being of our employees, the mechanisms we apply to manage our contractors during our project developments play an important role at ensuring the success of our business endeavours.

#### 7.1 Employee Distribution

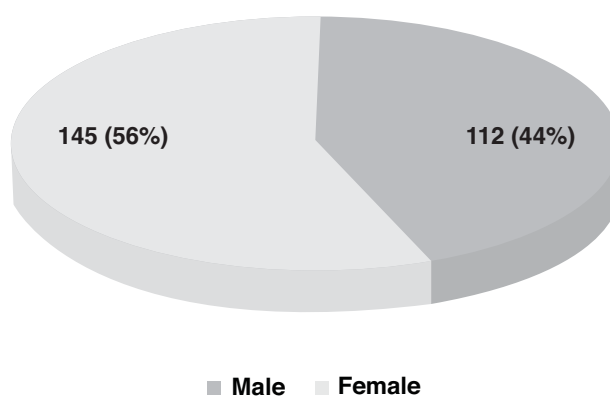
Our workforce continues to grow in tandem with the growth of the Group and the increasing opportunities in the property and education sectors.

**Employee Designation Distribution by Gender**



We strictly hire our employees based on merit, experience in the industry, academic achievements and skills. The gender distribution of our workforce reflects diversity and equal opportunity, both of which we encourage at L&G. At the management and executive level, female employees form the majority with 14 and 105 employees respectively. At the non-executive level, we have more male (46) employees than female (26).

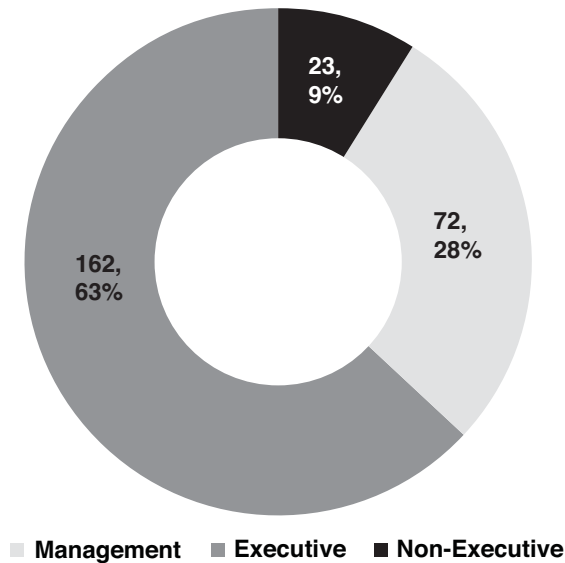
**Employee Gender Distribution**



In fact, the overall employee gender distribution of the Group's corporate, property and education divisions show that there are more women (56%) than men (44%).

Despite the slight gender gap, we hold firmly to our principle by hiring employees who are qualified for the job position based on their experience, capabilities and skills regardless of gender.

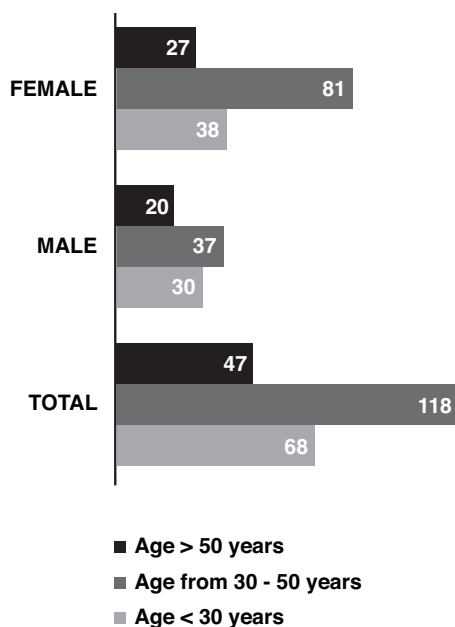
### Employee Designation Distribution



Our highest employee composition holds executive-level responsibilities (63%), followed by employees who are at a management level (28%). Our non-executive employees only comprises of 9% of the Group's employee distribution.

We believe that our employees should always be given fair opportunity to take up responsibilities within the Group and grow their professional career. As such, we continuously encourage our employees to showcase their performance to support their career growth to higher employment positions.

### Employee Gender Distribution



Most of our employees fall between the ages of 30 and 50 years (118). However, we look to hire experienced employees based on their ability to contribute their wealth of knowledge and experience to the Group. 68 employees of L&G's workforce are above the age of 50.

Our hires also include young talent, those who are aged below 30 years old (47), to ensure that fresh ideas and innovative minds continue to help facilitate the growth of our business and we contribute to grooming Malaysia's young pool of talent.

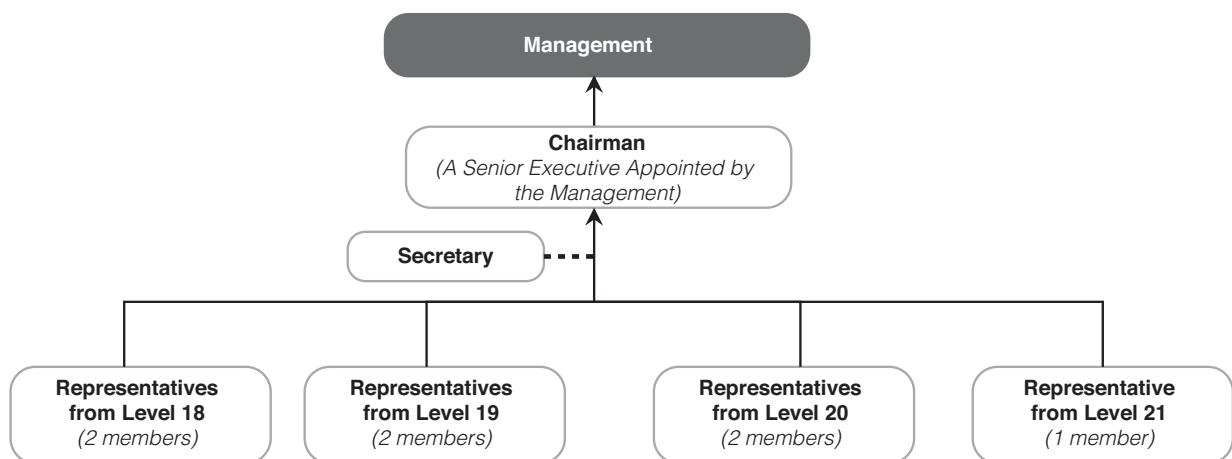
*\*The employee distribution presented in this statement represents employees from the corporate, property and education divisions.*

# SUSTAINABILITY STATEMENT (cont'd)

## 7.2 Occupational Safety and Health

We place a heavy emphasis on maintaining excellent safety and health standards throughout the Group. The safety of our business operations, namely the property and education divisions are managed by an Occupational Safety and Health (OSH) Committee and an Emergency Rescue Team (ERT) respectively. They are tasked with the responsibility of monitoring, reporting and implementing safety and health measures at the workplace. OSH Policy is put in place to further strengthen our commitment to maintain workplace safety in L&G.

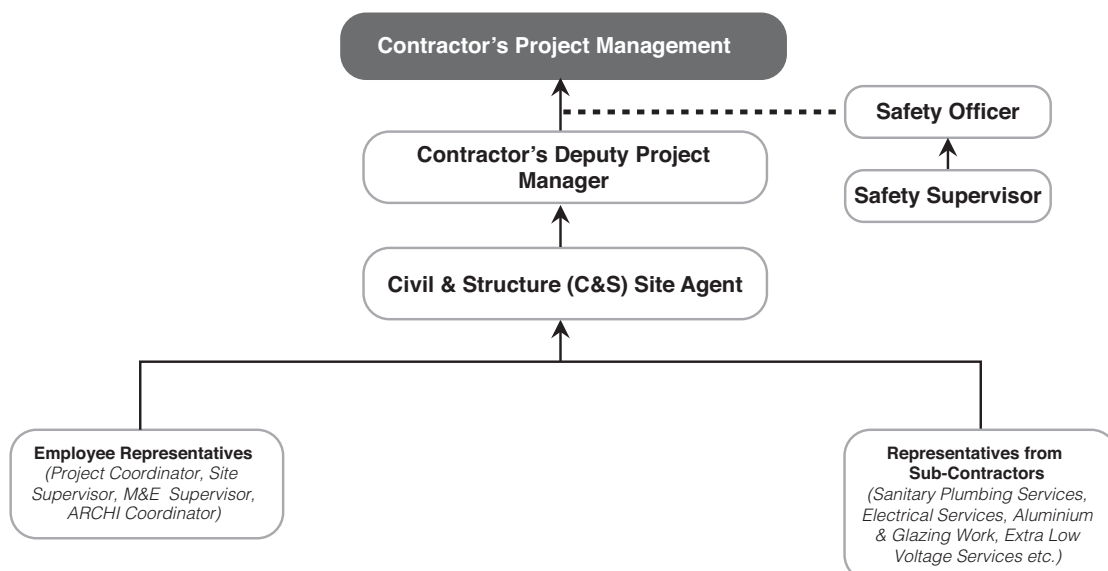
Our corporate building has established an OSH Committee which consists of staff representatives from four different office levels. In total, nine (9) employees make up the committee, eight (8) of which reports to the Chairman who then reports to the management team of the office. Safety and health measures are implemented across Group levels to ensure that the general well-being of our employees and other stakeholders are constantly maintained and protected.



### Property

As property developers, we recognise how important the safety and health of the project site and contractors is to the success of the project. In our Contractor Agreement, there is a clause which stipulates the hiring of a competent OSH officer to oversee the health, safety and environmental conditions of the project development sites. Furthermore, the progress of the project's safety and health conditions will have to be reported to the Group by the contractors on a fortnightly basis.

Our project development phases are often supported by a team of representatives, both from our employees working on site and sub-contractors, who report to the respective project manager on matters relating to safety and health conditions at the site. This forms the basic framework of our safety and health committee for each project, an example of which is illustrated in the flow chart below for our Astoria property development project.



**Astoria Property Development Project Safety and Healthy Committee Chart**

The safety and health committee overseeing the Astoria project convenes once a month to discuss and highlight key safety and health issues that arose during the project development phases. The meetings involved discussions regarding contractual issues, building site issues, environmental issues and general information regarding the safety and health conditions of the project site.

Our contractor's site workers are required to attend weekly 'Toolbox' meetings where the safety officer or supervisor will highlight environmental, safety and health topics such as personal protective equipment, health, scaffolding safety, project housekeeping, maintaining working tools and equipment and more.

While we maintain an excellent record of no accident at the workplace in FY2018, future efforts will be towards maintaining zero accident at the workplace at our project sites.

## Education

The welfare of the staff and students enrolled at Sri Bestari Schools remain a top priority to the Group. To protect our students and teachers from potential accidents or hazards that may arise during and after school hours, we initiated an Emergency Rescue Team (ERT) aptly trained by Jabatan Bomba dan Penyelamat Malaysia to handle any emergency responses and conduct appropriate evacuation plans should the need for one arise.

## 7.3 Training and Development

We believe that comprehensive and topic-specific training is important to ensure that our employees are given the opportunity to learn and develop innovative practices and skills that will further enhance their career growth and employability.

The Group's Human Resources department allocates training programmes for corporate-related topics such as financial planning or business administration programmes, while safety induction programmes and fire safety conferences are organised for employees working in the property division.

Training programmes were offered to employees of the corporate office with the aim of improving employee performance, overcome competency gaps and develop new management or technical skills.

In the fast-paced and demanding property development market, it is important for our employee to be equipped with the latest rules and regulations set by the regulators in addition to business, legal and technical knowledge to remain competitive in the market.

At Sri Bestari Schools, we give special attention to develop teaching competencies and enhance syllabus knowledge of our teachers in the education division to ensure that our school continues to provide exemplary educational services. With more than 50 different varieties of training programmes endorsed by the Group for its school teachers, our teachers remain well trained and possess the skills to deliver the subject syllabus as outlined by the government.

### Highlights from the Astoria Project Safety and Health Committee Meeting

#### General Information

- Personal protective equipment (PPE)
- Safety induction
- Toolbox meeting
- Workers living quarters

#### Contract Issues

- Worker's permit
- Project quality plan
- Safe work method statement (SWMS)

#### Project Site Issues

- Site visits by representatives from the Department of Safety and Health (DOSH)
- Permit for hot work
- Prohibiting the use of wooden ladders

#### Environment Issues

- Drainage system
- Open burning
- Stagnant water sources
- Oil spills

### Corporate and Property Development Training Programmes

14 Varieties of  
training  
programmes

More than  
450 hours  
dedicated to  
employee training  
programmes

### Teachers Training Programmes

More than 50  
Varieties of training  
programmes

More than  
1424 hours  
dedicated to  
teachers training  
programmes



# SUSTAINABILITY STATEMENT (cont'd)

Highlights of the training programmes as listed in the table below showcase our commitment to continue building a better future for our current and future generations. We believe that this sets the pace for the Group and its industry peers to continuously strive to achieve best practices and meet national standards.

## Corporate Training Programmes

Annual Report – Essential Information the Stakeholders Want to Know  
New Malaysian Code of Corporate Governance 2017 – A Comprehensive and Actionable Work Plan  
Updates of the 2016 and 2017 International Financial Reporting Standards (IFRS)  
Malaysia Employers Federation (MEF) Workshop “Employment Insurance System”

## Property Training Programme

Safety Induction for Construction Workers (SICW)  
International Fire Conference and Exhibition Malaysia

## Education Training Programme

Inquiry-Based Science Education (IBSE) - National Innovation and Creative Economy (NICE) Expo  
Questioning Skills  
Ujian Peperiksaan Sekolah Rendah (UPSR) Registration Briefing  
ULBS Sijil Pelajaran Malaysia (SPM) Subjects

### 7.4 Employee Benefits and Engagement

We empower our full-time employees with generous benefits and recognition to promote a healthy and harmonious workplace environment. These benefits include the General Hospitalisation and Surgical (GH&S) insurance, access to dental services and outpatient treatment medical coverage as outlined by the Group Procedures and Authorities (GPA). Eligible employees are also given the opportunity to receive staff discounts when purchasing residential properties developed by the Group based on the terms and conditions outlined by the GPA.

Yearly, our employees undergo performance appraisal sessions, during which their key performance indicators (KPIs) and achievements are reviewed and evaluated. We practice this to promote fair and equal opportunities given to employees whose performance exceeds their targets and are eligible for salary adjustments or job promotions. Those who underperform or whose performance does not meet the Group's expectations will be appraised fairly and given the necessary support needed to achieve their future targets.

Throughout FY2018, we employed several methods of engagement with our employees. These include the annual dinner, team building activities and team holidays. The Group believes that by cultivating workplace harmony and improving employee camaraderie, we can achieve better job performance and build loyalty amongst our workforce.

#### Benefits

- GH&S insurance
- Dental services
- Outpatient treatment medical coverage
- Staff discount for property purchases

#### Annual appraisals for performance evaluation

## Employee Engagement Programmes

Sightseeing and snorkelling - Pulau Pangkor, Perak  
Treasure hunt and other games - Forest Research Institute Malaysia (FRIM)  
Inter-LGB bowling tournament  
2017 Annual dinner and team building - Janda Baik, Pahang

Awards and recognition are given to employees who have shown exemplary working standards as well as loyalty towards the Group throughout the years. We award these candidates the Best Employee Award and Long Service Award, respectively. The responsible Head of Department for each of the Group's divisions are given an evaluative form to rate their employees, on a scale of 1 to 5, based on 'Performance Attributes' and 'Behavioural Conduct'. Results from this evaluation are then used to identify the best employee that has contributed towards the Group's growth.

## 8. Our Environment

L&G is committed to demonstrate environmental stewardship by reducing energy and water consumption, managing waste responsibly and conserving biodiversity through our property and education division.

As property development is our largest business sector, we are aware of the environmental impacts that arise from our development activities. Therefore, we are committed to reduce our environmental footprint through reducing our energy consumption, water consumption and creating nature-aligned developments. At our education division, we have achieved significant strides in sustainability. Our education division, SBPS is a proud Green Flag Award holder because of our efforts to promote environmental stewardship by holding numerous successful environmental awareness campaigns to educate the students, staff and parents.

### 8.1 Preserving the Environment at Our Flagship Projects

*'Living in Harmony with Nature'*

Our motto above captures our commitment to preserving the environment. We remain true to this by developing our two main flagship projects, Damansara Foresta and Astoria, by protecting and integrating as much of the natural environment into these projects as we can.

It is L&G's objective to create and maintain ecosystem balance and sustainable development to facilitate a cohesive environment between the community and surrounding nature. Water elements and green elements such as wetlands, cascading waterfalls and certain plant species are maintained to blend in nature with the built environment.

#### 8.1.1 Damansara Foresta

The integration of nature into the built environment is demonstrated in the landscape planning of Damansara Foresta, where efforts were made to maintain the overall biodiversity of Bandar Sri Damansara.

The Damansara Foresta project is a high-rise condominium developed across 15.65 acres of freehold land, designed to uplift the residential aesthetics within the green lung of Bandar Sri Damansara. We began our efforts to integrate the natural environment with our development project by engaging with the Department of Forestry to assess the building site and identify the number of trees that can be preserved.

We are proud to announce that at least 3,000 trees were considered viable for preservation, considered as the green lung for this project, maintaining the land's natural landscape as much as possible while still managing to achieve urban development. The purpose of the green lung is to act as a natural sound barrier for our residents as well as serve as a natural breakwater from torrential rainfall which would otherwise slowly corrode the land.

Another aesthetically pleasing concept of preserving the natural environment is the project site's preservation of the natural water spring originating from the hills of Bandar Sri Damansara. We developed the condominium area in such a way where the flow of the natural water spring was redirected into our landscape water fountains before ultimately being channelled into the development's water harvesting system to be recycled for other irrigation purposes.

The trees and plants that were selected to surround the development site include flowering and leafy species that offer shade, perimeter fencing and aesthetically pleasing for our residents to enjoy. Damansara Foresta is a project unlike none other that we have embarked on, preserving 21 acres of land for nature which amounts to 50% of the overall land acreage at the development site. Our efforts were rewarded when the Group won the Asia Pacific Property Awards 2013-2014 under the Best Landscape Architecture category.

#### Long Services Award and Best Employees Award Results for FY2017

##### Long Services Award

- 25 Years - One Employee
- 20 Years - Six Employees
- 15 Years - Four Employees

##### Best Employees Awards

- Two Employees - One in Credit Control Division and One in Legal Division



## SUSTAINABILITY STATEMENT (cont'd)

### 8.1.2 Astoria Ampang

Developed on 5.7 acres of land, Astoria Ampang is another example of our architectural excellence through seamless integration between urban development and natural environment. Comprising of four main towers, the serviced apartments boasts high-end building facilities as well as up-close experience with Kuala Lumpur's bio-diverse environment.

We lay out the blueprint of the development to preserve the wetlands and woodlands that have naturally developed at the project site. Our consciousness of maintaining most of the natural surroundings of the development site was rewarded when the Group won the Asia Pacific Property Award 2016-2017 for the Best Residential Landscape Architecture category. Development projects which participated are judged by a highly experienced team of professionals who cover the whole range of property disciplines. Our effort to analyse, plan, design and manage the built and natural environment earned us the distinguished architectural and landscaping award.

### 8.2 Energy

Climate change is heavily influenced by carbon emissions which has been exponentially increasing due to anthropogenic causes. Our energy consumption during the project development phase and at our schools determine the amount of carbon emissions we contribute into the environment.

The Group's decision to adapt to sustainable development includes evaluating our energy consumption practices and establishing initiatives that would effectively reduce our consumption activities. We achieve this by taking the fundamental step of monitoring and recording our electricity bills, both at the Group corporate office as well as Sri Bestari Schools.

Efforts to create awareness to both our corporate office employees, Sri Bestari Schools staff and students include ongoing campaigns that elaborate on the importance of conserving electricity and implementing simple but effective reminders to switch off lights and air conditioning when they are not in use. At Sri Bestari Schools, we apply a strict timing for when our air conditioning is switched on, which is at 10.30 am, to avoid any unnecessary electricity consumption.

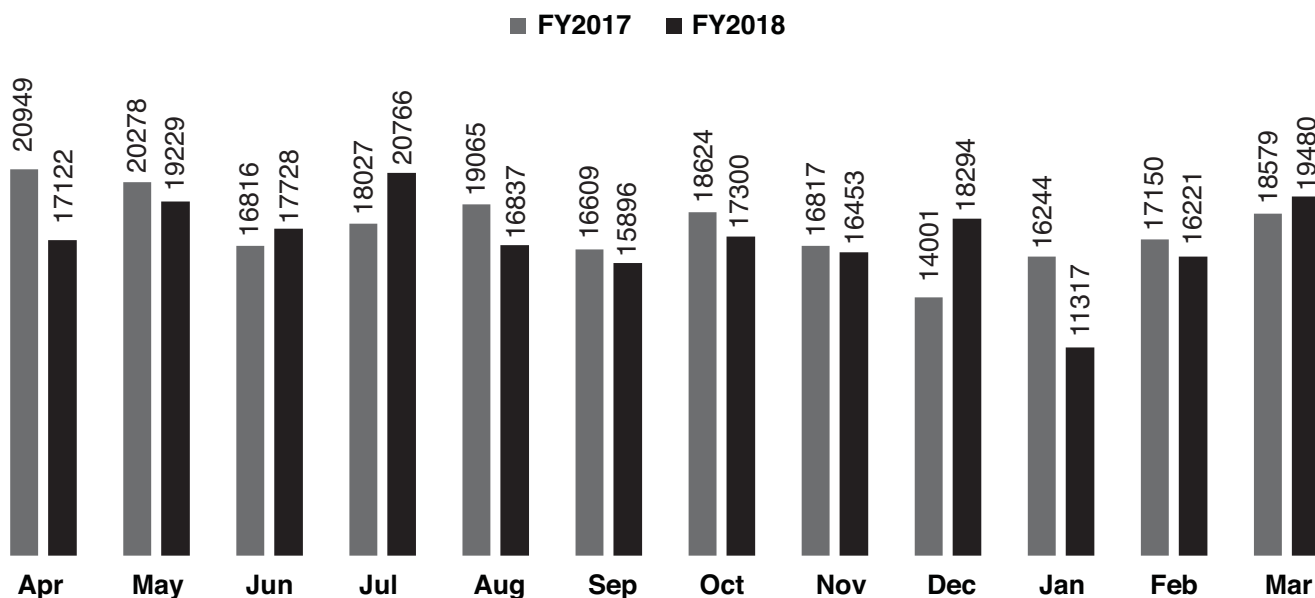
The illustrations below outline a comparison of our energy consumption between FY2017 and FY2018 for our corporate office and Sri Bestari Schools.

#### Corporate Building

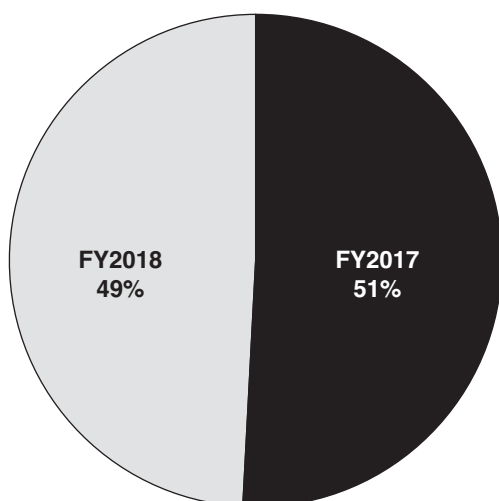
The corporate building electricity consumption data shown below for FY2017 and FY2018 show a similar trend of our electricity consumption. The electricity consumption pattern showed a stable monthly usage and consumption throughout the 2 years except a slight dip on December and January which is a period when our employees clear their annual leaves.



**Corporate Building Electricity Consumption for  
FY2017 and FY2018 (kWh)**



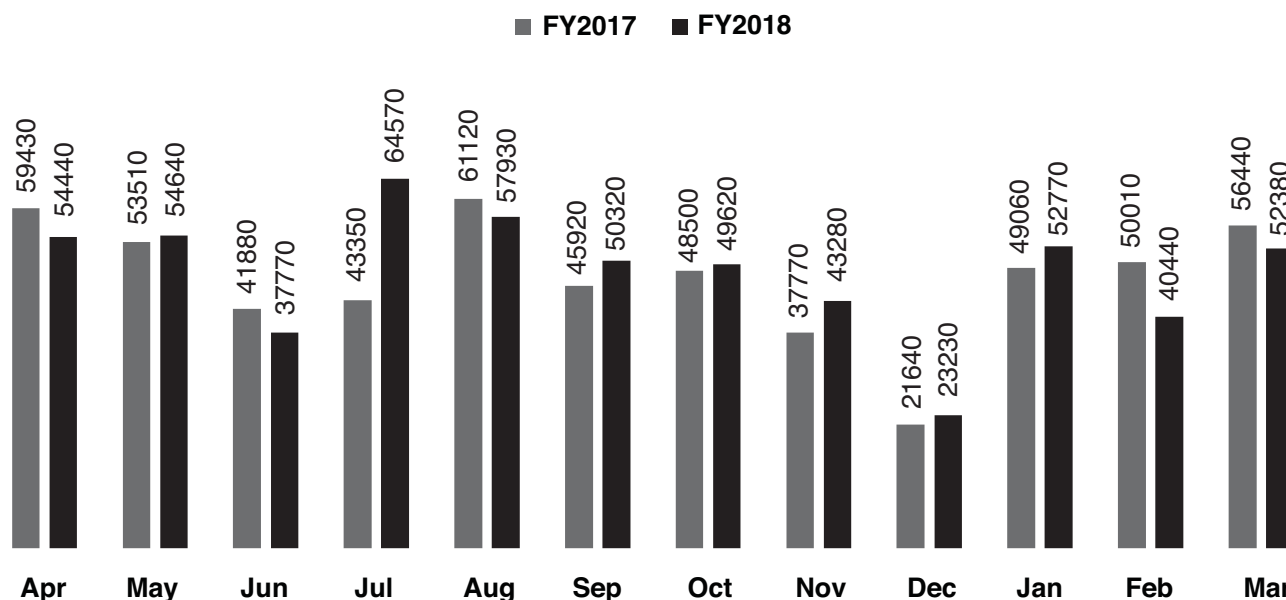
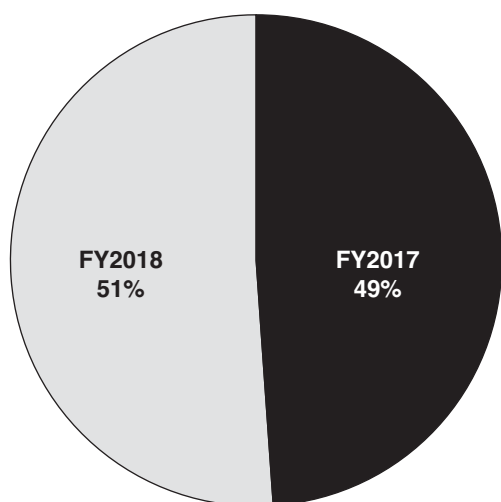
**Percentage of Corporate Building  
Electricity Consumption  
for FY2017 and FY2018**



With the Group's effort and employees' participation to reduce energy consumption, the overall percentage of electricity consumed in FY2018 has reduced (49%) compared to FY2017 (51%).

**Sri Bestari Schools**

At Sri Bestari Schools, the electricity consumption between FY2017 and FY2018 shows a near similar trend between the two financial years. Both trend lines indicate that the lowest electricity usage was in December, during the school holiday period where school activities were generally low.

**SUSTAINABILITY  
STATEMENT**  
(cont'd)**Sri Bestari Schools' Electricity Consumption for  
FY2017 and FY2018 (kWh)****Percentage of Sri Bestari Schools' Electricity Consumption for FY2017 and FY2018**

While we have implemented initiatives to reduce our level of electricity consumption, there was a slight increase in the overall percentage of electricity consumed in FY2018 (51%) compared to FY2017 (49%). This can be attributed to the increase in school events that were carried out in FY2018 (13) compared to FY2017 (10).

As the Group continues to hone our awareness on the importance of responsible electricity usage, we endeavour to undertake more energy-saving initiatives in the future to further reduce our electricity consumption and create a sustainable environment through awareness.

**8.3 Water**

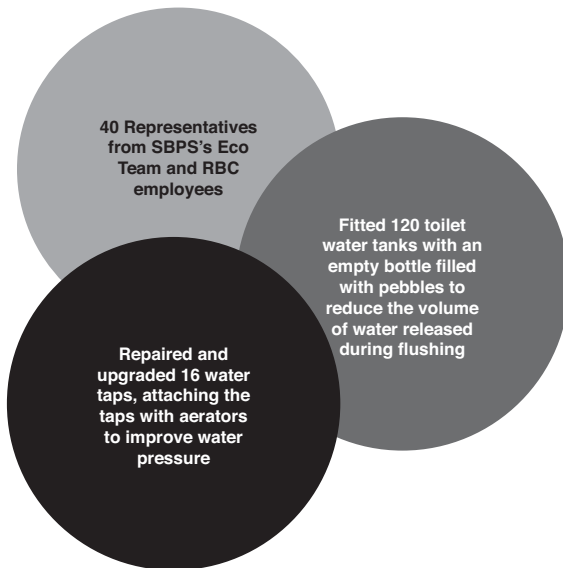
Responsible water usage is an integral part of our sustainable development initiatives. As an environmentally conscious Group, we are aware of the importance of safeguarding water consumption due to the planet's limited supply of freshwater resources. We aim to reduce our water footprint by fostering water conservation practices and habits among L&G's corporate building water users. Our ongoing initiatives implemented in our corporate office include ongoing checking and fixing of leaks immediately when spotted.

**Sri Bestari Schools**

To showcase our commitment towards reducing water consumption for both our development projects and Sri Bestari Schools, we have installed rainwater harvesting systems as a first step to recycle rainwater and utilise it for landscape irrigation of our mini gardens. We extend our water-saving initiatives to include a collaboration between SBPS, WWF (Malaysia) and Royal Bank Canada (RBC) in April 2017 to initiate the 'Do-it-Yourself Water Saving Project'. The collaboration saw 40 representatives from SBPS's Eco-Team and RBC employees led by WWF committee members focusing on a single important objective – to observe the effects and importance of saving water.



## Do-It-Yourself Water Saving Project at Sri Bestari Schools



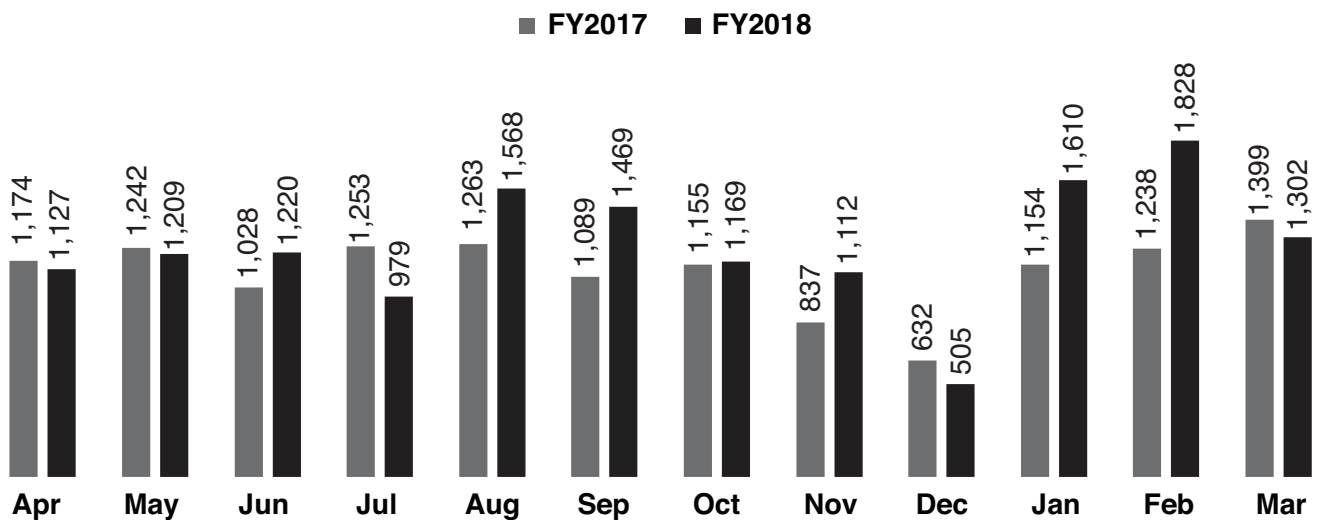
As part of the initiatives, RBC sponsored the repair and upgrading works for Sri Bestari Schools' plumbing facilities throughout the school which include 16 faulty water taps and 120 toilet water tank banks. The repaired taps were fitted with aerators to produce higher water flow and pressure without increasing the volume of water usage, therefore reducing the need for large volumes of water.

Sri Bestari Schools' toilet tanks were fitted with a conventional but effective measure to reduce the amount of water released during flushing. Each toilet water tank was attached to a water bottle filled with pebbles to reduce the amount of water released per flush, saving approximately 500ml of water every time the toilet is flushed.

The project also included interactive activities for the students such as creating bags from old t-shirts. To keep the students engaged in this project in the long run, they are encouraged to monitor their school's water bill to observe the water conservation efforts that has resulted from the initiatives.

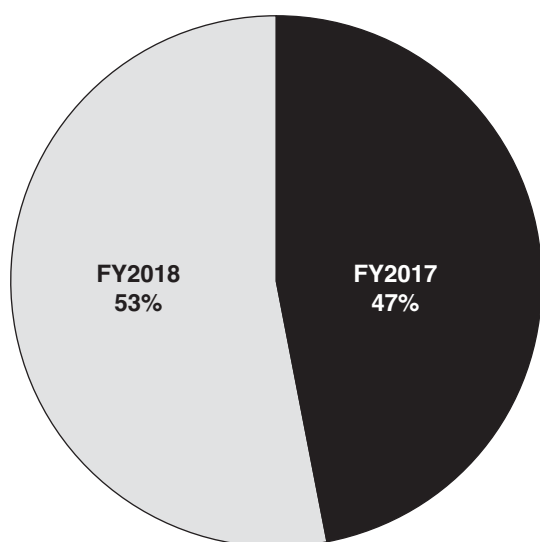
The graph below outlines the overall water consumption records at Sri Bestari Schools for FY2017 and FY2018. While there are few variations in the volume of water consumed between the two financial years, the trend line shows that for both FY2017 and FY2018, the lowest volume of water consumed were recorded in December at 632 m<sup>3</sup> and 505 m<sup>3</sup> respectively. This account for the year-end school holiday where activities at Sri Bestari Schools are the lowest.

## Sri Bestari Schools' Water Consumption for FY2017 and FY2018 (m<sup>3</sup>)



## SUSTAINABILITY STATEMENT (cont'd)

### Percentage of Sri Bestari Schools' Watery Consumption between FY2017 and FY2018



Looking at the general volume of water percentage for FY2017 and FY2018, the latter year indicates that the water consumed during FY2018 is slightly higher (53%) compared to the water consumed in FY2017 (47%). This can be attributed to higher number of events (13) held in FY2018 compared to the number of events (10) held in FY2017.

Despite the higher number of events held in FY2018, we still managed to avoid high volume of water usage due to the measures implemented during the Do-it-Yourself Water Saving Project.

#### 8.4 Waste Management

As an established developer with many reputable development projects, we maintain a strict adherence to the waste management requirements as stipulated by both the Environmental Quality Act 1974 and its subsidiary regulations, the Environmental Quality (Scheduled Waste) Regulations 2005.

Managing the waste output at our project development sites remains a challenge for the Group as waste disposal responsibilities are delegated to the assigned contractors. We have taken the initial steps to address this challenge by encouraging our contractors to enter into responsible waste agreements with sub-contractors who have been hired to dispose our construction waste. This initial step, albeit small, ensures that the waste produced during our project development phases will not be liable for fines or sanctions due to irresponsible disposal practices.

In addition, we have successfully managed to extend the life-cycle of our construction formworks which include scaffolding and aluminium structures. These structures were reused for our ongoing projects which include the Elements, Astoria and Damansara Foresta projects. Our overall future goal is to implement closer monitoring on our construction waste as well as introduce improved recycling initiatives that will propel the Group towards better sustainable development.

On a corporate level, we encourage the use of recycled paper for general paperwork such as photocopying, single-page printing and scrap paper for notes. Our paper usage at the office is also minimised by encouraging our employees to communicate through emails or online channels, furthering our commitment to reduce waste.

At Sri Bestari Schools, we realise the importance of cultivating responsible waste management behaviour in our students to promote environmental consciousness at an early age. This practice is achieved by encouraging our students and teachers at Sri Bestari Schools to recycle with the recycling bins readily supplied by the Group. This includes used cooking oils that are stored safely to avoid spillage and ready to be collected for recycling.

#### Our Waste Management Efforts

##### Construction Waste

- Recycled scaffolding structure and aluminium scraps for other development projects which include Elements, Astoria and Damansara Foresta

##### Municipal Waste at the Corporate Office

- Encourage our employees to utilise scrap paper for single-page printing, photocopying or taking notes
- Conduct most communications via email or social platforms to avoid unnecessary paper usage

##### Waste produced by Sri Bestari Schools

- Installed recycling bins throughout the school
- Dispose cooking oil via a certified contractor

In an article written by WWF in March 2017, SBPS was praised for its initiative to become a Styrofoam-free campus in 2015. This successful initiative is the result of the Eco-School Programme (ESP) hosted by SBPS for their students, with the aim of creating environmental awareness at a young age. We are conscious of the detrimental impacts of Styrofoam due to its inability to rapidly degrade into raw materials that can be reabsorbed into the environment. This initiative was the first step we took to play a part in reducing the volume of non-biodegradable waste output from SBPS. In the coming years, the ESP coordinator and SBPS management team plans to incorporate more initiatives that would further reduce our waste contribution to landfills.

## 8.5 Eco Schools Programme

The Eco School Programme (ESP) was established by WWF Malaysia as part of an international initiative to promote environmental awareness and sustainable development education for participant schools. SBPS has been a member of the ESP since 2013, the first of its efforts include the establishment of a Styrofoam-free campus.

The programmes are supported by a National Eco-Schools Committee with members represent a range of government organisations, universities and ministries. The core of the ESP is structured based on a 'change management' process, supported by 'the Seven Steps' adopted by participating schools to align their efforts towards continuous improvement in environmental protection. Implemented across 50 countries involving more than 40,000 schools, we are proud to have SBPS as a member of the ESP and continue to apply the prescribed methods to safeguard the environment while educating our students on the importance of protecting the environment.

### The Seven Steps as Prescribed by the ESP

1. Establishing an Eco-Committee
2. Conducting an Environmental Review
3. Creating a SMART Action Plan
4. Monitoring and Evaluating Environmental Performance
5. Informing and Involving Pupils and the Community
6. Linking Environmental Initiatives to the Curriculum
7. Establishing an Eco-Code

The table below shows SBPS's commitment, through its Eco Team and student participation, with regards to their ESP efforts to promote environmental stewardship.

Date	Activity	Objective
17 – 21 April 2017	World Earth Day Awareness Campaign 2017	To educate the school's stakeholders about the impact of climate change.
28 April 2017 – 1 May 2017	Eco-Schools Appreciations and Retreat by WWF (Malaysia)	To give appreciation and recognition to the Eco-Schools team in Malaysia for their commitment and dedication towards the programme.
15 April 2017	Recycle @ U Launching Ceremony	To showcase initiatives implemented by SBPS to the university community.
21 October 2017	"Hari Alam Sekitar" – Selangor State-Level	To educate the public about zero waste concept by setting up a booth.
6 – 14 November 2017	Project Runway – "Junk Couture Challenge"	To educate the students about recycling and promote creativity amongst them.
22 November 2017	Green Flag Renewal Assessment 2017	To undergo an auditing process to obtain Green Flag Award. The auditing process was done by 3 professional environmentalists to evaluate the green initiatives conducted in SBPS.
7 – 11 December 2017	6th International Eco-Schools Conference 2017	SBPS received its 2nd Green Flag Award.

To date, the Eco-Schools Programme has organised many internal and external activities to engage our students to improve environmental and outdoor education. In SBPS, we aim to improve learning and keep students engaged with sustainability initiatives by creating an interactive classroom environment.

Our efforts and dedication to the ESP was rewarded when we were awarded the WWF Green Flag Award, receiving the Silver Award, for two consecutive years. The WWF Green Flag Award is the highest award certification given to ESP schools who have showcased continuous commitment, improvement and dedication towards education their students on matters related to the environment.

To receive the award, participant schools are required to develop two key areas - **the 3 Eco-School topics and developing an Eco-Code**. Supported by the Seven Steps outlines by ESP, SBPS has managed to achieve this award through its continuous efforts and collaborations with their students.

### Choice of Eco-Schools Topics

1. Biodiversity
2. Energy
3. Litter
4. Waste
5. Water
6. Healthy Living
7. School Grounds
8. Transport
9. Global Citizenship

## SUSTAINABILITY STATEMENT (cont'd)

### 8.6 Contractor Management

Building on from our Project Quality Plan, our contractors undertake the responsibility of hiring sub-contractors or suppliers with credible reputation and are aptly registered under the relevant regulatory bodies. For example, the design and décor for our Astoria project was outsourced to an external contractor. As part of their due diligence, the contractor supplied us with their permit registered under the Department of National Solid Waste Management, accounting for their responsible waste management practices.

Moving forward, we plan to apply this practice through our Project Quality Plan to provide assurance to our stakeholders and exhibit our dedication towards developing sustainable properties that were built responsibly for our future customers to enjoy.

## 9. Our Community

We have always put the local community at the heart of our business. While building a sustainable economy, creating a conducive workplace and demonstrating environmental stewardship we remain aware of the importance of development and engagement with the local community.

L&G has shown support to the local community by sponsoring meaningful events and giving out donations to the underprivileged. As a responsible corporate citizen, we aim to engage with the local community surrounding our business operations to understand their needs and concerns and continue to contribute our resources for a better community.

### 9.1 Community Engagement Programmes

- We sponsored various events to show our support towards the local community's wellbeing and to sustain the continuity of the events. On 6 May 2017 and 15 July 2017, we sponsored Selangor Philharmonic Orchestra's Triplet Concert and Hope Evangelical Free Church's Children's Training Centre Gift of Hope Dinner Concert Fund Raiser.
- On 13 May 2017, we made a contribution of RM21,000 to Golf Digest Malaysia Corporate Challenge 2017 in aid of IJN Foundation. The donation is made to help ensure funds are made available to needy heart patients who are in need of financial assistance for their heart treatment. As heart disease is the leading cause of death in Malaysia, we strongly believe our contribution through this tournament can help more members of society lead a normal life.
- During the festive season of Deepavali and during Mooncake festival, we organised events to celebrate and deepen our relationship with the local community of different culture and race. On 2 October 2017, we donated 400 units of hampers worth RM20,000 to underprivileged Indian families in Hulu Selangor.
- On 23 July 2017, SBPS organised its sixth marathon-based event Rise 'N' Run to raise donations for the unfortunate and spread awareness on promoting a healthy lifestyle. The fund collected was donated to Tasputra Perkim which is dedicated to providing various therapies for children with special needs and to a NGO named Make-A-wish that helps grant wishes of children with life-threatening medical conditions.
- We held our annual Buka Puasa event on 16 June 2017 and invited children from Rumah Kasih Sayang Rawang and Kompleks Penyayang Bakti Bandar Sri Damansara orphanage. We also distributed duit raya and gifts to children from these centres to provide aid and spread joy.
- Persatuan Pelajar Islam (PPI) Sekolah Sri Bestari embraced the spirit of giving during the joyous celebration of Ramadhan by organising Programme Bubur Lambuk Harmoni 5.0 on 16 July 2017. Muslim teachers and students prepared 500 bowls of porridge to be distributed around Masjid al-Mukarramah, L&G corporate office and petrol stations as a kind gesture to share with the local community.

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# FINANCIAL STATEMENTS



**DIRECTORS'  
REPORT**

The directors have pleasure in presenting their report together with the audited financial statements of the Group and of the Company for the financial year ended 31 March 2018.

**Principal activities**

The principal activities of the Company are investment holding, leasing of assets and provision of management services. The principal activities of the subsidiaries are set out in Note 17 to the financial statements.

Other information relating to the subsidiaries are disclosed in Note 17 to the financial statements.

**Results**

	<b>Group RM'000</b>	<b>Company RM'000</b>
Profit for the year	74,906	40,126
Attributable to:		
Equity owners of the Company	74,250	40,126
Non-controlling interests	656	-
	74,906	40,126

There was no material transfer to or from reserves or provisions during the financial year other than as disclosed in the financial statements of the Group and of the Company.

In the opinion of the directors, the results of the operations of the Group and of the Company during the financial year were not substantially affected by any item, transaction or event of a material and unusual nature.

**Dividend**

The amount of dividend paid by the Company since 31 March 2017 was as follows:

**RM'000****In respect of the financial year ended 31 March 2017:**

Interim single tier dividend of 2 sen per share on 2,928,853,862 ordinary shares, declared on 9 March 2017 and paid on 7 June 2017	58,577
---	--------

At the forthcoming Annual General Meeting, a final tax exempt (single tier) dividend in respect of the financial year ended 31 March 2018, of 1.50 sen per share on 2,930,294,167 ordinary shares, amounting to a dividend payable of RM43,954,413 will be proposed for shareholders' approval. The financial statements for the current financial year do not reflect this proposed dividend. Such dividend, if approved by the shareholders, will be accounted for in equity as an appropriation of retained earnings in the financial year ending 31 March 2019.

## Directors

The names of the directors of the Company in office since the beginning of the financial year to the date of this report are:

Dato' Hj Zainal Abidin Bin Putih (Chairman)  
Low Gay Teck (Managing Director)\*\*  
Dato' Ir. Dr A. Bakar Jaafar  
Dato' Hj Ikhwan Salim Bin Dato' Hj Sujak  
YM Tengku Maruan Bin Tengku Ariff  
Hoong Cheong Thard  
Chiu Andrew Wah Wai  
Ferdaus Bin Mahmood\*\*  
Dato' Pahlawan Mohd Shukri Bin Dahlan (Appointed on 20 Nov 2017)  
Chai Keng Wai\*\* (Resigned on 22 May 2018)

\*\* These directors are also directors of the Company's subsidiaries.

The names of the directors of the Company's subsidiaries in office since the beginning of the financial year to the date of this report (not including those directors listed above) are:

Abdul Hamid Md Yusof  
Abdullah Ali  
Yap Yin Kuen  
Chin Foo Teck  
Rahmat Dahalan  
Lau Siang Ee  
Chiah Hwa Kai  
Eddie Kan Mun Leong  
Tan Boon Siong (Appointed on 1 Oct 2017)  
Wong Keet Loy (Resigned on 1 Oct 2017)

## Directors' benefits

Neither at the end of the financial year, nor at any time during that year, did there subsist any arrangement to which the Company was a party, whereby the directors might acquire benefits by means of the acquisition of shares in or debentures of the Company or any other body corporate.

Since the end of the previous financial year, no director has received or become entitled to receive a benefit (other than benefits included in the aggregate amount of emoluments received or due and receivable by the directors or the fixed salaries of full-time employees of the Company as shown below) by reason of a contract made by the Company or a related corporation with any director or with a firm of which the director is a member, or with a company in which the director has a substantial financial interest, except as disclosed in Note 6 to the financial statements.

The directors' benefits are as follows:

	<b>Group/Company RM'000</b>
Salaries and other emoluments	994
Fees	516
Bonus	198
Defined contribution plan	120
Estimated money value of benefits-in-kind	33
	<hr/> 1,861

There was no amount of insurance premium paid or payable for the directors of the Group and the Company in respect of their liability for any act or omission in their capacity as directors of the Group and the Company or in respect of costs incurred by them in defending or settling any claim or proceedings relating to any such liability for the financial year ended 31 March 2018.

**DIRECTORS'  
REPORT**  
(cont'd)**Directors' interests**

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

Name of director	As at	Number of ordinary shares			As at
	1 April 2017	Acquired	Sold	31 March 2018	
<b>The Company</b>					
Direct Interest:					
Tengku Maruan Bin Tengku Ariff	2,000	-	-		2,000
Dato' Pahlawan Mohd Shukri Bin Dahlan	-	2,000	-		2,000
Indirect Interest:					
Chiu Andrew Wah Wai	343,791,000	688,747,800	-		1,032,538,800

Chiu Andrew Wah Wai, by virtue of his indirect interest in shares in the Company, is also deemed interested in shares in all the Company's subsidiaries to the extent the Company has an interest.

No other directors in office at the end of the financial year had any interest in shares or in debentures of the Company and its related corporations during the financial year.

**Issue of shares**

During the financial year, the issued and paid up share capital of the Company was increased by way of issuance of 1,807,708,350 new ordinary shares pursuant to the following:

- (a) rights issue of 1,798,854,888 new ordinary shares of the Company at an issue price of RM0.21 per Rights Shares on the basis of every (8) Rights Shares for (5) existing share pursuant to the Rights Issue which was completed on 18 May 2017; and
- (b) conversion of 9,074,185 units of ICULS into 8,853,462 ordinary shares, details of which are disclosed in Note 30 of the financial statements.

The newly issued shares rank pari passu in all respects with the existing ordinary shares of the Company.

**Other statutory information**

- (a) Before the income statements, statements of comprehensive income and statements of financial position of the Group and of the Company were made out, the directors took reasonable steps:
  - (i) to ascertain that proper action had been taken in relation to the writing off of bad debts and the making of allowance for doubtful debts and satisfied themselves that all known bad debts had been written off and that adequate allowance had been made for doubtful debts; and
  - (ii) to ensure that any current assets which were unlikely to realise their values as shown in the accounting records in the ordinary course of business had been written down to an amount which they might be expected so to realise.
- (b) At the date of this report, the directors are not aware of any circumstances which would render:
  - (i) the amount written off for bad debts or the amount of the allowance for doubtful debts in the financial statements of the Group and of the Company inadequate to any substantial extent; and
  - (ii) the values attributed to the current assets in the financial statements of the Group and of the Company misleading.

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

- (c) At the date of this report, the directors are not aware of any circumstances which have arisen which would render adherence to the existing method of valuation of assets or liabilities of the Group and of the Company misleading or inappropriate.
- (d) At the date of this report, the directors are not aware of any circumstances not otherwise dealt with in this report or financial statements of the Group and of the Company which would render any amount stated in the financial statements misleading.
- (e) At the date of this report, there does not exist:
  - (i) any charge on the assets of the Group or of the Company which has arisen since the end of the financial year which secures the liabilities of any other person; or
  - (ii) any contingent liability of the Group or of the Company which has arisen since the end of the financial year.
- (f) In the opinion of the directors:
  - (i) no contingent or other liability has become enforceable or is likely to become enforceable within the period of twelve months after the end of the financial year which will or may affect the ability of the Group or of the Company to meet their obligations when they fall due; and
  - (ii) no item, transaction or event of a material and unusual nature has arisen in the interval between the end of the financial year and the date of this report which is likely to affect substantially the results of the operations of the Group or of the Company for the financial year in which this report is made.

**Significant events**

In addition to the significant events disclosed elsewhere in this report, other significant events are disclosed in Note 38 to the financial statements.

**Subsequent events**

Details of subsequent events are disclosed in Note 39 to the financial statements.

**DIRECTORS'  
REPORT**  
(cont'd)**Auditors**

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

Auditors' remuneration is as follows:

	<b>Group RM'000</b>	<b>Company RM'000</b>
Ernst & Young	322	125
Other auditors	120	-
	<b>442</b>	<b>125</b>

To the extent permitted by law, the Company has agreed to indemnify its auditors, Ernst & Young, as part of the terms of its audit engagement against claims by third parties arising from the audit. No payment has been made to indemnify Ernst & Young for the financial year ended 31 March 2018.

Signed on behalf of the Board in accordance with a resolution of the directors dated 27 July 2018.

Low Gay Teck

Ferdaus Bin Mahmood



**STATEMENT BY  
DIRECTORS****Pursuant to Section 251(2) of the Companies Act, 2016**

We, Low Gay Teck and Ferdaus Bin Mahmood, being two of the directors of Land & General Berhad, do hereby state that, in the opinion of the directors, the accompanying financial statements set out on pages 78 to 158 are drawn up in accordance with the Financial Reporting Standards and the requirements of the Companies Act 2016 in Malaysia so as to give a true and fair view of the financial position of the Group and of the Company as at 31 March 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 dated 27 July 2018.

Low Gay Teck

Ferdaus Bin Mahmood

**STATUTORY  
DECLARATION****Pursuant to Section 251(1)(b) of the Companies Act, 2016**

I, Chee Yuet Sin, being the officer primarily responsible for the financial management of Land & General Berhad, do solemnly and sincerely declare that the accompanying financial statements set out on pages 78 to 158 are, to the best of my knowledge and belief, correct, and I make this solemn declaration conscientiously believing the same to be true and by virtue of the provisions of the Statutory Declarations Act, 1960.

Subscribed and solemnly declared by the  
abovenamed Chee Yuet Sin at Kuala  
Lumpur in the Federal Territory  
on 27 July 2018.

Chee Yuet Sin

Before me,

Pesuruhjaya Sumpah Malaysia  
Tan Seok Kett (W530)  
Lot 333, 3<sup>rd</sup> Floor, Wisma MPL  
Jalan Raja Chulan  
50200 Kuala Lumpur

**INDEPENDENT  
AUDITORS' REPORT  
TO THE MEMBERS OF LAND & GENERAL BERHAD****Report on the audit of the financial statements***Opinion*

We have audited the financial statements of Land & General Berhad, which comprise the statements of financial position as at 31 March 2018 of the Group and of the Company, and the income statements, statements of comprehensive income, statements of changes in equity and statements of cash flows of the Group and of the Company for the year then ended, and notes to the financial statements, including a summary of significant accounting policies, as set out on pages 78 to 158.

In our opinion, the accompanying financial statements give a true and fair view of the financial position of the Group and of the Company as at 31 March 2018, and of their financial performance and their cash flows for the year then ended in accordance with Financial Reporting Standards and the requirements of the Companies Act 2016 in Malaysia.

*Basis for opinion*

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

*Independence and other ethical responsibilities*

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

*Key audit matters*

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

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

*Revenue and expenditure from property development activities  
(Refer to Notes 2.19, 2.35(b)(i) and 3 to the financial statements)*

A significant proportion of the Group's revenues and profits are derived from property development contracts which span more than one accounting period. The Group uses the percentage-of-completion method in accounting for these property development contracts.

We identified revenue and cost of sales from property development activities as areas requiring audit focus as significant management's judgment and estimates are involved in estimating the total property development costs (which is used to determine the percentage-of-completion and gross profit margin of the property development activities undertaken by the Group).

To address these areas of audit focus, we performed, amongst others, the following procedures:

1. We obtained an understanding of the internal controls over the accuracy and timing of revenue recognised in the financial statements, including controls performed by management in estimating the total property development cost, profit margin and percentage-of-completion of the property development activities;
2. For significant property development phases, we read the sale and purchase agreements entered into with the customers to obtain an understanding of the specific terms and conditions;
3. We evaluated the assumptions applied in estimating the total property development cost including the provisions and allocations of common infrastructure costs for the property development projects by examining documentary evidence such as letters of award issued to contractors to support the total budgeted costs. We also considered the historical accuracy of management's forecasts for the similar property development projects in evaluating the estimated total property development costs;

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**INDEPENDENT  
AUDITORS' REPORT**  
**TO THE MEMBERS OF LAND & GENERAL BERHAD (cont'd)**

*Key audit matters (cont'd.)*

*Revenue and expenditure from property development activities (cont'd.)*

To address these areas of audit focus, we performed, amongst others, the following procedures (cont'd.):

4. We evaluated the determination of percentage-of-completion by examining supporting evidence such as contractors' progress claims and suppliers' invoices; and
5. We observed the progress of the property development phases by performing site visit and examined physical progress reports. We also discussed the status of on-going property development phases with management, finance personnel and project officials.

*Recognition of contingent consideration and amount due from associate  
(Refer to Notes 2.35(b)(vi), 17, 18, 22 and 26 to the financial statements)*

On 31 May 2017, the Company completed the acquisition of the entire equity interest of Primal Milestone Sdn Bhd ("PMSB") and Quantum Bonus Sdn Bhd ("QBSB") for a cash consideration of RM134,438,000. Included in the identifiable assets of PMSB and QBSB are an amount due from Country Garden Properties (Malaysia) Sdn Bhd ("CGPM") of RM136,937,000.

As part of the acquisitions, the Company agrees to transfer additional consideration after the acquisition date if PMSB and QBSB receive dividends from CGPM, the associate of PMSB. This arrangement gave rise to contingent consideration, which is required to be recognised at fair value as part of the consideration transferred in exchange for the acquisition of PMSB and QBSB. Management has determined the fair value of the contingent consideration to be RM14,620,000.

Management has determined the timing of receipt of the amount due from CGPM of RM136,937,000 and the timing of receipt of the contingent consideration of RM14,620,000 using the projected cash flows of CGPM which have been prepared based on assumptions that are highly judgmental. Accordingly, we consider the valuation of amount due from CGPM and the contingent consideration to be an area of audit focus.

To address these areas of audit focus, we performed, amongst others, the following procedures:

1. We obtained an understanding of the relevant internal controls over estimating the fair values of the amount due from CGPM and the contingent consideration;
2. We evaluated the assumptions applied in the determination of estimated selling prices of future development projects of CGPM in light of supporting evidence such as transactions from external sources;
3. We evaluated the assumptions applied in estimating the expected take up rate for each development phase by comparing to the actual take up rate of the Group's similar completed development phases in previous years;
4. We assessed whether the discount rate used to determine the present value of the cash flows reflects the return that investors would require if they were to choose an investment that would generate cash flows of amounts, timing and risk profile equivalent to those that the entity expects to derive; and
5. We also evaluated the adequacy of the disclosures made in the financial statements.

*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.

# INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF LAND & GENERAL BERHAD (cont'd)

## *Responsibilities of the directors for the financial statements*

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

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

## *Auditors' responsibilities for the audit of the financial statements*

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

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

- Identify and assess the risks of material misstatement of the financial statements of the Group and of the Company, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Group's and 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.

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**INDEPENDENT  
AUDITORS' REPORT**  
**TO THE MEMBERS OF LAND & GENERAL BERHAD (cont'd)**

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

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

**Report on other legal and regulatory requirements**

In accordance with the requirements of the Companies Act 2016 in Malaysia, we report that a subsidiary of which we have not acted as auditors, is disclosed in Note 17 to the financial statements.

**Other matters**

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

Ernst & Young  
AF: 0039  
Chartered Accountants

Kuala Lumpur, Malaysia  
27 July 2018

Sundralingam A/L Navaratnam  
No. 02984/05/2020 J  
Chartered Accountant



# INCOME STATEMENTS

FOR THE YEAR ENDED 31 MARCH 2018

		Group		Company	
	Note	2018 RM'000	2017 RM'000	2018 RM'000	2017 RM'000
Revenue	3	98,018	47,193	38,624	133,638
Other income	4	101,491	103,692	15,149	14,612
Raw materials and consumables used		(490)	(511)	-	-
Property development expenditure recognised as expense	12	(36,595)	(7,721)	-	-
Changes in inventories	21	(3,780)	(2,612)	-	-
Staff costs	5	(21,664)	(19,400)	(4,288)	(2,760)
Depreciation and amortisation		(3,396)	(4,692)	(547)	(566)
Other expenses		(39,894)	(45,614)	(5,842)	(3,733)
Operating profit		93,690	70,335	43,096	141,191
Finance costs	7	(4,409)	(3,810)	(1,736)	(1,675)
Share of results of an associate	18	(3,301)	-	-	-
Share of results of a joint venture		-	3,227	-	-
Profit before tax	8	85,980	69,752	41,360	139,516
Income tax expense	9	(11,074)	(18,194)	(1,234)	(770)
<b>Profit for the year</b>		<b>74,906</b>	<b>51,558</b>	<b>40,126</b>	<b>138,746</b>
<b>Profit attributable to:</b>					
Owners of the Company		74,250	35,526	40,126	138,746
Non-controlling interests		656	16,032	-	-
<b>Profit for the year</b>		<b>74,906</b>	<b>51,558</b>	<b>40,126</b>	<b>138,746</b>
<b>Earnings per share attributable to owners of the Company (sen)</b>					
Basic	10	2.74	3.20		
Diluted	10	2.68	3.01		

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

# STATEMENTS OF COMPREHENSIVE INCOME

FOR THE YEAR ENDED 31 MARCH 2018

	Group		Company	
	2018 RM'000	2017 RM'000	2018 RM'000	2017 RM'000
<b>Profit for the year</b>	74,906	51,558	40,126	138,746
<b>Other comprehensive income to be reclassified to profit or loss in subsequent periods:</b>				
Foreign currency translation differences for foreign operations	256	460	-	-
<b>Other comprehensive income for the year</b>	256	460	-	-
<b>Total comprehensive income for the year</b>	75,162	52,018	40,126	138,746
<b>Total comprehensive income attributable to:</b>				
Owners of the Company	74,506	35,986	40,126	138,746
Non-controlling interests	656	16,032	-	-
<b>Total comprehensive income for the year</b>	75,162	52,018	40,126	138,746

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

# STATEMENTS OF FINANCIAL POSITION

AS AT 31 MARCH 2018

		Group		Company	
	Note	2018 RM'000	2017 RM'000	2018 RM'000	2017 RM'000
<b>ASSETS</b>					
<b>Non-current assets</b>					
Property, plant and equipment	11	76,199	76,065	206	331
Land held for property development	12(a)	493,347	158,740	-	-
Investment properties	13	86,353	87,829	24,071	24,485
Goodwill	14	12	12	-	-
Biological assets	15	6,422	6,567	-	-
Land use rights	16	47	48	47	48
Investments in subsidiaries	17	-	-	762,313	249,009
Investments in associates	18	12,105	-	-	-
Investment in a joint venture	19	-	-	-	-
Other investments	20	11,900	13,092	11,900	13,092
Deferred tax assets	33	7,867	22,144	7	29
Trade and other receivables	22	143,512	-	45,016	204,148
		837,764	364,497	843,560	491,142
<b>Current assets</b>					
Property development costs	12(b)	230,798	219,643	-	-
Inventories	21	39,732	43,483	-	-
Trade and other receivables	22	38,358	81,930	42,786	102,437
Other current assets	23	14,770	682	342	350
Tax recoverable		4,615	421	-	384
Other investments	20	1,454	7,380	729	1,593
Deposits, cash and bank balances	24	385,422	390,419	96,720	33,632
		715,149	743,958	140,577	138,396
<b>TOTAL ASSETS</b>		<b>1,552,913</b>	<b>1,108,455</b>	<b>984,137</b>	<b>629,538</b>

# STATEMENTS OF FINANCIAL POSITION

AS AT 31 MARCH 2018 (cont'd)

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		Group		Company	
	Note	2018 RM'000	2017 RM'000	2018 RM'000	2017 RM'000
<b>EQUITY AND LIABILITIES</b>					
<b>Equity attributable to owners of the Company</b>					
Share capital	29	651,664	272,032	651,664	272,032
ICULS - equity component	30	7,871	9,036	7,871	9,036
Retained profits	31	428,504	354,254	261,124	220,998
Other reserves	32	21,248	20,992	-	-
		1,109,287	656,314	920,659	502,066
Non-controlling interests		17,209	16,553	-	-
<b>Total equity</b>		<b>1,126,496</b>	<b>672,867</b>	<b>920,659</b>	<b>502,066</b>
<b>Non-current liabilities</b>					
Provisions	25	41,611	39,895	41,611	39,895
Trade and other payables	26	63,187	44,484	-	-
Borrowings	27	169,842	66,244	-	21
Deferred tax liabilities	33	43,504	23,323	-	-
ICULS - liability component	30	-	120	-	120
		318,144	174,066	41,611	40,036
<b>Current liabilities</b>					
Provisions	25	27,737	82,900	2,560	1,211
Trade and other payables	26	64,260	50,635	19,027	27,507
Borrowings	27	15,777	25,316	21	85
ICULS - liability component	30	81	56	81	56
Tax payable		418	44,038	178	-
Dividend payable	34	-	58,577	-	58,577
		108,273	261,522	21,867	87,436
<b>TOTAL LIABILITIES</b>		<b>426,417</b>	<b>435,588</b>	<b>63,478</b>	<b>127,472</b>
<b>TOTAL EQUITY AND LIABILITIES</b>		<b>1,552,913</b>	<b>1,108,455</b>	<b>984,137</b>	<b>629,538</b>

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

# **CONSOLIDATED STATEMENT OF CHANGES IN EQUITY** FOR THE YEAR ENDED 31 MARCH 2018

	Attributable to owners of the Company						Total RM'000	Non- controlling interests RM'000	Total equity RM'000
	Share capital RM'000 (Note 29)	Share premium RM'000	ICULS - equity component RM'000 (Note 30)	Capital reserve RM'000 (Note 32(a))	Foreign exchange reserve RM'000 (Note 32(b))	Retained profits RM'000 (Note 31)			
<b>At 1 April 2017</b>	272,032	-	9,036	12,133	8,859	354,254	656,314	16,553	672,867
Total comprehensive income for the year	-	-	-	-	256	74,250	74,506	656	75,162
<b>Transaction with owners</b>									
Conversion of ICULS	1,872	-	(1,160)	-	-	-	712	-	712
Deferred tax effects on ICULS	-	-	(5)	-	-	-	(5)	-	(5)
Issuance of shares	377,760	-	-	-	-	-	377,760	-	377,760
Total transactions with owners	379,632	-	(1,165)	-	-	-	378,467	-	378,467
<b>At 31 March 2018</b>	651,664	-	7,871	12,133	9,115	428,504	1,109,287	17,209	1,126,496
<b>At 1 April 2016</b>	218,618	45,745	12,825	12,133	8,399	399,672	697,392	4,379	701,771
Total comprehensive income for the year	-	-	-	-	460	35,526	35,986	16,032	52,018
<b>Transaction with owners</b>									
Conversion of ICULS	6,099	1,570	(3,771)	-	-	-	3,898	-	3,898
Deferred tax effects on ICULS	-	-	(18)	-	-	-	(18)	-	(18)
Transition to no-par value regime on 31 January 2017	47,315	(47,315)	-	-	-	-	-	-	-
Capital contribution	-	-	-	-	-	-	-	7,490	7,490
Dividend payable to a non-controlling interest of a subsidiary	-	-	-	-	-	-	-	(11,348)	(11,348)
Dividend paid to shareholders (Note 34)	-	-	-	-	-	(22,367)	(22,367)	-	(22,367)
Dividend payable to shareholders (Note 34)	-	-	-	-	-	(58,577)	(58,577)	-	(58,577)
Total transactions with owners	53,414	(45,745)	(3,789)	-	-	(80,944)	(77,064)	(3,858)	(80,922)
<b>At 31 March 2017</b>	272,032	-	9,036	12,133	8,859	354,254	656,314	16,553	672,867

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



# COMPANY STATEMENT OF CHANGES IN EQUITY FOR THE YEAR ENDED 31 MARCH 2018

	← Non-distributable →				
	Share capital RM'000 (Note 29)	Share premium RM'000	ICULS - equity component RM'000 (Note 30)	Retained profits RM'000 (Note 31)	Total equity RM'000
<b>At 1 April 2017</b>	272,032	-	9,036	220,998	502,066
Total comprehensive income for the year	-	-	-	40,126	40,126
<b>Transaction with owners</b>					
Conversion of ICULS	1,872	-	(1,160)	-	712
Deferred tax effects on ICULS	-	-	(5)	-	(5)
Issuance of shares	377,760	-	-	-	377,760
Total transactions with owners	379,632	-	(1,165)	-	378,467
<b>At 31 March 2018</b>	651,664	-	7,871	261,124	920,659
<b>At 1 April 2016</b>	218,618	45,745	12,825	163,196	440,384
Total comprehensive income for the year	-	-	-	138,746	138,746
<b>Transaction with owners</b>					
Conversion of ICULS	6,099	1,570	(3,771)	-	3,898
Deferred tax effects on ICULS	-	-	(18)	-	(18)
Transition to no-par value regime on 31 January 2017	47,315	(47,315)	-	-	-
Dividend paid to shareholders (Note 34)	-	-	-	(22,367)	(22,367)
Dividend payable to shareholders (Note 34)	-	-	-	(58,577)	(58,577)
Total transactions with owners	53,414	(45,745)	(3,789)	(80,944)	(77,064)
<b>At 31 March 2017</b>	272,032	-	9,036	220,998	502,066

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

# STATEMENTS OF CASH FLOWS

FOR THE YEAR ENDED 31 MARCH 2018

	Group		Company	
	2018 RM'000	2017 RM'000	2018 RM'000	2017 RM'000
<b>Cash flows from operating activities</b>				
Cash receipts from customers	85,601	87,788	-	-
Cash payments to suppliers and employees	(108,490)	(89,328)	(6,647)	(5,282)
Proceeds from disposal of land held for development	14,221	1,124	-	-
Interest received	8,500	8,318	970	1,531
Dividend on money market funds	5,750	9,020	2,375	162
Tax paid	(32,733)	(15,721)	(655)	(1,297)
Tax refund	66	2,599	-	-
Other operating receipts	1,593	1,835	745	5
Other operating payments	(3,349)	(142)	(2,815)	(264)
Net cash (outflow)/inflow from operating activities	(28,841)	5,493	(6,027)	(5,145)
<b>Cash flows from investing activities</b>				
Acquisition of a new subsidiary	-	(83,500)	-	-
Final payment for acquisition of new subsidiaries (Note 17)	(268,485)	-	(268,485)	-
Settlement of intercompany balances	(4,652)	-	(4,652)	-
Deposit paid for acquisition of new subsidiaries	-	(29,832)	-	(29,832)
Purchase of property, plant and equipment (Note 11)	(1,814)	(2,721)	(7)	(7)
Additions to investment property (Note 13)	(118)	-	-	-
Expenditure on biological assets (Note 15)	(126)	(420)	-	-
Proceeds from disposal of property, plant and equipment	23,110	-	-	-
Dividend received from subsidiaries	-	-	53,500	58,500
Withdrawal/(placement) of deposits with periods more than 3 months	150,656	(184,190)	29,577	(30,823)
Repayment of loan from a joint venture	640	236	-	-
Withdrawals of money market funds	5,926	2,311	864	3,324
Net cash (outflow)/inflow from investing activities	(94,863)	(298,116)	(189,203)	1,162

# STATEMENTS OF CASH FLOWS

FOR THE YEAR ENDED 31 MARCH 2018 (cont'd)

	Group		Company	
	2018	2017	2018	2017
	RM'000	RM'000	RM'000	RM'000
<b>Cash flows from financing activities</b>				
Proceeds from issuance of shares	377,760	-	377,760	-
ICULS conversion proceeds	693	3,823	693	3,823
Drawdown of term loan	14,720	-	-	-
Repayment of term loan	(40,153)	(5,859)	-	-
Payment of hire purchase obligations	(85)	(106)	(85)	(106)
Advances from non-controlling interest	-	12,498	-	-
Dividend paid to shareholders	(58,577)	(22,367)	(58,577)	(22,367)
Dividend paid to a non-controlling Interest of a subsidiary company	-	(16,347)	-	-
Interest payments	(9,389)	(4,426)	(96)	(132)
Net advances to subsidiaries	-	-	(31,402)	(81,622)
Placements of deposits held in trust	-	(1)	-	(1)
(Placements)/withdrawal of deposits pledged as security for bank guarantee facility	(234)	8,810	-	(2)
Net cash inflow/(outflow) from financing activities	284,735	(23,975)	288,293	(100,407)
<b>Net increase/(decrease) in cash and cash equivalents</b>	161,031	(316,598)	93,063	(104,390)
<b>Cash and cash equivalents at beginning of year</b>	182,312	497,852	2,462	106,535
<b>Effects of foreign exchange rate changes</b>	(1,244)	1,058	(402)	317
<b>Cash and cash equivalents at end of year (Note 24)</b>	342,099	182,312	95,123	2,462

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

# NOTES TO THE FINANCIAL STATEMENTS

31 March 2018

## 1. Corporate information

Land & General Berhad ("the Company") is a public limited liability company, incorporated and domiciled in Malaysia, and listed on the Main Market of Bursa Malaysia Securities Berhad.

The address of the registered office and principal place of business of the Company is at 8trium, Level 21, Menara 1, Jalan Cempaka SD12/5, Bandar Sri Damansara, 52200 Kuala Lumpur, Malaysia.

The principal activities of the Company are investment holding, leasing of assets and provision of management services.

The principal activities of the subsidiaries are set out in Note 17.

The financial statements were authorised for issue by the Board of Directors in accordance with a resolution of directors on 27 July 2018.

## 2. Summary of significant accounting policies

### 2.1 Basis of preparation

The financial statements of the Group and of the Company have been prepared under the historical basis unless otherwise indicated in the accounting policies below and in accordance with Financial Reporting Standards ("FRSs") and the requirements of the Companies Act 2016 in Malaysia. At the beginning of the current financial year, the Group and the Company had adopted new and revised FRSs which are mandatory for financial periods beginning on or after 1 April 2017 as described in Note 2.2.

The financial statements are presented in Ringgit Malaysia ("RM") and all values are rounded to the nearest thousand ("RM'000") except when otherwise indicated.

### 2.2 Changes in accounting policies

The accounting policies adopted are consistent with those of the previous financial year, except in the current financial year, the Group and the Company adopted the following new and amended FRS which is mandatory for annual financial periods beginning on or after 1 April 2017:

#### **Effective for financial periods beginning on or after 1 January 2017**

- Amendments to FRS 12: Disclosure of Interests in Other Entities (Annual improvements to FRSs 2014-2016 Cycle)
- Amendments to FRS 107: Disclosure Initiative
- Amendments to FRS 112: Recognition of Deferred Tax Assets for Unrealised Losses

The adoption of the above standards does not have any significant impact to the financial statements of the Group and of the Company except for the followings:

#### Amendments to FRS 107: Disclosure Initiative

The amendments to FRS 107 Statement of Cash Flows requires an entity to provide disclosures that enable users of financial statements to evaluate changes in liabilities arising from financing activities, including both changes arising from cash flows and non- cash changes. On initial application of these amendments, entities are not required to provide comparative information for preceding periods. Apart from the additional disclosures in Note 27, the application of these amendments has had no impact on the Group and on the Company.

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

### **2.3 Malaysian Financial Reporting Standards ("MFRS Framework")**

The Group will be required to prepare financial statements using the MFRS Framework in its first MFRS financial statements for the year ending 31 March 2019. In presenting its first MFRS financial statements, the Group will be required to restate the comparative financial statements to amounts reflecting the application of MFRS Framework. The majority of the adjustments required on transition will be made, retrospectively, against opening retained profits.

The Group is in the midst of completing the assessment of the financial effects of the differences between Financial Reporting Standards and accounting standards under the MFRS Framework. Accordingly, the consolidated financial performance and financial position as disclosed in these financial statements for the year ended 31 March 2018 could be different if prepared under the MFRS Framework.

The Group considers that they will be achieving its scheduled milestones and expects to be in a position to fully comply with the requirements of the MFRS Framework for the financial year ending 31 March 2019.

### **2.4 Basis of consolidation**

The consolidated financial statements comprise the financial statements of the Company and its subsidiaries as at 31 March 2018.

The financial statements of the subsidiaries used in the preparation of the consolidated financial statements are prepared for the same reporting date as the Company. Consistent accounting policies are applied for like transactions and events in similar circumstances.

The Company controls an investee if and only if the Company has all the following:

- Power over the investee (such as existing rights that give it the current ability to direct the relevant activities of the investee);
- Exposure, or rights, to variable returns from its investment with the investee; and
- The ability to use its power over the investee to affect its returns.

When the Company has less than a majority of the voting rights of an investee, the Company considers the following in assessing whether or not the Company's voting rights in an investee are sufficient to give it power over the investee:

- The size of the Company's holding of voting rights relative to the size and dispersion of holdings of the other vote holders;
- Potential voting rights held by the Company, other vote holders or other parties;
- Rights arising from other contractual arrangements; and
- Any additional facts and circumstances that indicate that the Company has, or does not have, the current ability to direct the relevant activities at the time that decisions need to be made, including voting patterns at previous shareholders' meetings.

Subsidiaries are consolidated when the Company obtains control over the subsidiary and ceases when the Company loses control of the subsidiary. All intra-group balances, income and expenses and unrealised gains and losses resulting from intra-group transactions are eliminated in full.

Losses within a subsidiary are attributed to the non-controlling interests even if that result in a deficit balance.

Changes in the Group's ownership interests in subsidiaries that do not result in the Group losing control over the subsidiaries are accounted for as equity transactions. The carrying amounts of the Group's interests and the non-controlling interests are adjusted to reflect the changes in their relative interests in the subsidiaries. The resulting difference is recognised directly in equity and attributed to owners of the Company.

When the Group loses control of a subsidiary, a gain or loss calculated as the difference between (i) the aggregate of the fair value of the consideration received and the fair value of any retained interest and (ii) the previous carrying amount of the assets and liabilities of the subsidiary and any non-controlling interest, is recognised in profit or loss. The subsidiary's cumulative gain or loss which has been recognised in other comprehensive income and accumulated in equity are reclassified to profit or loss or where applicable, transferred directly to retained profits. The fair value of any investment retained in the former subsidiary at the date control is lost is regarded as the cost on initial recognition of the investment.

# NOTES TO THE FINANCIAL STATEMENTS

31 March 2018 (cont'd)

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

### 2.5 Business combinations

Acquisition of subsidiaries are accounted for using the acquisition method. The cost of an acquisition is measured as the aggregate of the consideration transferred measured at acquisition date, fair value and the amount of any non-controlling interest in the acquiree. The Group elects on a transaction-by-transaction basis whether to measure the non-controlling interest in the acquiree at fair value or at the proportionate share of the acquiree's identifiable net assets. Acquisition-related costs are expensed as incurred and included in administrative expenses.

Any contingent consideration to be transferred by the acquirer will be recognised at fair value at the acquisition date. Contingent consideration classified as an asset or liability that is a financial instrument and within the scope of FRS 139 Financial Instruments: Recognition and Measurement, is measured at fair value with the changes in fair value recognised in the statement of profit or loss.

When the Group acquires a business, it assesses the financial assets and liabilities assumed for appropriate classification and designation in accordance with the contractual terms, economic circumstances and pertinent conditions as at the acquisition date. This includes the separation of embedded derivatives in host contracts by the acquiree.

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

Goodwill is initially measured at cost, being the excess of the aggregate of the consideration transferred and the amount recognised for non-controlling interests over the net identifiable assets acquired and liabilities assumed. If this consideration is lower than fair value of the net assets of the subsidiary acquired, the difference is recognised in profit or loss. The accounting policy for goodwill is set out in Note 2.11.

### 2.6 Transactions with non-controlling interests

Non-controlling interest represents the equity in subsidiaries not attributable, directly or indirectly, to owners of the Company, and is presented separately in the consolidated statement of comprehensive income and within equity in the consolidated statement of financial position, separately from equity attributable to owners of the Company.

Changes in the Group's ownership interest in a subsidiary that do not result in a loss of control are accounted for as equity transactions. In such circumstances, the carrying amounts of the controlling and non-controlling interests are adjusted to reflect the changes in their relative interests in the subsidiary. Any difference between the amount by which the non-controlling interest is adjusted and the fair value of the consideration paid or received is recognised directly in equity and attributed to owners of the parent.

Total comprehensive income within a subsidiary is attributed to the non-controlling interest even if it results in a deficit balance.

### 2.7 Foreign currencies

#### (i) Functional and presentation currency

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

#### (ii) Foreign currency transactions

Transactions in foreign currency are measured in the respective functional currencies of the Company and its subsidiaries and are recorded on initial recognition in the functional currencies at exchange rates approximating those ruling at the transaction dates. Monetary assets and liabilities denominated in foreign currencies are translated at the rate of exchange ruling at the reporting date. Non-monetary items denominated in foreign currencies that are measured at historical cost are translated using the exchange rates at the dates of the initial transactions. Non-monetary items denominated in foreign currencies measured at fair value are translated using the exchange rates at the dates when the fair value was determined.



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

### 2.7 Foreign currencies (cont'd.)

#### (ii) Foreign currency transactions (cont'd.)

Exchange differences arising on the settlement of monetary items, or on the translation of monetary items at the reporting date are recognised in profit or loss except for exchange differences arising on monetary items that form part of the Group's net investment in foreign operation, which are recognised initially in other comprehensive income and accumulated under foreign exchange reserve in equity. The foreign exchange reserve is reclassified from equity to profit or loss of the Group on disposal of the foreign operation.

Exchange differences arising on the translation of non-monetary items carried at fair value are included in profit or loss for the period except for the differences arising on the translation of non-monetary items in respect of which gains and losses are recognised directly in equity. Exchange differences arising from such non-monetary items are also recognised directly in equity.

#### (iii) Foreign operations

The assets and liabilities of foreign operations are translated into RM at the rate of exchange ruling at the reporting date and income and expenses are translated at exchange rates at the dates of the transactions. The exchange differences arising on the translation are taken directly to other comprehensive income. On disposal of a foreign operation, the cumulative amount recognised in other comprehensive income and accumulated in equity under foreign exchange reserve relating to that particular foreign operation is recognised in the profit or loss.

Goodwill and fair value adjustments arising on the acquisition of foreign operations are treated as assets and liabilities of the foreign operations and are recorded in the functional currency of the foreign operations and translated at the closing rate at the reporting date.

The principal exchange rates used for each respective unit of foreign currency ruling at the reporting date are as follows:

	2018 RM	2017 RM
Australian Dollars	2.95	3.36
British Pound Sterling	5.40	5.49
Singapore Dollars	2.93	3.14
United States Dollars	3.84	4.40

### 2.8 Property, plant and equipment, and depreciation

All items of property, plant and equipment are initially recorded at cost. The cost of an item of property, plant and equipment is recognised as an asset if, and only if, it is probable that future economic benefits associated with the item will flow to the Group and the cost of the item can be measured reliably.

Subsequent to recognition, property, plant and equipment except for freehold land, are measured at cost less accumulated depreciation and accumulated impairment losses. When significant parts of property, plant and equipment are required to be replaced in intervals, the Group recognises such parts as individual assets with specific useful lives and depreciation, respectively. Likewise, when a major inspection is performed, its cost is recognised in the carrying amount of the property plant and equipment as a replacement if the recognition criteria are satisfied. All other repair and maintenance costs are recognised in profit or loss as incurred.

# NOTES TO THE FINANCIAL STATEMENTS

31 March 2018 (cont'd)

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

### 2.8 Property, plant and equipment, and depreciation (cont'd.)

Freehold land and assets under construction are not depreciated. Leasehold land is depreciated over the lease period of 99 years. Depreciation of other property, plant and equipment is provided for on a straight-line basis to write off the cost of each asset to its residual value over the estimated useful life, at the following annual rates:

Buildings	2% - 10%
Plant, machinery and others	10% - 14%
Motor vehicles	20%
Furniture, fittings and equipment	10% - 40%

The carrying values of property, plant and equipment are reviewed for impairment when events or changes in circumstances indicate that the carrying value may not be recoverable.

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

An item of property, plant and equipment is derecognised upon disposal or when no future economic benefits are expected from its use or disposal. Any gain or loss on derecognition of the asset is included in the profit or loss in the year the asset is derecognised.

### 2.9 Biological assets

Biological assets comprise pre-cropping expenditure incurred from land clearing to the point of maturity. Such expenditure is capitalised and is amortised at maturity of the crop at the following rate which is deemed as the useful economic lives of the crop:

Pre-cropping expenditure - oil palm	over 25 years
-------------------------------------	---------------

### 2.10 Investment properties

Investment properties are properties which are held either to earn rental income or for capital appreciation or for both. Investment properties are measured initially at cost, including transaction costs. Subsequent to initial recognition, investment properties are carried at cost less any accumulated depreciation and accumulated impairment losses. Freehold land has an unlimited useful life and therefore is not depreciated. Investment properties carried at cost are depreciated over the estimated economic useful life ranging from 20 to 50 years.

Investment properties under construction are not depreciated until the assets are ready for intended use. Investment properties are derecognised either when they have been disposed of or when the investment property is permanently withdrawn from use and no future economic benefit is expected from its disposal. Any gains or losses on the retirement or disposal of an investment property is recognised in profit or loss in the year in which they arise.

### 2.11 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; irrespective of whether other assets or liabilities of the acquiree are assigned to those units.

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

### **2.11 Goodwill (cont'd.)**

The cash-generating unit to which goodwill has been allocated is tested for impairment at each reporting date 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.

### **2.12 Land use rights**

Land use rights are initially measured at cost. Following initial recognition, land use rights are measured at cost less accumulated amortisation and accumulated impairment losses. The land use rights are amortised over their lease terms.

### **2.13 Impairment of non-financial assets**

The Group assesses at each reporting date whether there is an indication that an asset may be impaired. If any such indication exists, or when an annual impairment assessment for an asset is required, the Group makes an estimate of the asset's recoverable amount.

An asset's recoverable amount is the higher of an asset's fair value less costs to sell and its value in use. For the purpose of assessing impairment, assets are grouped at the lowest levels for which there are separately identifiable cash flows (cash-generating units ("CGU")).

In assessing value in use, the estimated future cash flows expected to be generated by the asset are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset. Where the carrying amount of an asset exceeds its recoverable amount, the asset is written down to its recoverable amount. Impairment losses recognised in respect of a CGU or groups of CGUs are allocated first to reduce the carrying amount of any goodwill allocated to those units or groups of units and then, to reduce the carrying amount of the other assets in the unit or groups of units on a pro-rata basis.

Impairment losses are recognised in profit or loss except for assets that are previously revalued where the revaluation was taken to other comprehensive income. In this case the impairment is also recognised in other comprehensive income up to the amount of any previous revaluation.

An assessment is made at each reporting date as to whether there is any indication that previously recognised impairment losses may no longer exist or may have decreased. A previously recognised impairment loss is reversed only if there has been a change in the estimates used to determine the asset's recoverable amount since the last impairment loss was recognised. If that is the case, the carrying amount of the asset is increased to its recoverable amount. That increase cannot exceed the carrying amount that would have been determined, net of depreciation, had no impairment loss been recognised previously. Such reversal is recognised in profit or loss unless the asset is measured at revalued amount, in which case the reversal is treated as a revaluation increase. Impairment loss on goodwill is not reversed in a subsequent period.

### **2.14 Subsidiaries**

A subsidiary is an entity over which the Group has all the following:

- (i) Power over the investee (such as existing rights that give it the current ability to direct the relevant activities of the investee);
- (ii) Exposure, or rights, to variable returns from its involvement with the investee; and
- (iii) The ability to use its power over the investee to affect its returns.

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

## NOTES TO THE FINANCIAL STATEMENTS

31 March 2018 (cont'd)

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

#### 2.15 Investments in associates and joint ventures

An associate is an entity in which the Group has significant influence and that is neither a subsidiary nor an interest in joint venture. Significant influence is the power to participate in the financial and operating policy decisions of the investee without having control or joint control over those policies.

A joint venture is a joint arrangement whereby the Group has rights to the net assets of the arrangements. Joint arrangements arise when the Group and another party or parties are bound by a contractual arrangement, and the contractual arrangement gives the Group and the other party or parties, joint control of the arrangement. Joint control exists when there is contractually agreed sharing of control of an arrangement whereby decisions about the relevant activities require the unanimous consent of the parties sharing control.

On acquisition of an investment in associate or joint venture, any excess of the cost of investment over the Group's share of the net fair value of the identifiable assets and liabilities of the investee is recognised as goodwill and included in the carrying amount of the investment. Any excess of the Group's share of the net fair value of the identifiable assets and liabilities of the investee over the cost of investment is excluded from the carrying amount of the investment and is instead included as income in the determination of the Group's share of the associate's or joint venture's profit or loss for the period in which the investment is acquired.

An associate or a joint venture is equity accounted for from the date on which the investee becomes an associate or a joint venture.

Under the equity method, on initial recognition the investment in an associate or a joint venture is recognised at cost, and the carrying amount is increased or decreased to recognise the Group's share of the profit or loss and other comprehensive income of the associate or joint venture after the date of acquisition. When the Group's share of losses in an associate or a joint venture equal or exceeds its interest in the associate or joint venture, the Group does not recognise further losses, unless it has incurred legal or constructive obligations or made payments on behalf of the associate or joint venture.

After application of the equity method, the Group applies FRS 139 Financial Instruments: Recognition and Measurement to determine whether it is necessary to recognise any additional impairment loss with respect to its net investment in the associate or joint venture. When necessary, the entire carrying amount of the investment is tested for impairment in accordance with FRS 136 Impairment of Assets as a single asset, by comparing its recoverable amount (higher of value in use and fair value less costs to sell) with its carrying amount. Any impairment loss is recognised in profit or loss. Reversal of an impairment loss is recognised to the extent that the recoverable amount of the investment subsequently increases.

The financial statements of the associates and joint ventures are prepared as of the same reporting date as the Company. Where necessary, adjustments are made to bring the accounting policies in line with those of the Group.

When the Group ceases to have significant influence over an associate or joint control over the joint venture, any retained interest in the former associate or joint venture at the date when significant influence is lost is measured at fair value and this amount is regarded as the initial carrying amount of a financial asset. The difference between the fair value of any retained interest plus proceeds from the interest disposed of and the carrying amount of the investment at the date when equity method is discontinued is recognised in the profit or loss.

When the Group's interest in an associate or a joint venture decreases but does not result in a loss of significant influence or joint control, any retained interest is not remeasured. Any gain or loss arising from the decrease in interest is recognised in profit or loss. Any gains or losses previously recognised in other comprehensive income are also reclassified proportionately to the profit or loss if that gain or loss would be required to be reclassified to profit or loss on the disposal of the related assets or liabilities.

In the Company's separate financial statements, investments in associates and joint ventures are accounted for at cost less impairment losses. On disposal of such investments, the difference between net disposal proceeds and their carrying amounts is included in profit or loss.

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

### 2.16 Financial assets

Financial assets are recognised in the statements of financial position when, and only when, the Group and the Company become a party to the contractual provisions of the financial instrument.

When financial assets are recognised initially, they are measured at fair value, plus, in the case of financial assets not at fair value through profit or loss, directly attributable transaction costs.

The Group and the Company determine the classification of their financial assets at initial recognition, and the categories include financial assets at fair value through profit or loss, loans and receivables and available-for-sale financial assets.

#### (i) Financial assets at fair value through profit or loss

Financial assets are classified as financial assets at fair value through profit or loss if they are held for trading or are designated as such upon initial recognition.

Subsequent to initial recognition, financial assets at fair value through profit or loss are measured at fair value. Any gains or losses arising from changes in fair value are recognised in profit or loss. Net gains or net losses on financial assets at fair value through profit or loss do not include exchange differences, interest and dividend income. Exchange difference, interest and dividend income on financial assets at fair value through profit or loss are recognised separately in profit or loss as part of other losses or other income.

Financial assets at fair value through profit or loss could be presented as current or non-current. Financial assets that is held primarily for trading purposes are presented as current whereas financial assets that is not held primarily for trading purposes are presented as current or non-current based on the settlement date.

#### (ii) Loans and receivables

Financial assets with fixed or determinable payments that are not quoted in an active market are classified as loans and receivables.

Subsequent to initial recognition, loans and receivables are measured at amortised cost using the effective interest method. Gains and losses are recognised in profit or loss when the loans and receivables are derecognised or impaired, and through the amortisation process.

Loans and receivables are classified as current assets, except for those having maturity dates later than 12 months after the reporting date which are classified as non-current.

#### (iii) Available-for-sale financial assets

Available-for-sale are financial assets that are designated as available for sale or are not classified in any of the preceding categories.

After initial recognition, available-for-sale financial assets are measured at fair value. Any gains or losses from changes in fair value of the financial assets are recognised in other comprehensive income, except that impairment losses, foreign exchange gains and losses on monetary instruments and interest calculated using the effective interest method are recognised in profit or loss. The cumulative gain or loss previously recognised in other comprehensive income is reclassified from equity to profit or loss as a reclassification adjustment when the financial asset is derecognised. Interest income calculated using the effective interest method is recognised in profit or loss. Dividends on an available-for-sale equity instrument are recognised in profit or loss when the Group's and the Company's right to receive payment is established.

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

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

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

# NOTES TO THE FINANCIAL STATEMENTS

31 March 2018 (cont'd)

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

### 2.16 Financial assets (cont'd.)

Regular way purchases or sales are purchases or sales of financial assets that require delivery of assets within the period generally established by regulation or convention in the marketplace concerned. All regular way purchases and sales of financial assets are recognised or derecognised on the trade date, the date that the Group and the Company commit to purchase or sell the asset.

### 2.17 Impairment of financial assets

The Group and the Company assess at each reporting date whether there is any objective evidence that a financial asset is impaired.

#### (i) Trade and other receivables and other financial assets carried at amortised cost

To determine whether there is objective evidence that an impairment loss on financial assets has been incurred, the Group and the Company consider factors such as the probability of insolvency or significant financial difficulties of the debtor and default or significant delay in payments. For certain categories of financial assets, such as trade receivables, receivables that are assessed not to be impaired individually are subsequently assessed for impairment on a collective basis based on similar risk characteristics. Objective evidence of impairment for a portfolio of receivables could include the Group's and the Company's past experience of collecting payments, an increase in the number of delayed payments in the portfolio past the average credit period and observable changes in national or local economic conditions that correlate with default on receivables.

If any such evidence exists, the amount of impairment loss is measured as the difference between the asset's carrying amount and the present value of estimated future cash flows discounted at the financial asset's original effective interest rate. The impairment loss is recognised in profit or loss.

The carrying amount of the financial asset is reduced by the impairment loss directly for all financial assets with the exception of trade receivables where the carrying amount is reduced through the use of an allowance account. When a trade receivable becomes uncollectible, it is written off against the allowance account.

If in a subsequent period, the amount of the impairment loss decreases and the decrease can be related objectively to an event occurring after the impairment was recognised, the previously recognised impairment loss is reversed to the extent that the carrying amount of the asset does not exceed its amortised cost at the reversal date. The amount of reversal is recognised in profit or loss.

#### (ii) Unquoted equity securities carried at cost

If there is objective evidence (such as significant adverse changes in the business environment where the issuer operates, probability of insolvency or significant financial difficulties of the issuer) that an impairment loss on financial assets carried at cost has been incurred, the amount of the loss is measured as the difference between the asset's carrying amount and the present value of estimated future cash flows discounted at the current market rate of return for a similar financial asset. Such impairment losses are not reversed in subsequent periods.

#### (iii) Available-for-sale ("AFS") financial assets

Significant or prolonged decline in fair value below cost, significant financial difficulties of the issuer or obligor, and the disappearance of a trading market are considerations to determine whether there is objective evidence that investment securities classified as available-for-sale financial assets are impaired.

If an AFS financial asset is impaired, an amount comprising the difference between its cost (net of any principal payment and amortisation) and its current fair value, less any impairment loss previously recognised in profit or loss, is transferred from equity to profit or loss.

Impairment losses on available-for-sale equity investments are not reversed in profit or loss in the subsequent periods. Increase in fair value, if any, subsequent to impairment loss is recognised in other comprehensive income. For available-for-sale debt investments, impairment losses are subsequently reversed in profit or loss if an increase in the fair value of the investment can be objectively related to an event occurring after the recognition of the impairment loss in profit or loss.



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

### **2.18 Cash and cash equivalents**

Cash and cash equivalents comprise cash on hand and at banks and deposits that are readily convertible to known amount of cash which is subject to insignificant risk of changes in value. These also include bank overdraft that forms an integral part of the Group's cash management.

### **2.19 Land held for property development and property development costs**

#### **(i) Land held for property development**

Land held for property development consists of land where no significant development activities have been carried out or where development activities are not expected to be completed within the normal operating cycle. Such land is classified within non-current assets and is stated at cost less any accumulated impairment losses.

Land held for property development is reclassified as property development costs at the point when development activities have commenced and where it can be demonstrated that the development activities can be completed within the normal operating cycle.

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.

#### **(ii) Property development costs**

Property development costs comprise all costs that are directly attributable to development activities or that can be allocated on a reasonable basis to such activities.

When the financial outcome of a development activity can be reliably estimated, property development revenue and expenses are recognised in the profit or loss by using the stage of completion method. The stage of completion is determined by the proportion that property development costs incurred for work performed to date bear to the estimated total property development costs.

Where the financial outcome of a development activity cannot be reliably estimated, property development revenue is recognised only to the extent of property development costs incurred that is probable will be recoverable, and property development costs on properties sold are recognised as an expense in the period in which they are incurred.

Any expected loss on a development project, including costs to be incurred over the defects liability period, is recognised as an expense immediately.

Property development costs not recognised as an expense are recognised as an asset, which is measured at the lower of cost and net realisable value.

The excess of revenue recognised in the profit or loss over billings to purchasers are classified as accrued billings and the excess of billings to purchasers over revenue recognised in the profit or loss is classified as progress billings.

### **2.20 Inventories**

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

Cost is determined using the first in, first out method. The costs of goods comprise the cost of purchase plus the cost of bringing the goods to its present condition. The cost of completed properties held for sale comprises cost associated with the acquisition of land, direct costs and an appropriate proportion of allocated costs attributable to property development activities.

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

## NOTES TO THE FINANCIAL STATEMENTS

31 March 2018 (cont'd)

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

#### 2.21 Provisions

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

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

#### 2.22 Financial liabilities

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

Financial liabilities, within the scope of FRS 139, are recognised in the statements of financial position when, and only when, the Group and the Company become a party to the contractual provisions of the financial instrument. Financial liabilities are classified as either financial liabilities at fair value through profit or loss or other financial liabilities. The Group and the Company classified all its financial liabilities as other financial liabilities.

The Group's and the Company's other financial liabilities include trade payables, other payables and loans and borrowings.

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

Loans and borrowings are recognised initially at fair value, net of transaction costs incurred, and subsequently measured at amortised cost using the effective interest method. Borrowings are classified as current liabilities unless the Group has an unconditional right to defer settlement of the liability for at least 12 months after the reporting date.

For other financial liabilities, gains and losses are recognised in profit or loss when the liabilities are derecognised, and through the amortisation process.

A financial liability is derecognised when the obligation under the liability is extinguished. When an existing financial liability is replaced by another from the same lender on substantially different terms, or the terms of an existing liability are substantially modified, such an exchange or modification is treated as a derecognition of the original liability and the recognition of a new liability, and the difference in the respective carrying amounts is recognised in profit or loss.

#### 2.23 Financial guarantee contracts

A financial guarantee contract is a contract that requires the issuer to make specified payments to reimburse the holder for a loss it incurs because a specified debtor fails to make payment when due.

Financial guarantee contracts are recognised initially as a liability at fair value, net of transaction costs. Subsequent to initial recognition, financial guarantee contracts are recognised as income in profit or loss over the period of the guarantee. If the debtor fails to make payment relating to financial guarantee contract when it is due and the Group, as the issuer, is required to reimburse the holder for the associated loss, the liability is measured at the higher of the best estimate of the expenditure required to settle the present obligation at the reporting date and the amount initially recognised less cumulative amortisation.

#### 2.24 Borrowing costs

Borrowing costs are capitalised as part of a qualifying asset if they are directly attributable to the acquisition, construction or production of that asset. Capitalisation of borrowing costs commences when the activities to prepare the asset for its intended use or sale are in progress and the expenditure and borrowing costs are incurred. Borrowing costs are capitalised until the assets are substantially completed for their intended use or sale.

All other borrowing costs are recognised in profit or loss in the period they are incurred. Borrowing costs consist of interest and other costs that the Group incurred in connection with the borrowing of funds.

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

### **2.25 Employee benefits**

#### **(i) Short term benefits**

Wages, salaries, bonuses and social security contributions are recognised as an expense in the year in which the associated services are rendered by employees of the Group. Short term accumulating compensated absences such as paid annual leave are recognised when services are rendered by employees that increase their entitlement to future compensated absences. Short term non-accumulating compensated absences such as sick leave are recognised when the absences occur.

#### **(ii) Defined contribution plans**

The Group participates in the national pension schemes as defined by the laws of the countries in which it has operations. The Group makes contributions to the Employees Provident Fund in Malaysia, a defined contribution pension scheme. Contributions to defined contribution pension schemes are recognised as an expense in the period in which the related service is performed. Some of the Group's foreign subsidiaries also make contributions to their respective countries' statutory pension schemes.

### **2.26 Leases**

#### **(i) As lessee**

Finance leases, which transfer to the Group substantially all the risks and rewards incidental to ownership of the leased item, are capitalised at the inception of the lease at the fair value of the leased asset or, if lower, at the present value of the minimum lease payments. Any initial direct costs are also added to the amount capitalised. Lease payments are apportioned between the finance charges and reduction of the lease liability so as to achieve a constant rate of interest on the remaining balance of the liability. Finance charges are charged to profit or loss. Contingent rents, if any, are charged as expenses in the periods in which they are incurred.

Leased assets are depreciated over the estimated useful life of the asset. However, if there is no reasonable certainty that the Group will obtain ownership by the end of the lease term, the asset is depreciated over the shorter of the estimated useful life and the lease term.

Operating lease payments are recognised as an expense in profit or loss on a straight-line basis over the lease term. The aggregate benefit of incentives provided by the lessor is recognised as a reduction of rental expense over the lease term on a straight-line basis.

#### **(ii) As lessor**

Leases where the Group and the Company retain substantially all the risks and rewards of ownership of the asset are classified as operating leases. Initial direct costs incurred in negotiating an operating lease are added to the carrying amount of the leased asset and recognised over the lease term on the same bases as rental income. The accounting policy for rental income is set out in Note 2.27(viii).

### **2.27 Revenue**

Revenue is recognised to the extent that it is probable that the economic benefits associated with the transaction will flow to the Group and the amount of the revenue can be measured reliably. Revenue is measured at the fair value of consideration received or receivable.

#### **(i) Sale of completed properties**

Such sale is recognised only when it is probable that the economic benefits associated with the transactions will flow to the Group and upon the transfer of significant risk and rewards of ownership.

# NOTES TO THE FINANCIAL STATEMENTS

31 March 2018 (cont'd)

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

### 2.27 Revenue (cont'd.)

#### (ii) Sale of properties under development

Revenue from sale of properties under development classified as property development costs is accounted for by the percentage of completion method. The percentage of completion is determined by reference to the costs incurred to date bear to the total estimated costs where the outcome of the projects can be reliably estimated.

#### (iii) Education fees

Revenue from education fees are recognised over the period of instruction whereas non-refundable registration and enrolment fees are recognised on enrolment.

#### (iv) Club operations

Revenue from membership fee is recognised upon acceptance of club membership by the club. Revenue from subscription fees is recognised on an accrual basis. Revenue from sale of food and beverage and from letting of club facilities are recognised upon invoicing of the services.

#### (v) Sale of goods

Revenue is recognised upon transfer of significant risks and rewards of ownership to the buyer. Revenue is not recognised to the extent where there are significant uncertainties regarding recovery of the consideration due, associated costs or the possible return of goods.

#### (vi) Interest income

Interest is recognised on an accrual basis using the effective interest method.

#### (vii) Dividend income

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

#### (viii) Rental income

Rental income is recognised on a straight line basis over the term of the lease or in accordance with the substance of the relevant agreements.

#### (ix) Management fees

Management fees are recognised when services are rendered.

### 2.28 Income taxes

#### (a) Current tax

Current tax assets and liabilities are measured at the amount expected to be recovered from or paid to the taxation authorities. The tax rates and tax laws used to compute the amount are those that are enacted or substantively enacted by the reporting date.

Current taxes are recognised in profit or loss except to the extent that the tax relates to items recognised outside profit or loss, either in other comprehensive income or directly in equity.

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

### **2.28 Income taxes (cont'd.)**

#### **(b) Deferred tax**

Deferred tax is provided using the liability method on temporary differences at the reporting date between the tax bases of assets and liabilities and their carrying amounts for financial reporting purposes.

Deferred tax liabilities are recognised for all temporary differences, except:

- where the deferred tax liability arises from the initial recognition of goodwill or of an asset or liability in a transaction that is not a business combination and, at the time of the transaction, affects neither the accounting profit nor taxable profit or loss; and
- in respect of taxable temporary differences associated with investments in subsidiaries and associates, where the timing of the reversal of the temporary differences can be controlled and it is probable that the temporary differences will not reverse in the foreseeable future.

Deferred tax assets are recognised for all deductible temporary differences, carry forward of unused tax credits and unused tax losses, to the extent that it is probable that taxable profit will be available against which the deductible temporary differences, and the carry forward of unused tax credits and unused tax losses can be utilised except:

- where the deferred tax asset relating to the deductible temporary difference arises from the initial recognition of an asset or liability in a transaction that is not a business combination and, at the time of the transaction, affects neither the accounting profit nor taxable profit or loss; and
- in respect of deductible temporary differences associated with investments in subsidiaries and associates, deferred tax assets are recognised only to the extent that it is probable that the temporary differences will reverse in the foreseeable future and taxable profit will be available against which the temporary differences can be utilised.

The carrying amount of deferred tax assets is reviewed at each reporting date and reduced to the extent that it is no longer probable that sufficient taxable profit will be available to allow all or part of the deferred tax asset to be utilised. Unrecognised deferred tax assets are reassessed at each reporting date and are recognised to the extent that it has become probable that future taxable profit will allow the deferred tax assets to be utilised.

Deferred tax assets and liabilities are measured at the tax rates that are expected to apply to the year when the asset is realised or the liability is settled, based on tax rates and tax laws that have been enacted or substantively enacted at the reporting date.

Deferred tax relating to items recognised outside profit or loss is recognised outside profit or loss. Deferred tax items are recognised in correlation to the underlying transaction either in other comprehensive income or directly in equity and deferred tax arising from a business combination is adjusted against goodwill on acquisition.

Deferred tax assets and deferred tax liabilities are offset, if a legally enforceable right exists to set off current tax assets against current tax liabilities and the deferred taxes relate to the same taxable entity and the same taxation authority.

#### **(c) Goods and Services tax ("GST")**

On and after 1 April 2015, revenues, expenses and assets are recognised net of the amount of GST except:

- where the GST incurred in a purchase of assets or services is not recoverable from the taxation authority, in which case the GST is recognised as part of the cost of acquisition of the asset or as part of the expense item as applicable; and
- receivables and payables that are stated with the amount of GST included.

The net amount of GST recoverable from, or payable to, the taxation authority is included as part of other current assets or liabilities in the statement of financial position.

# NOTES TO THE FINANCIAL STATEMENTS

31 March 2018 (cont'd)

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

### 2.29 Segment reporting

For management purposes, the Group is organised into operating segments based on their products and services which are independently managed by the respective segment managers responsible for the performance of the respective segments under their charge. The segment managers report directly to the management of the Company who regularly review the segment results in order to allocate resources to the segments and to assess the segment performance. Additional disclosure on each of these segments are shown in Note 44, including the factors used to identify the reportable segments and the measurement basis of segment information.

### 2.30 Share capital and share issuance expenses

An equity instrument is any contract that evidences a residual interest in the assets of the Group and of the Company after deducting all of its liabilities. Ordinary shares are equity instruments.

Ordinary shares are recorded at the proceeds received, net of directly attributable incremental transaction costs. Ordinary shares are classified as equity. Dividends on ordinary shares are recognised in equity in the period in which they are declared.

### 2.31 Irredeemable convertible unsecured loan stocks ("ICULS")

The ICULS are recognised as compound instruments, consisting of a liability component and an equity component. At the date of issue, the fair value of the liability component is estimated using the prevailing market interest rate for a similar non-convertible loan stock. The difference between the proceeds of issue of the ICULS and the fair value assigned to the liability component, representing the conversion option is included in equity. The liability component is subsequently stated at amortised cost using the effective interest rate method until extinguished on conversion or maturity, whilst the value of the equity component is not adjusted in subsequent periods. Attributable transactions costs are apportioned and deducted directly from the liability and equity component based on their carrying amounts at the date of issue.

Under the effective interest rate method, the interest expense on the liability component is calculated by applying the prevailing market interest rate for a similar non-convertible loan stock to the instrument at the date of issue. The difference between this amount and the interest paid is added to the carrying amount of ICULS.

### 2.32 Contingencies

A contingent liability or asset is a possible obligation or asset that arises from past events and whose existence will be confirmed only by the occurrence or non-occurrence of uncertain future event(s) not wholly within the control of the Group.

Contingent liabilities or assets are not recognised in the statements of financial position of the Group.

### 2.33 Fair value measurement

The Group measures financial instruments such as derivatives, at fair value at each balance sheet date, and disclose fair value of non-financial assets such as investment properties, at each balance sheet date. Also, fair values of financial instruments measured at amortised cost are disclosed in Note 13(a) and Note 41.

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. The fair value measurement is based on the presumption that the transaction to sell the asset or transfer the liability takes place either:

- (a) In the principal market for the asset or liability; or
- (b) In the absence of a principal market, in the most advantageous market for the asset or liability.



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

### 2.33 Fair value measurement (cont'd.)

The principal or the most advantageous market must be accessible to by the Group.

The fair value of an asset or a liability is measured using the assumptions that market participants would use when pricing the asset or liability, assuming that market participants act in their economic best interest.

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

The Group uses valuation techniques that are appropriate in the circumstances and for which sufficient data are available to measure fair value, maximising the use of relevant observable inputs and minimising the use of unobservable inputs.

All assets and liabilities for which fair value is measured or disclosed in the financial statements are categorised within the fair value hierarchy, described as follows, based on the lowest level input that is significant to the fair value measurement as a whole:

- (a) Level 1 - Quoted (unadjusted) market prices in active markets for identical assets or liabilities
- (b) Level 2 - Valuation techniques for which the lowest level input that is significant to the fair value measurement is directly or indirectly observable
- (c) Level 3 - Valuation techniques for which the lowest level input that is significant to the fair value measurement is unobservable

For assets and liabilities that are recognised in the financial statements on a recurring basis, the Group determines whether transfers have occurred between Levels in the hierarchy by re-assessing categorisation (based on the lowest level input that is significant to the fair value measurement as a whole) at the end of each reporting period.

The Group's management determines the policies and procedures for both recurring fair value measurement, such as investment properties and unquoted AFS financial assets, and for non-recurring measurement, such as assets held for distribution in discontinued operation.

External valuers are involved for valuation of significant assets, such as properties and AFS financial assets, and significant liabilities, such as contingent consideration. Selection criteria of external valuers include market knowledge, reputation, independence and whether professional standards are maintained. The management decides, after discussions with the Group's external valuers, which valuation techniques and inputs to use for each case.

At each reporting date, the management analyses the movements in the values of assets and liabilities which are required to be re-measured or re-assessed as per the Group's accounting policies. For this analysis, the management verifies the major inputs applied in the latest valuation by agreeing the information in the valuation computation to contracts and other relevant documents.

The management, in conjunction with the Group's external valuers, also compares each the changes in the fair value of each asset and liability with relevant external sources to determine whether the change is reasonable.

The management and the Group's external valuers present the valuation results to the audit committee and the Group's independent auditors. This includes a discussion of the major assumptions used in the valuations.

For the purpose of fair value disclosures, the Group has determined classes of assets and liabilities on the basis of the nature, characteristics and risks of the asset or liability and the level of the fair value hierarchy as explained above.

# NOTES TO THE FINANCIAL STATEMENTS

31 March 2018 (cont'd)

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

### 2.34 Current versus non-current classification

The Group presents assets and liabilities in statement of financial position based on current/non-current classification. An asset is current when it is:

- Expected to be realised or intended to be sold or consumed in normal operating cycle;
- Held primarily for the purpose of trading;
- Expected to be realised within twelve months after the reporting period; or
- Cash or cash equivalent unless restricted from being exchanged or used to settle a liability for at least twelve months after the reporting period.

All other assets are classified as non-current. A liability is current when:

- It is expected to be settled in normal operating cycle;
- It is held primarily for the purpose of trading;
- It is due to be settled within twelve months after the reporting period; or
- There is no unconditional right to defer the settlement of the liability for at least twelve months after the reporting period.

The Company classifies all other liabilities as non-current.

Deferred tax assets and liabilities are classified as non-current assets and liabilities.

### 2.35 Significant accounting judgements and estimates

The preparation of Group's financial statements requires management to make judgements, estimates and assumptions that affect the reported amount of revenues, expenses, assets and liabilities, and the disclosure of contingent liabilities at the reporting date. However, uncertainty about these assumptions and estimates could result in outcomes that could require a material adjustment to the carrying amount of the assets or liabilities affected in future.

#### (a) Judgements made in applying accounting policies

In the process of applying the Group's accounting policies, management has made the following judgements, apart from those involving estimations, which have the most significant effect on the amounts recognised in the financial statements:

##### Classification between investment properties and inventories

The Group has developed certain criteria based on FRS 140 Investment Property in making judgement whether a property qualifies as an investment property. Investment property is a property held to earn rentals or for capital appreciation or both.

The Group has also temporarily sub-let some completed unsold properties but has decided not to treat these properties as investment properties as it is not the Group's intention to hold these properties in the long term for capital appreciation or rental income but rather for sale. Accordingly, these properties are still classified as inventories. The carrying amounts of these inventories as at reporting date are RM598,000 (2017: RM598,000).

#### (b) Key sources of estimation uncertainty

The key assumptions concerning the future and other key sources of estimation uncertainty at the reporting date that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year are discussed below.

##### (i) Revenue recognition on property development activities

The Group recognises property development activities based on the percentage of completion method.

Significant judgment is required in determining the percentage of completion, the extent of the development project costs incurred, the estimated total revenue and total costs and the recoverability of the development project. In making these judgements, management relies on past experience and the work of specialists.

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

**2.35 Significant accounting judgements and estimates (cont'd.)**

**(b) Key sources of estimation uncertainty (cont'd.)**

**(ii) Impairment of property, plant and equipment and investment properties**

The Group determines whether property, plant and equipment and investment properties are impaired whenever there is an indication of impairment.

The best evidence of impairment test is current prices in an active market for similar properties or valuation carried out by independent firms of valuers annually.

In the absence of current prices in an active market, the management carried out the impairment test based on value-in-use of these cash generating units ("CGU") to which the assets were allocated and determines if the carrying value of the CGU is in excess of the value-in-use. This requires management to make an estimate of the expected cash flows from the CGU, supported by the terms of any existing lease and other contracts, and to choose suitable discount rates that reflect current market assessment of the uncertainty in the carrying amount and timing in order to calculate the present value of those cash flows. Changes in estimates and assumptions may result in revisions in the carrying amount of these assets.

**(iii) Impairment of financial assets**

The Group assesses at each reporting date whether there is any objective evidence that a financial asset is impaired. To determine whether there is objective evidence of impairment, the Group considers factors such as the probability of insolvency or significant financial difficulties of the debtor and default or significant delay in payments.

Where there is objective evidence of impairment, the amount and timing of future cash flows are estimated based on historical loss experience for assets with similar credit risk characteristics. Debts that are past due but not impaired are disclosed in Note 22.

**(iv) Income taxes**

Significant estimation is involved in determining the provision for income taxes. There are certain transactions and computations for which the ultimate tax determination is uncertain during the ordinary course of business. The Group recognises liabilities for expected tax issues based on estimates of whether additional taxes will be due. Where the final tax outcome of these matters is different from the amounts that have been initially recognised, such differences will impact the income tax and deferred tax provisions in the period in which such determination is made. As at 31 March 2018, the Group has tax recoverable and payable of approximately RM4,615,000 (2017: RM421,000) and RM418,000 (2017: RM44,038,000) respectively.

**(v) Provision for financial obligation**

The Group recognised a provision in respect of financial obligations arising from the winding up of a former subsidiary of the Group in previous years. The carrying amount of the provision as at 31 March 2018 was RM41,611,000 (2017: RM39,895,000). Annual review of estimates are performed based on latest available information and these provisions are appropriately revised as necessary.

**(vi) Contingent consideration and amount due from associate**

The Group has determined the timing of receipt of the contingent consideration of RM14,620,000 and the timing of receipt of the amount due from associate of RM136,937,000 as at the date of acquisition using the discounted projected cash flows of associate which have been prepared based on assumptions that are highly judgemental as disclosed in Note 17 and Note 22(b)(iv) respectively.

# NOTES TO THE FINANCIAL STATEMENTS

31 March 2018 (cont'd)

## 3. Revenue

	Group		Company	
	2018 RM'000	2017 RM'000	2018 RM'000	2017 RM'000
Sale of properties under development	49,667	9,886	-	-
Sale of completed properties	6,606	6,951	-	-
Sales of land held for development	14,221	1,124	-	-
Education fees	13,923	13,128	-	-
Club operations and building maintenance	3,048	3,812	-	-
Interest income from deposits with financial institutions	1,565	433	758	356
Dividends on money market funds	173	1,461	167	161
Dividends on unit trust funds	2,357	2,140	2,357	2,140
Dividends:				
- unquoted Malaysian subsidiaries	-	-	30,000	124,503
- quoted investment	19	1,222	19	1,222
Rental income:				
- Subsidiaries	-	-	3,108	3,113
- Third parties	4,184	4,109	-	-
Management fee from				
- Subsidiaries	-	-	2,215	2,143
- Joint venture	259	244	-	-
Others	1,996	2,683	-	-
	98,018	47,193	38,624	133,638

## 4. Other income

	Group		Company	
	2018 RM'000	2017 RM'000	2018 RM'000	2017 RM'000
Rental income	542	348	-	-
Gain on disposal of property, plant and equipment	22,960	17	-	-
Unwinding of discount on interest on loan to:				
- Subsidiaries	-	-	6,947	4,209
- An associate	6,575	-	-	-
- A joint venture	1,403	1,283	-	-
Interest income:				
- A subsidiary	-	-	725	725
- Others	7,548	8,067	-	-
Dividends on money market funds	131	2,442	-	-
Dividends on unit trust funds	3,346	3,147	-	-
Gain on fair value changes on quoted shares - financial assets at fair value through profit or loss	-	9,618	-	9,618
Write back of impairment loss on				
- Subsidiaries	-	-	7,304	-
- A joint venture (Note 22(b)(i))	649	536	-	-
- Trade receivables (Note 22(a)(ii))	40	-	-	-
Write back of provision for costs to complete (Note 25)	45,212	74,145	-	-
Deposits forfeited	47	986	-	-
Gain on bargain purchase	-	2,114	-	-
Unrealised foreign exchange gain	-	618	173	-
Others	13,038	371	-	60
	101,491	103,692	15,149	14,612

# NOTES TO THE FINANCIAL STATEMENTS

31 March 2018 (cont'd)

## 5. Staff costs

	Group		Company	
	2018 RM'000	2017 RM'000	2018 RM'000	2017 RM'000
Wages, salaries and bonus	17,130	16,359	3,863	2,386
Defined contribution plan	2,101	2,060	298	288
Other employment benefits	2,433	981	127	86
	21,664	19,400	4,288	2,760

Included in staff costs of the Group and of the Company are remunerations (excluding benefits-in-kind) of executive director of the Group and of the Company amounting to RM1,122,000 (2017: RM1,069,000) as further disclosed in Note 6 below.

## 6. Directors' remuneration

	Group		Company	
	2018 RM'000	2017 RM'000	2018 RM'000	2017 RM'000
Executive director's remuneration (Note 5):				
Other emoluments	1,122	1,069	1,122	1,069
Non-executive directors' remuneration (Note 8):				
Fees	516	400	516	400
Other emoluments	190	202	190	202
	706	602	706	602
Total directors' remuneration	1,828	1,671	1,828	1,671
Estimated money value of benefits-in-kind	33	46	33	46
Total directors' remuneration including benefits-in-kind	1,861	1,717	1,861	1,717

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

	Group Number of Directors		Company Number of Directors	
	2018	2017	2018	2017
<b>Executive directors:</b>				
RM1,050,001 - RM1,100,000	-	1	-	1
RM1,100,001 - RM1,150,000	1	-	1	-
<b>Non-executive directors:</b>				
Below RM50,000	2	3	2	3
RM50,001 - RM100,000	5	3	5	3
RM100,001 - RM150,000	2	1	2	1
RM150,001 - RM200,000	-	1	-	1

# NOTES TO THE FINANCIAL STATEMENTS

31 March 2018 (cont'd)

## 7. Finance costs

	Group		Company	
	2018 RM'000	2017 RM'000	2018 RM'000	2017 RM'000
Interest expense on:				
- Bank overdraft	41	-	-	-
- Term loan	9,252	4,291	-	-
- ICULS	10	20	10	20
- Hire purchase and finance lease liabilities	10	11	10	11
Unwinding of discount on:				
- Provision for financial obligation (Note 25)	1,716	1,644	1,716	1,644
- Amount due to company related to major shareholders of the Company	2,247	2,135	-	-
	13,276	8,101	1,736	1,675
Less: Interest expenses capitalised in property development costs (Note 12 (b)(i))	(4,090)	(4,291)	-	-
Less: Interest expenses capitalised in land held for property development (Note 12 (a))	(4,777)	-	-	-
	4,409	3,810	1,736	1,675

## 8. Profit before tax

The following amounts have been included in arriving at profit before tax:

	Group		Company	
	2018 RM'000	2017 RM'000	2018 RM'000	2017 RM'000
Non-executive directors' remuneration (Note 6)	706	602	706	602
Auditors' remuneration:				
Auditors of the Company				
- Statutory audit	256	216	90	74
- Other services	66	55	35	8
Other auditors				
- Statutory audit	70	5	-	-
- Other services	50	-	-	-
Allowance for impairment on financial assets:				
- Trade receivables (Note 22(a)(ii))	1,293	-	-	-
- Other receivables	-	1,190	-	-
- Amount due from joint venture	1,402	1,283	-	-
- Amount due from subsidiaries	-	-	565	-
Inventories written down	-	222	-	-
Other provision (Note 25)	1,349	210	1,349	210
Realised foreign exchange loss	-	-	-	4
Unrealised foreign exchange loss	938	-	-	155
Loss on fair value changes on quoted shares - financial assets at fair value through profit or loss	1,192	-	1,192	-
Unwinding of discount on contingent consideration	1,462	-	-	-
Direct operating expenses arising from investment properties				
- Rental generating properties	1,057	1,082	189	241
- Non-rental generating properties	1,352	1,013	65	-
Office rental paid to a subsidiary	-	-	110	110



# NOTES TO THE FINANCIAL STATEMENTS

31 March 2018 (cont'd)

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## 9. Income tax expense

	Group		Company	
	2018 RM'000	2017 RM'000	2018 RM'000	2017 RM'000
Income tax:				
Malaysian income tax	2,322	2,153	1,052	772
(Over)/under provision in prior years	(5,754)	(545)	165	(21)
	(3,432)	1,608	1,217	751
Deferred tax (Note 33):				
Relating to origination and reversal of temporary differences	12,585	15,168	17	19
Under provision in prior years	1,921	1,418	-	-
	14,506	16,586	17	19
Income tax expense recognised in profit or loss	11,074	18,194	1,234	770

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

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'000	2017 RM'000
Profit before tax	85,980	69,752
Taxation at Malaysian statutory tax rate of 24%	20,635	16,740
Effect of:		
- Income not subject to tax	(23,434)	(11,111)
- Expenses not deductible for tax purposes	17,904	11,147
- Utilisation of previously unrecognised tax losses and unabsorbed capital allowances	(1,208)	-
- Deferred tax assets not recognised in respect of current year's tax losses and unabsorbed capital allowances	1,010	545
Under provision of deferred tax in prior years	1,921	1,418
Over provision of tax expense in prior years	(5,754)	(545)
Income tax expense recognised in profit or loss	11,074	18,194
Company		
Profit before tax	41,360	139,516
Taxation at Malaysian statutory tax rate of 24%	9,926	33,484
Effect of:		
- Income not subject to tax	(11,225)	(34,220)
- Expenses not deductible for tax purposes	1,492	1,527
- Deferred tax assets not recognised in respect of current year's tax losses and unabsorbed capital allowances	876	-
Under/(over) provision of tax expense in prior years	165	(21)
Income tax expense recognised in profit or loss	1,234	770

# NOTES TO THE FINANCIAL STATEMENTS

31 March 2018 (cont'd)

## 10. Earnings per share

### (a) Basic

Basic earnings per share is calculated by dividing the profit attributable to ordinary shareholders by the weighted average number of ordinary shares outstanding during the financial year.

	<b>Group</b>	
	<b>2018</b>	<b>2017</b>
Profit attributable to owners of the Company (RM'000)	74,250	35,526
Weighted average number of ordinary shares in issue ('000)	2,711,446	1,108,471
Basic earnings per share (sen)	2.74	3.20

### (b) Diluted

Diluted earnings per share is calculated by dividing the profit attributable to ordinary shareholders by the weighted average number of ordinary shares in issue after adjustment for the effects of all dilutive potential ordinary shares.

	<b>Group</b>	
	<b>2018 RM'000</b>	<b>2017 RM'000</b>
Profit attributable to owners of the Company	74,250	35,526
Interest expense on ICULS	64	73
Profit attributable to owners of the Company used in the computation of diluted earnings per share	74,314	35,599
Weighted average number of ordinary shares in issue	2,711,446	1,108,471
Adjustment for potential dilutive shares under ICULS conversion	64,574	73,648
Weighted average number of ordinary shares in issue used in the computation of diluted earnings per share	2,776,020	1,182,119
Diluted earnings per share (sen)	2.68	3.01

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# NOTES TO THE FINANCIAL STATEMENTS

31 March 2018 (cont'd)

## 11. Property, plant and equipment

	Freehold land RM'000	Long term leasehold land RM'000	Buildings RM'000	Furniture, fittings and equipment RM'000	Motor vehicles RM'000	Plant, machinery and others RM'000	Assets under construction RM'000	Total RM'000
<b>Group</b>								
<b>At 31 March 2018</b>								
<b>Cost</b>								
At 1 April 2017	51,909	150	36,629	16,722	1,380	788	2,122	109,700
Additions	-	-	-	465	-	-	1,349	1,814
Disposals	(150)	-	-	(3)	(96)	-	-	(249)
Written off	-	-	-	(1,339)	(4)	-	-	(1,343)
Reclassification	-	-	-	603	-	(603)	-	-
At 31 March 2018	51,759	150	36,629	16,448	1,280	185	3,471	109,922
<b>Accumulated depreciation</b>								
At 1 April 2017	-	10	19,202	12,416	1,246	761	-	33,635
Depreciation charge for the year	-	2	527	885	110	6	-	1,530
Disposals	-	-	-	(3)	(96)	-	-	(99)
Written off	-	-	-	(1,339)	(4)	-	-	(1,343)
Reclassification	-	-	-	603	-	(603)	-	-
At 31 March 2018	-	12	19,729	12,562	1,256	164	-	33,723
<b>Net carrying amount</b>	<b>51,759</b>	<b>138</b>	<b>16,900</b>	<b>3,886</b>	<b>24</b>	<b>21</b>	<b>3,471</b>	<b>76,199</b>
<b>At 31 March 2017</b>								
<b>Cost</b>								
At 1 April 2016	51,909	150	36,629	16,123	1,380	788	-	106,979
Additions	-	-	-	599	-	-	2,122	2,721
At 31 March 2017	51,909	150	36,629	16,722	1,380	788	2,122	109,700
<b>Accumulated depreciation</b>								
At 1 April 2016	-	8	18,674	11,361	1,104	741	-	31,888
Depreciation charge for the year	-	2	528	1,055	142	20	-	1,747
At 31 March 2017	-	10	19,202	12,416	1,246	761	-	33,635
<b>Net carrying amount</b>	<b>51,909</b>	<b>140</b>	<b>17,427</b>	<b>4,306</b>	<b>134</b>	<b>27</b>	<b>2,122</b>	<b>76,065</b>

# NOTES TO THE FINANCIAL STATEMENTS

31 March 2018 (cont'd)

## 11. Property, plant and equipment (cont'd.)

	Long term leasehold land RM'000	Motor vehicles RM'000	Furniture, fittings and equipment RM'000	Total RM'000
<b>Company</b>				
<b>At 31 March 2018</b>				
<b>Cost</b>				
At 1 April 2017	150	873	1,030	2,053
Additions	-	-	7	7
Disposal	-	-	(3)	(3)
At 31 March 2018	150	873	1,034	2,057
<b>Accumulated depreciation</b>				
At 1 April 2017	9	751	962	1,722
Depreciation charge for the year	2	106	24	132
Disposal	-	-	(3)	(3)
At 31 March 2018	11	857	983	1,851
<b>Net carrying amount</b>	139	16	51	206
<b>At 31 March 2017</b>				
<b>Cost</b>				
At 1 April 2016	150	873	1,023	2,046
Additions	-	-	7	7
At 31 March 2017	150	873	1,030	2,053
<b>Accumulated depreciation</b>				
At 1 April 2016	8	637	927	1,572
Depreciation charge for the year	1	114	35	150
At 31 March 2017	9	751	962	1,722
<b>Net carrying amount</b>	141	122	68	331

Net carrying amounts of property, plant and equipment of the Group and of the Company held under hire purchase as at reporting date is RM16,000 (2017: RM122,000).

# NOTES TO THE FINANCIAL STATEMENTS

31 March 2018 (cont'd)

## 12. Land held for property development and property development costs

### (a) Land held for property development

	Land RM'000	Development costs RM'000	Total RM'000
<b>Group</b>			
<b>At 31 March 2018</b>			
<b>Cost</b>			
At 1 April 2017	142,446	16,294	158,740
Additions	-	6,623	6,623
Disposal of land	(1,899)	(472)	(2,371)
Reclassification	(752)	752	-
Transfer from property development costs (Note 12(b))	4,252	164	4,416
Written off	-	(336)	(336)
Acquisition of subsidiaries	289,983	36,292	326,275
At 31 March 2018	434,030	59,317	493,347
<b>At 31 March 2017</b>			
<b>Cost</b>			
At 1 April 2016	24,946	14,028	38,974
Additions	-	2,266	2,266
Acquisition of a subsidiary	117,500	-	117,500
At 31 March 2017	142,446	16,294	158,740

(i) Included in land held for property development during the financial year are:

	Group 2018 RM'000	2017 RM'000
Interest expenses capitalised (Note 7)	4,777	-

# NOTES TO THE FINANCIAL STATEMENTS

31 March 2018 (cont'd)

## 12. Land held for property development and property development costs (cont'd.)

### (b) Property development costs

	Land RM'000	Development costs RM'000	Total RM'000
<b>Group</b>			
<b>At 31 March 2018</b>			
<b>Cumulative property development cost</b>			
At 1 April 2017	133,891	93,473	227,364
Cost incurred during the financial year	1,190	50,976	52,166
Transfer to land held for property development (Note 12(a))	(4,252)	(164)	(4,416)
At 31 March 2018	130,829	144,285	275,114
<b>Cumulative cost recognised in profit or loss</b>			
At 1 April 2017	(1,518)	(6,203)	(7,721)
Recognised during the financial year	(7,629)	(28,966)	(36,595)
At 31 March 2018	(9,147)	(35,169)	(44,316)
<b>Property development costs at 31 March 2018</b>	121,682	109,116	230,798
<b>At 31 March 2017</b>			
<b>Cumulative property development cost</b>			
At 1 April 2016	133,891	54,047	187,938
Cost incurred during the financial year	-	39,426	39,426
At 31 March 2017	133,891	93,473	227,364
<b>Cumulative cost recognised in profit or loss</b>			
At 1 April 2016	-	-	-
Recognised during the financial year	(1,518)	(6,203)	(7,721)
At 31 March 2017	(1,518)	(6,203)	(7,721)
<b>Property development costs at 31 March 2017</b>	132,373	87,270	219,643

(i) Included in property development cost incurred during the financial year are:

	<b>Group</b>	
	<b>2018 RM'000</b>	<b>2017 RM'000</b>
Interest expenses capitalised (Note 7)	4,090	4,291

(ii) The land together with development costs with a carrying value of RM538,107,000 (2017: RM223,218,000) are pledged as securities for bank borrowings as disclosed in Note 27.



# NOTES TO THE FINANCIAL STATEMENTS

31 March 2018 (cont'd)

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## 13. Investment properties

Group	Freehold land RM'000	Buildings RM'000	Buildings on leasehold land RM'000	Total RM'000
<b>At 31 March 2018</b>				
<b>Cost</b>				
At 1 April 2017	12,113	87,871	-	99,984
Additions	-	118	-	118
At 31 March 2018	12,113	87,989	-	100,102
<b>Accumulated depreciation</b>				
At 1 April 2017	-	4,408	-	4,408
Depreciation charge for the year	-	1,594	-	1,594
At 31 March 2018	-	6,002	-	6,002
<b>Accumulated impairment</b>				
At 1 April 2017/31 March 2018	-	7,747	-	7,747
<b>Net carrying amount</b>	12,113	74,240	-	86,353
<b>At 31 March 2017</b>				
<b>Cost</b>				
At 1 April 2016	12,113	87,871	65	100,049
Disposal	-	-	(65)	(65)
At 31 March 2017	12,113	87,871	-	99,984
<b>Accumulated depreciation</b>				
At 1 April 2016	-	1,620	8	1,628
Depreciation charge for the year	-	2,788	-	2,788
Disposal	-	-	(8)	(8)
At 31 March 2017	-	4,408	-	4,408
<b>Accumulated impairment</b>				
At 1 April 2016	-	7,747	19	7,766
Disposal	-	-	(19)	(19)
At 31 March 2017	-	7,747	-	7,747
<b>Net carrying amount</b>	12,113	75,716	-	87,829

# NOTES TO THE FINANCIAL STATEMENTS

31 March 2018 (cont'd)

## 13. Investment properties (cont'd.)

	Freehold land RM'000	Buildings RM'000	Total RM'000
<b>Company</b>			
<b>At 31 March 2018</b>			
<b>Cost</b>			
At 1 April 2017/31 March 2018	11,988	20,720	32,708
<b>Accumulated depreciation</b>			
At 1 April 2017	-	8,223	8,223
Depreciation charge for the year	-	414	414
At 31 March 2018	-	8,637	8,637
<b>Net carrying amount</b>	11,988	12,083	24,071
<b>At 31 March 2017</b>			
<b>Cost</b>			
At 1 April 2016/31 March 2017	11,988	20,720	32,708
<b>Accumulated depreciation</b>			
At 1 April 2016	-	7,809	7,809
Depreciation charge for the year	-	414	414
At 31 March 2017	-	8,223	8,223
<b>Net carrying amount</b>	11,988	12,497	24,485

# NOTES TO THE FINANCIAL STATEMENTS

31 March 2018 (cont'd)

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## 13. Investment properties (cont'd.)

(a) The fair value of investment properties of the Group and the Company are categorised as follows:

	<b>Level 3 RM'000</b>
<b>Group</b>	
<b>2018</b>	
Land	26,575
Buildings	142,469
	<hr/> 169,044 <hr/>
<b>2017</b>	
Land	35,884
Buildings	146,185
	<hr/> 182,069 <hr/>
<b>Company</b>	
<b>2018</b>	
Land	26,575
Building	54,570
	<hr/> 81,145 <hr/>
<b>2017</b>	
Land	35,884
Building	54,815
	<hr/> 90,699 <hr/>

- (i) There were no transfers between Level 1, Level 2 and Level 3 fair value measurements during the financial years ended 31 March 2018 and 31 March 2017.
- (ii) The fair value of the investment properties of the Group and of the Company are categorised at Level 3. The land and building are valued by reference to transactions of similar lands surrounding with appropriate adjustments made for differences in the relevant characteristics of the land. Certain buildings valuation of the Group are based on valuation performed by certified external valuer based on market comparison approach and discounted cash flow approach prepared by management.
- (b) Buildings of the Company refers to school buildings which have been leased to a subsidiary with an aggregate carrying value of RM12,083,000 (2017: RM12,497,000).

## 14. Goodwill

	<b>Group</b>
	<b>2018 RM'000</b>
	<b>2017 RM'000</b>
At 1 April/31 March	12
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# NOTES TO THE FINANCIAL STATEMENTS

31 March 2018 (cont'd)

## 15. Biological assets

	Group	
	2018 RM'000	2017 RM'000
<b>Cost</b>		
At 1 April	6,978	6,558
Additions	126	420
At 31 March	7,104	6,978
<b>Accumulated amortisation</b>		
At 1 April	411	256
Amortisation charge for the year	271	155
At 31 March	682	411
<b>Net carrying amount</b>	6,422	6,567

## 16. Land use rights

	Group		Company	
	2018 RM'000	2017 RM'000	2018 RM'000	2017 RM'000
At 1 April	48	55	48	50
Amortisation for the year	(1)	(2)	(1)	(2)
Disposal for the year	-	(5)	-	-
At 31 March	47	48	47	48
Analysed as:				
Short term leasehold	47	48	47	48
Amount to be amortised:				
- Not later than one year	1	1	1	1
- Later than one year but not later than five years	5	5	5	5
- Later than five years	41	42	41	42
	47	48	47	48

The Group's land use right relate to the land use right over one plot of land situated in Temerloh Pahang which have remaining tenure of 37 years (2017: 38 years).

# NOTES TO THE FINANCIAL STATEMENTS

31 March 2018 (cont'd)

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## 17. Investments in subsidiaries

	Company	
	2018 RM'000	2017 RM'000
At 31 March		
Unquoted shares, at cost	846,039	285,915
Discount on loans to subsidiaries	13,003	59,823
	859,042	345,738
Less: Accumulated impairment losses	(96,729)	(96,729)
	762,313	249,009

Details of the subsidiaries are as follows:

Name of Subsidiaries	Principal Activities	Country of Incorporation	Proportion of Ownership Interest	
			2018 %	2017 %
Bestform Limited	Investment holding	Isle of Man	100.00	100.00
Bright Term Sdn Bhd	Property development	Malaysia	100.00	100.00
Clarity Crest Sdn Bhd	Cultivation of rubber and oil palm	Malaysia	100.00	100.00
Forward Esteem Sdn Bhd	Property development	Malaysia	100.00	-
L&G Resources (1994), Inc.	Investment holding	USA	100.00	100.00
Land & General Properties Sdn Bhd	Property development	Malaysia	100.00	100.00
Land & General Australia (Holdings) Pty Ltd	Investment holding	Australia	100.00	100.00
Lang Education Holdings Sdn Bhd	Investment holding	Malaysia	100.00	100.00
Lang Furniture (Pahang) Sdn Bhd	Dormant	Malaysia	100.00	100.00
Maple Domain Sdn Bhd	Investment holding	Malaysia	100.00	100.00
Pillar Quest Sdn Bhd	Investment holding	Malaysia	100.00	100.00
Primal Milestone Sdn Bhd	Investment holding	Malaysia	100.00	-
Quantum Bonus Sdn Bhd	Investment holding	Malaysia	100.00	-
Sri Damansara Sdn Bhd	Property development	Malaysia	100.00	100.00
Syarikat Trimal Sdn Bhd	Property development	Malaysia	100.00	100.00
Synergy Score Sdn Bhd	Investment holding	Malaysia	100.00	100.00
Triumph Bliss Sdn Bhd	Property development	Malaysia	100.00	-
Victory Vista Sdn Bhd	Investment holding	Malaysia	100.00	100.00
*Winlink Pte Ltd	Dormant	Singapore	100.00	100.00

# NOTES TO THE FINANCIAL STATEMENTS

31 March 2018 (cont'd)

## 17. Investments in subsidiaries (cont'd.)

Name of Subsidiaries	Principal Activities	Country of Incorporation	Proportion of Ownership Interest	
			2018 %	2017 %
Subsidiary of Land & General Australia (Holdings) Pty Ltd:				
Lang Melbourne Pty Ltd	Dormant	Australia	100.00	100.00
World Trade Centre Holdings Pty Ltd	Dormant	Australia	100.00	100.00
Flinders Wharf Pty Ltd	Dormant	Australia	100.00	100.00
Flinders Wharf One Pty Ltd	Dormant	Australia	100.00	100.00
Flinders Wharf Two Pty Ltd	Dormant	Australia	100.00	100.00
PLR Mayfields Pty Ltd	Dormant	Australia	100.00	100.00
Subsidiary of L&G Resources (1994), Inc.:				
L&G Display Technologies, Inc.	Dormant	USA	100.00	100.00
Subsidiary of Lang Education Holdings Sdn Bhd				
Lang Education Sdn Bhd	Education services	Malaysia	100.00	100.00
Subsidiary of Pillar Quest Sdn Bhd				
Xtreme Meridian Sdn Bhd	Property development	Malaysia	50.01	50.01
Subsidiary of Sri Damansara Sdn Bhd:				
Sri Damansara Club Bhd	Management of club activities	Malaysia	100.00	100.00
Subsidiaries of Syarikat Trimal Sdn Bhd:				
Mentari Unggul Sdn Bhd	Dormant	Malaysia	100.00	100.00
Tinvein Nominees Sdn Bhd	Investment holding	Malaysia	100.00	100.00
Subsidiary of Synergy Score Sdn Bhd:				
Elite Forward Sdn Bhd	Property development	Malaysia	50.01	50.01
Subsidiary of Victory Vista Sdn Bhd:				
Pembinaan Jaya Megah Sdn Bhd	Property development	Malaysia	100.00	100.00
Subsidiary of World Trade Centre Holdings Pty Ltd:				
Lang Australia Pty Ltd	Dormant	Australia	100.00	100.00



**17. Investments in subsidiaries (cont'd.)**

Name of Companies	Classification
# L&G Resources Sdn Bhd	Court winding up
# Lang Furniture (Selangor) Sdn Bhd	Court winding up
# Bandar Sungai Buaya Sdn Bhd	Court winding up
# Lembah Beringin Sdn Bhd	Receivers and Managers appointed and under court winding up.
* Audited by a firm of auditors other than member firms of Ernst & Young Global.	
# In accordance to FRS 10, the Company had lost control over these subsidiaries in prior year, hence, the cost of investment has been reclassified to other investment.	

(i) Acquisition of subsidiaries

(a) Assets acquisition

As disclosed in Note 38, the Group had completed the following acquisitions:

- (i) The acquisition of entire equity interest in Forward Esteem Sdn Bhd for a total cash consideration of RM45,725,000.
- (ii) The acquisition of entire equity interest in Primal Milestone Sdn Bhd ("PMSB") and Quantum Bonus Sdn Bhd ("QBSB") for a total cash consideration of RM128,468,000 and RM5,970,000 respectively.

Consideration on the acquisitions

	RM'000
Cash consideration	134,438
Contingent consideration as at acquisition date	14,620
<b>Total consideration</b>	<b>149,058</b>

As part of the acquisitions of PMSB and QBSB, the Company agrees to transfer additional consideration of RM38,722,000 after the acquisition date if PMSB and QBSB receive dividends from Country Garden Properties (Malaysia) Sdn Bhd ("CGPM"), the associate of PMSB. This arrangement gave rise to contingent consideration, which is required to be recognised at fair value as part of the consideration transferred in exchange for the acquisitions.

The timing of the receipt of contingent consideration was determined by the projected cash flow of CGPM. The fair value of the contingent consideration of RM14,620,000 was recognised as at date of acquisition. The contingent consideration is recognised as disclosed in Note 18 and 26.

# NOTES TO THE FINANCIAL STATEMENTS

31 March 2018 (cont'd)

## 17. Investments in subsidiaries (cont'd.)

### (i) Acquisition of subsidiaries (cont'd.)

#### (b) Business combination

During the financial year, the Company had completed the acquisition of entire equity interest in Triumph Bliss Sdn Bhd ("TBSB") for a total cash consideration of RM118,154,000. The fair values of the identifiable assets and liabilities of TBSB as at the date of acquisition were as follows:-

	Carrying amount RM'000	Fair value RM'000
Land held for development	166,886	253,633
Cash & bank balances	23	23
Term loan	(108,627)	(108,627)
Trade and other payables	(6,928)	(6,928)
Deferred tax liability	-	(19,947)
Fair value of net identifiable assets acquired	51,354	118,154

The effect of the acquisition on cash flows is as follows:-

	RM'000
Cash outflow of the Group for the current year	268,485
Cash outflow of the Group in financial year 2017	29,832
Total cash outflow on acquisition	298,317

# NOTES TO THE FINANCIAL STATEMENTS

31 March 2018 (cont'd)

## 17. Investments in subsidiaries (cont'd.)

### (ii) Summarised financial information of subsidiaries with material non-controlling interests

The summarised financial information of Elite Forward Sdn Bhd and Xtreme Meridian Sdn Bhd which have non-controlling interests that are material to the Group is set out below. The summarised financial information presented below is the amount before inter-company elimination.

#### (a) Summarised statements of financial positions

	<u>Elite Forward Sdn Bhd</u>		<u>Xtreme Meridian Sdn Bhd</u>		<u>Total</u>	
	2018	2017	2018	2017	2018	2017
	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000
Non-current assets	7	781	6	3	13	784
Current assets	29,378	40,895	205,614	197,972	234,992	238,867
Total assets	29,385	41,676	205,620	197,975	235,005	239,651
Non-current liabilities	-	-	158,330	150,756	158,330	150,756
Current liabilities	793	13,984	42,062	42,402	42,855	56,386
Total liabilities	793	13,984	200,392	193,158	201,185	207,142
<b>Net assets</b>	<b>28,592</b>	<b>27,692</b>	<b>5,228</b>	<b>4,817</b>	<b>33,820</b>	<b>32,509</b>
Equity attributable to the owner of the Company	14,299	13,849	2,615	2,409	16,913	16,258
Non-controlling interests	14,293	13,843	2,613	2,408	16,907	16,251
	28,592	27,692	5,228	4,817	33,820	32,509

# NOTES TO THE FINANCIAL STATEMENTS

31 March 2018 (cont'd)

## 17. Investments in subsidiaries (cont'd.)

(ii) Summarised financial information of subsidiaries with material non-controlling interests (cont'd.)

(b) Summarised statements of comprehensive income

	Elite Forward Sdn Bhd		Xtreme Meridian Sdn Bhd		Total	
	2018	2017	2018	2017	2018	2017
	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000
Revenue	6,606	5,605	49,667	9,886	56,273	15,491
Profit/(loss) for the year	900	45,290	412	(13,311)	1,312	31,979
Profit/(loss) attributable to:						
- owners of the Company	450	22,650	206	(6,657)	656	15,993
- non-controlling interests	450	22,640	206	(6,654)	656	15,986
	900	45,290	412	(13,311)	1,312	31,979
Total comprehensive income/(loss) attributable to :-						
- owners of the Company	450	22,650	206	(6,657)	656	15,993
- non-controlling interests	450	22,640	206	(6,654)	656	15,986
Total comprehensive income/(loss)	900	45,290	412	(13,311)	1,312	31,979
Transaction with non-controlling interests:						
- Dividend payable	-	(11,348)	-	-	-	(11,348)

**17. Investments in subsidiaries (cont'd.)**

(ii) Summarised financial information of subsidiaries with material non-controlling interests (cont'd.)

(c) Summarised statements of cash flows

	<u>Elite Forward Sdn Bhd</u>		<u>Xtreme Meridian Sdn Bhd</u>		<u>Total</u>	
	2018	2017	2018	2017	2018	2017
	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000
Net cash (used in)/generated from operating activities	(10,957)	18,899	(5,234)	(11,125)	(16,191)	7,774
Net cash generated from investing activities	199	508	212	703	411	1,211
Net cash (used in)/generated from financing activities	-	(32,700)	(1,011)	23,911	(1,011)	(8,789)
Net (decrease)/increase in cash and cash equivalents	(10,758)	(13,293)	(6,033)	13,489	(16,791)	196
Cash and cash equivalents at beginning of year	11,657	24,950	14,441	952	26,098	25,902
Cash and cash equivalents at end of year	899	11,657	8,408	14,441	9,307	26,098

# NOTES TO THE FINANCIAL STATEMENTS

31 March 2018 (cont'd)

## 18. Investments in associates

	Group		Company	
	2018 RM'000	2017 RM'000	2018 RM'000	2017 RM'000
Unquoted shares, at cost:				
- In Malaysia	1,321	535	500	500
- Outside Malaysia ^	-	-	-	-
Contingent consideration (Note 17)	14,620	-	-	-
Share of post-acquisition (loss)/profit	(2,361)	940	-	-
	13,580	1,475	500	500
Less: Accumulated impairment losses	(1,475)	(1,475)	(500)	(500)
	12,105	-	-	-

^ The cost of the investment is less than RM1,000.

(a) Details of the associates are as follows:

Name of Associates	Principal Activities	Country of Incorporation	Proportion of Ownership Interest	
			2018 %	2017 %
C.I. Damansara Quarry Sdn Bhd*	Dormant	Malaysia	35.00	35.00
Projass Langbuilt Sdn Bhd*	Dormant	Malaysia	50.00	50.00
FW Financing Solutions Pty Ltd*	Dormant	Australia	50.00	50.00

### Held through Primal Milestone Sdn Bhd and Quantum Bonus Sdn Bhd

Country Garden Properties (Malaysia) Sdn Bhd ("CGPM")*#	Property development	Malaysia	45.00	-
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\* Audited by a firm other than member firms of Ernst & Young Global.

# The financial statements of the associates of the Group are coterminous with those of the Group, except for CGPM which have a financial year end of 31 December.

The share of results of CGPM for the current financial year are for the ten months period ended 31 March 2018 based on the latest audited financial statements.



# NOTES TO THE FINANCIAL STATEMENTS

31 March 2018 (cont'd)

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## 18. Investments in associates (cont'd.)

- (b) The summarised financial information set out below represents the amounts in the financial statements of the associates and not the Group's share of those amounts:

### Group

	Country Garden Properties (Malaysia) Sdn Bhd RM'000	Other individually immaterial associates RM'000	Total RM'000
<b>2018</b>			
<b>Assets and liabilities</b>			
Non current assets	131,680	-	131,680
Current assets	265,949	1	265,950
<b>Total assets</b>	<b>397,629</b>	<b>1</b>	<b>397,630</b>
Non current liabilities	(15,000)	-	(15,000)
Current liabilities	(624,032)	10	(624,022)
<b>Total liabilities</b>	<b>(639,032)</b>	<b>10</b>	<b>(639,022)</b>
<b>Results</b>			
Revenue	90,639	-	90,639
Loss after taxation	(7,335)	(4)	(7,339)
<b>Reconciliation of net assets to carrying amount</b>			
Cost of investment	786	-	786
Contingent consideration	14,620	-	14,620
Share of post acquisition loss	(3,301)	-	(3,301)
<b>Carrying amount in the statement of financial position</b>	<b>12,105</b>	<b>-</b>	<b>12,105</b>
<b>Group's share of loss</b>			
Group's share of total comprehensive loss	(3,301)	-	-
<b>2017</b>			
<b>Assets and liabilities</b>			
Current assets, representing total assets	-	1	1
Current liabilities, representing total liabilities	-	7	7
<b>Results</b>			
Revenue	-	-	-
Loss after taxation	-	(3)	(3)

# NOTES TO THE FINANCIAL STATEMENTS

31 March 2018 (cont'd)

## 19. Investment in a joint venture

	Group	
	2018 RM'000	2017 RM'000
Unquoted shares at cost ^	-	-
Share of post-acquisition reserves	-	-
	-	-
Exchange differences	-	-
	-	-

^ The cost of the investment is less than RM1,000.

(a) Details of the joint venture are as follows:

Name of Joint Venture	Principal Activity	Country of Incorporation	Proportion of Ownership Interest	
			2018 %	2017 %
Hidden Valley Australia Pty Ltd	Property development	Australia	50.00	50.00

(b) The summarised information as set out below represents the amounts in the financial statements of the joint venture and not the Group's share of those amounts.

(i) Summarised statement of financial position

	2018 RM'000	2017 RM'000
<b>Assets and liabilities</b>		
Non-current assets	24	64
Cash and bank balances	5,822	3,828
Other current assets	27,363	27,136
Total current assets	33,185	30,964
Total assets	33,209	31,028
Other payables	4,179	725
Borrowings	38,350	37,688
Total non-current liabilities	42,529	38,413
Trade and other payables	1,039	1,263
Total current liabilities	1,039	1,263
Total liabilities	43,568	39,676
Net liabilities	(10,359)	(8,648)

# NOTES TO THE FINANCIAL STATEMENTS

31 March 2018 (cont'd)

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## 19. Investment in a joint venture (cont'd.)

(b) The summarised information as set out below represents the amounts in the financial statements of the joint venture and not the Group's share of those amounts. (cont'd)

(ii) Summarised statement of comprehensive income

	2018 RM'000	2017 RM'000
Revenue	10,354	7,927
Depreciation and amortisation	-	(36)
Interest expense	(1,385)	(1,334)
Profit/(loss) after tax	3,390	(1,301)
Total comprehensive income/(loss)	3,390	(1,301)

(c) The Group had not recognised its share of the current year profit of RM1,695,000 (2017: Nil) as the Group's cumulative share of unrecognised losses with respect to that joint venture was RM2,629,000 (2017: RM4,324,000) as the reporting date.

## 20. Other investments

Group	Quoted shares RM'000	Short term investments RM'000	Unquoted shares RM'000	Total RM'000
<b>At 31 March 2018</b>				
<b>Current</b>				
Money market funds	-	1,454	-	1,454
<b>Non-current</b>				
Financial assets at fair value through profit or loss	11,900	-	-	11,900
Available-for-sale financial assets	-	-	2,118	2,118
Less: Accumulated impairment losses	-	-	(2,118)	(2,118)
	-	-	-	-
	11,900	-	-	11,900
<b>At 31 March 2017</b>				
<b>Current</b>				
Money market funds	-	7,380	-	7,380
<b>Non-current</b>				
Financial assets at fair value through profit or loss	13,092	-	-	13,092
Available-for-sale financial assets	-	-	2,118	2,118
Less: Accumulated impairment losses	-	-	(2,118)	(2,118)
	-	-	-	-
	13,092	-	-	13,092

# NOTES TO THE FINANCIAL STATEMENTS

31 March 2018 (cont'd)

## 20. Other investments (cont'd.)

Company	Quoted shares RM'000	Short term investments RM'000	Unquoted shares RM'000	Total RM'000
<b>At 31 March 2018</b>				
<b>Current</b>				
Money market funds	-	729	-	729
<b>Non-current</b>				
Financial assets at fair value through profit or loss	11,900	-	-	11,900
Available-for-sale financial assets	-	-	181,569	181,569
Less: Accumulated impairment losses	-	-	(181,569)	(181,569)
	-	-	-	-
	11,900	-	-	11,900
<b>At 31 March 2017</b>				
<b>Current</b>				
Money market funds	-	1,593	-	1,593
<b>Non-current</b>				
Financial assets at fair value through profit or loss	13,092	-	-	13,092
Available-for-sale financial assets	-	-	181,569	181,569
Less: Accumulated impairment losses	-	-	(181,569)	(181,569)
	-	-	-	-
	13,092	-	-	13,092

## 21. Inventories

	<b>Group</b>	
	<b>2018 RM'000</b>	<b>2017 RM'000</b>
Cost:		
Properties held for sale	39,646	43,417
Consumables	86	66
	39,732	43,483
Cost of inventories recognised as an expense	3,780	2,612

# NOTES TO THE FINANCIAL STATEMENTS

31 March 2018 (cont'd)

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## 22. Trade and other receivables

		Group		Company	
	Note	2018 RM'000	2017 RM'000	2018 RM'000	2017 RM'000
<b>Current</b>					
<b>Trade receivables</b>	(a)				
Third parties		12,856	3,066	-	-
Stakeholders sum		21,114	39,978	-	-
		33,970	43,044	-	-
Less: Allowance for impairment		(1,541)	(347)	-	-
Trade receivables, net		32,429	42,697	-	-
<b>Other receivables</b>					
Amounts due from related parties:					
Subsidiaries	(b)(ii)	-	-	51,694	147,393
Associates	(b)(iv)	1,193	1,167	1,119	1,119
		1,193	1,167	52,813	148,512
Deposits	(b)(iii)	4,556	33,671	112	29,944
Sundry receivables		4,317	9,043	30,243	400
		10,066	43,881	83,168	178,856
Less: Allowance for impairment		(4,137)	(4,648)	(40,382)	(76,419)
Other receivables (current), net		5,929	39,233	42,786	102,437
		38,358	81,930	42,786	102,437
<b>Non-current</b>					
<b>Other receivables</b>					
Amounts due from related parties:					
Subsidiaries	(b)(ii)	-	-	45,016	204,148
Associate	(b)(iv)	143,512	-	-	-
Joint venture	(b)(ii)	12,970	13,963	-	-
		156,482	13,963	45,016	204,148
Less: Allowance for impairment		(12,970)	(13,963)	-	-
Other receivables (non-current), net		143,512	-	45,016	204,148
Total trade and other receivables		181,870	81,930	87,802	306,585
Add: Deposits, cash and bank balances (Note 24)		385,422	390,419	96,720	33,632
Total loans and receivables		567,292	472,349	184,522	340,217

# NOTES TO THE FINANCIAL STATEMENTS

31 March 2018 (cont'd)

## 22. Trade and other receivables (cont'd.)

### (a) Trade receivables

- (i) Trade receivables are non-interest bearing and generally on 30 to 90 days (2017: 30 to 90 days) terms. They are recognised at their original invoice amounts which represent their fair value on initial recognition.

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

	Group	
	2018 RM'000	2017 RM'000
Neither past due nor impaired	29,712	40,970
1 to 30 days past due not impaired	22	180
31 to 60 days past due not impaired	1,374	59
61 to 90 days past due not impaired	1,113	1,128
91 to 120 days past due not impaired	-	30
More than 121 days past due not impaired	208	330
	2,717	1,727
Impaired	1,541	347
	33,970	43,044

#### Receivables that are neither past due nor impaired

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

None of the Group's trade receivables that are neither past due nor impaired have been renegotiated during the financial year.

#### Receivables that are past due but not impaired

Trade receivables that are past due but not impaired are unsecured in nature. However, the directors are of the opinion that these debts should be realised in full without material losses in the ordinary course of business.

At the reporting date, approximately 93% (2017: 83%) of the Group's trade receivables that are past due but not impaired are due from property buyers who were sourcing for financing. Although these receivables have exceeded the credit term granted to them, no impairment has been made on these amounts as the Group is closely monitoring the status of loan application by these buyers.

- (ii) Trade receivables that are impaired

The Group's trade receivables that are impaired at the reporting date and the movement of the allowance accounts used to record the impairment are as follows:

	Group	
	2018 RM'000	2017 RM'000
Trade receivables - nominal amount	1,541	347
Less: Allowance for impairment	(1,541)	(347)
	-	-



# NOTES TO THE FINANCIAL STATEMENTS

31 March 2018 (cont'd)

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## 22. Trade and other receivables (cont'd.)

### (a) Trade receivables (cont'd.)

#### (ii) Trade receivables that are impaired (cont'd.)

Movement in allowance accounts:

	Group	
	2018 RM'000	2017 RM'000
At 1 April	347	1,963
Charge to profit or loss (Note 8)	1,293	-
Reversal of impairment loss (Note 4)	(40)	-
Written off	(59)	(1,616)
At 31 March	1,541	347

### (b) Other receivables

- (i) The Group has no significant concentration of credit risk included under sundry receivables that may arise from exposures to a single debtor or to groups of debtors except for debts due from subsidiaries and associates.

#### Other receivables that are impaired

Movement in allowance accounts:

	Group		Company	
	2018 RM'000	2017 RM'000	2018 RM'000	2017 RM'000
At 1 April	18,611	16,074	76,419	76,419
Charge for the year	1,402	2,473	565	-
Reversal (Note 4)	(649)	(536)	(7,304)	-
Written off	(503)	(89)	(29,298)	-
Exchange differences	(1,754)	689	-	-
At 31 March	17,107	18,611	40,382	76,419

#### (ii) Amounts due from subsidiaries and joint venture

Amounts due from subsidiaries and joint venture are unsecured and non-interest bearing. The amounts classified as non-current are measured at their amortised cost using the discount rate of 4.55% to 5.35% (2017: 4.55% to 5.35%) over the period of repayments.

#### (iii) Deposits

Included in the deposits of the Group for the financial year ended 2017 was deposit paid of RM29,832,000 for the Proposed Acquisition as disclosed in Note 38.

#### (iv) Amount due from associates

Amount due from associates are unsecured and non-interest bearing. At initial recognition, the timing of receipt of amount due from associates was determined by projected cash flow of CGPM with a discount rate of 5.72%.

# NOTES TO THE FINANCIAL STATEMENTS

31 March 2018 (cont'd)

## 23. Other current assets

	Group		Company	
	2018 RM'000	2017 RM'000	2018 RM'000	2017 RM'000
Prepayments	543	522	182	190
Accrued billings in respect of property development costs	14,067	-	-	-
Others	160	160	160	160
	14,770	682	342	350

## 24. Deposits, cash and bank balances

	Group		Company	
	2018 RM'000	2017 RM'000	2018 RM'000	2017 RM'000
Cash on hand and at banks	114,285	15,209	93,445	590
Deposits with financial institutions	271,137	375,210	3,275	33,042
Total deposits, cash and balances	385,422	390,419	96,720	33,632

- (i) Included in cash at banks of the Group were amounts of RM11,815,000 (2017: RM7,771,000) held under the Housing Development Accounts ("HDA Account") pursuant to Section 7A of the Housing Development (Control and Licensing) Act, 1966 (Act 118) and are therefore restricted from use in other operations.
- (ii) Included in deposits with financial institutions of the Group were:
- amounts of RM8,014,000 (2017: RM7,780,000) pledged to banks as securities deposits for bank guarantees;
  - amounts of RM987,000 (2017: RM1,015,000) held under a trust account pursuant to a Trust Deed dated 11 September 1994 in relation to a membership scheme of a subsidiary, Sri Damansara Club Berhad. The application of the monies is governed by the Trust Deed Agreement; and
  - amounts of RM2,334,000 (2017: RM2,180,000) held under sinking funds maintained by a subsidiary, Sri Damansara Club Berhad, for the purpose of repair and maintenance of properties.
- (iii) Included in deposits with financial institutions of the Company were amounts of RM76,000 (2017: RM73,000) pledged to bank as security deposit for bank guarantee.

# NOTES TO THE FINANCIAL STATEMENTS

31 March 2018 (cont'd)

## 24. Deposits, cash and bank balances (cont'd.)

The weighted average effective interest rates of deposits at the reporting date were as follows:

	Group		Company	
	2018 % per annum	2017 % per annum	2018 % per annum	2017 % per annum
Deposits with financial institutions	2.86	3.12	2.16	3.52

The range of maturities of deposits as at the reporting date were as follows:

	Group		Company	
	2018 Days	2017 Days	2018 Days	2017 Days
Deposits with financial institutions	30 - 365	30 - 365	90 - 365	90 - 365

For the purpose of the statements of cash flows, cash and cash equivalents comprise of the following as at the reporting date:

	Group		Company	
	2018 RM'000	2017 RM'000	2018 RM'000	2017 RM'000
Deposits, cash and bank balances	385,422	390,419	96,720	33,632
Less:				
- Deposits pledged as security for bank guarantee facility	(8,014)	(7,780)	(76)	(73)
- Deposit held in trust	(33)	(32)	(33)	(32)
- Deposits with periods more than 3 months	(35,276)	(185,932)	(1,488)	(31,065)
	(342,099)	(196,675)	95,123	2,462
Bank overdraft (Note 27)	-	(14,363)	-	-
Total cash and cash equivalents	342,099	182,312	95,123	2,462

# NOTES TO THE FINANCIAL STATEMENTS

31 March 2018 (cont'd)

## 25. Provisions

	Provision for costs to complete RM'000	Provision for financial obligation RM'000	Other provisions RM'000	Total RM'000
<b>Group</b>				
<b>At 31 March 2018</b>				
At 1 April 2017	80,405	39,895	2,495	122,795
Additions (Note 8)	-	-	1,349	1,349
Utilisation	(11,300)	-	-	(11,300)
Write back of provision (Note 4)	(45,212)	-	-	(45,212)
Unwinding of discount (Note 7)	-	1,716	-	1,716
<b>At 31 March 2018</b>	<b>23,893</b>	<b>41,611</b>	<b>3,844</b>	<b>69,348</b>
<b>Presented as follows:</b>				
Current	23,893	-	3,844	27,737
Non-current	-	41,611	-	41,611
	<b>23,893</b>	<b>41,611</b>	<b>3,844</b>	<b>69,348</b>
<b>At 31 March 2017</b>				
At 1 April 2016	168,220	38,251	2,285	208,756
Additions (Note 8)	-	-	210	210
Utilisation	(13,670)	-	-	(13,670)
Write back of provision (Note 4)	(74,145)	-	-	(74,145)
Unwinding of discount (Note 7)	-	1,644	-	1,644
<b>At 31 March 2017</b>	<b>80,405</b>	<b>39,895</b>	<b>2,495</b>	<b>122,795</b>
<b>Presented as follows:</b>				
Current	80,405	-	2,495	82,900
Non-current	-	39,895	-	39,895
	<b>80,405</b>	<b>39,895</b>	<b>2,495</b>	<b>122,795</b>

# NOTES TO THE FINANCIAL STATEMENTS

31 March 2018 (cont'd)

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## 25. Provisions (cont'd.)

	Provision for financial obligation RM'000	Other provisions RM'000	Total RM'000
<b>Company</b>			
<b>At 31 March 2018</b>			
At 1 April 2017	39,895	1,211	41,106
Additions (Note 8)	-	1,349	1,349
Unwinding of discount (Note 7)	1,716	-	1,716
At 31 March 2018	41,611	2,560	44,171
<b>Presented as follows:</b>			
Current	-	2,560	2,560
Non-current	41,611	-	41,611
	41,611	2,560	44,171
<b>At 31 March 2017</b>			
At 1 April 2016	38,251	1,001	39,252
Additions (Note 8)	-	210	210
Unwinding of discount (Note 7)	1,644	-	1,644
At 31 March 2017	39,895	1,211	41,106
<b>Presented as follows:</b>			
Current	-	1,211	1,211
Non-current	39,895	-	39,895
	39,895	1,211	41,106

### (a) Provision for costs to complete

Provision for costs to complete comprises the present obligation for property development, infrastructure and land related cost relating to project undertaken.

### (b) Provision for financial obligation

This is the estimated financial liability, as assessed by the directors, arising from the liquidation of a subsidiary in the previous financial years. The provision is based on the total amount owing by the former subsidiary to the financial institutions and it has been discounted using Group's cost of fund over a period of ten (10) years from its initial recognition.

### (c) Other provisions

Others include the following:-

#### (i) Liquidated ascertained damages

Provision for liquidated ascertained damages is in respect of property development projects undertaken by the Group. The provision is recognised for expected liquidated ascertained damage claims based on the terms of the applicable sale and purchase agreements.

#### (ii) Others

This is the estimated liability to be incurred by the Company as part of the Company's corporate obligation.

# NOTES TO THE FINANCIAL STATEMENTS

31 March 2018 (cont'd)

## 26. Trade and other payables

		Group		Company	
	Note	2018 RM'000	2017 RM'000	2018 RM'000	2017 RM'000
<b>Current</b>					
<b>Trade payables</b>					
Third parties	(a)	4,644	3,146	-	-
Progress billings in respect of property development cost		-	1,001	-	-
Retention sum payables		12,950	14,560	-	-
Accruals for construction costs		16,481	13,452	-	-
		34,075	32,159	-	-
<b>Other payables</b>					
Amount due to subsidiaries	(b)	-	-	17,349	25,712
Amount due to company related to major shareholders of the Company	(c)	9	9	-	-
Sundry payables	(d)	18,613	7,555	1,526	1,600
Accruals		11,563	10,912	152	195
		30,185	18,476	19,027	27,507
		64,260	50,635	19,027	27,507
<b>Non-current</b>					
<b>Other payables</b>					
Amount due to company related to major shareholders of the Company	(c)	44,999	42,752	-	-
Sundry payables	(d)	2,106	1,732	-	-
Contingent consideration	(e)	16,082	-	-	-
		63,187	44,484	-	-
		63,187	44,484	-	-
Total trade and other payables		127,447	95,119	19,027	27,507
Add: Borrowings (Note 27)		185,619	91,560	21	106
Less: Advanced students' fees		(3,554)	(3,398)	-	-
Total other financial liabilities at amortised cost		309,512	183,281	19,048	27,613

### (a) Trade payables

Trade payables are non-interest bearing and the normal trade credit term granted to the Group is 30 days (2017: 30 days).

### (b) Amount due to subsidiaries

Amount due to subsidiaries are unsecured, non-interest bearing and are repayable upon demand.

### (c) Amount due to company related to major shareholders of the Company

Amount due to company related to major shareholders of the Company is unsecured and non-interest bearing. The amounts classified as non-current are measured at their amortised cost using the discount rate of 5.10% to 5.35% (2017: 5.10% to 5.35%) over the period of repayments.

# NOTES TO THE FINANCIAL STATEMENTS

31 March 2018 (cont'd)

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## 26. Trade and other payables (cont'd.)

### (d) Sundry payable

- (i) Included in sundry payables of the Group are refundable deposits amounting to RM205,000 (2017: RM507,000) and RM1,674,000 (2017: RM1,377,000) in relation to club membership deposits in a subsidiary, Sri Damansara Club Berhad, and student enrolment deposits in a subsidiary, Lang Education Sdn Bhd ("LESB"), respectively.
- (ii) Included in sundry payables of the Group are student fees received in advance by LESB amounting to RM3,554,000 (2017: RM3,398,000).

### (e) Contingent consideration

A contingent consideration of RM14,620,000 was determined at the date of acquisition and has been recognised as investment in associate with the corresponding liability of the same amount in the statement of financial position. The liability as at year end includes the unwinding of discount for the year of RM1,462,000.

## 27. Borrowings

	Group		Company	
	2018 RM'000	2017 RM'000	2018 RM'000	2017 RM'000
<b>Current</b>				
Secured:				
Bank overdraft	-	14,363	-	-
Hire purchase and finance lease liabilities (Note 28)	21	85	21	85
Term loan	15,756	10,868	-	-
	15,777	25,316	21	85
<b>Non-current</b>				
Secured:				
Hire purchase and finance lease liabilities (Note 28)	-	21	-	21
Term loan	169,842	66,223	-	-
	169,842	66,244	-	21
<b>Total borrowings</b>	<b>185,619</b>	<b>91,560</b>	<b>21</b>	<b>106</b>

The maturities of the borrowings as at end of the financial year are as follows:

	Group		Company	
	2018 RM'000	2017 RM'000	2018 RM'000	2017 RM'000
Within one year	15,777	25,316	21	85
More than 1 year and less than 2 years	17,856	11,877	-	21
More than 2 years and less than 5 years	62,125	35,568	-	-
More than 5 years	89,861	18,799	-	-
	185,619	91,560	21	106



# NOTES TO THE FINANCIAL STATEMENTS

31 March 2018 (cont'd)

## 27. Borrowings (cont'd.)

The credit facilities granted to the subsidiaries are as follows:

- (a) Term loan of RM82,950,000, was granted to Xtreme Meridian Sdn Bhd, to partially finance the purchase of leasehold land situated in Ampang. The said loan is secured by:
- (i) a first legal charge over the said commercial leasehold land;
  - (ii) a specific debenture over development land and project together with fixed and floating assets, intellectual properties, goodwill, revenues, undertakings and all other rights relating to the Astoria project;
  - (iii) a corporate guarantee from the Company based on proportionate shareholdings of 50.01%;
  - (iv) a proportionately personal guarantee from Tan Sri Dato' David Chiu of 49.99%; and
  - (v) a proportionately corporate guarantee from Malaysia Land Properties Sdn Bhd of 49.99%.

In accordance with supplemental letter of offer dated 3 April 2014, the term loan is repayable over 83 equal monthly instalments of RM988,000 each and a final instalment of RM946,000. The repayment commenced on 14 May 2017.

The said loan bears interest at BLR minus 1.5% per annum.

- (b) Bridging facility of RM115,000,000 (2017: RM115,000,000) to partially finance the development of the said land, comprising:
- (i) Overdraft facility of RM15,000,000;
  - (ii) Term loan 2 of RM15,000,000; and
  - (iii) Bridging loan 1 and Bridging loan 2, both of which totalled to RM85,000,000.

Except for the overdraft which bears interest at bank's BLR, all other loans bears interest at bank's BLR minus 1.5% per annum.

Bridging loan 1 is repayable over 84 monthly instalments of RM536,000 with an adjustment in the last monthly instalment commencing on the 37 month from the date of first drawdown or via redemption units whichever is earlier.

Bridging loan 2 is repayable over 84 monthly instalments of RM477,000 with an adjustment in the last monthly instalment commencing on the 37 month from the date of first drawdown or via redemption units whichever is earlier. As of the date of this report, the said facility have not been drawdown.

- (c) Revolving credit facilities ("RC") amounting to RM27,000,000 (2017: RM54,000,000) was granted to Sri Damansara Sdn Bhd, comprising:
- (i) Tranche 1 of RM27,000,000 granted for general working capital of Phase 1 of the Damansara Foresta project had been withdrawn in previous year following the completion of the project; and
  - (ii) Tranche 2 of RM27,000,000 (2017: RM27,000,000) granted to partially finance the development cost of the Damansara Foresta project and had yet to be drawdown, will be redesignated subsequently to future projects.

The said revolving credit facilities are secured by:

- (i) a first legal charge over the project land;
- (ii) a first floating charge over all the present and future assets pertaining to the project; and
- (iii) corporate guarantee by the Company.

RC is subject to annual renewal and bears interest at 1.25% plus bank's cost of fund.

**27. Borrowings (cont'd.)**

The credit facilities granted to the subsidiaries are as follows: (cont'd.)

- d) Term loan of RM109,420,000, was granted to Triumph Bliss Sdn Bhd ("TBSB"), to partially finance the purchase of leasehold commercial land situated in Seri Kembangan. The said loan is secured by:
- (i) a first legal charge over the said commercial leasehold land;
  - (ii) a specific debenture over development land and project together with fixed and floating assets, intellectual properties, goodwill, revenues, undertakings and all other rights relating to the project;
  - (iii) a corporate guarantee by the Company; and
  - (iv) the subordination of all shareholders' advances to the Facilities.

In accordance with supplemental letter of offer dated 13 November 2013, the term loan is repayable over 48 quarterly instalments ranging from RM800,000 each to RM4,000,000 each with a final instalment of RM13,020,000. The repayment shall commenced in March 2017.

The said loan bears interest at BLR minus 1.5% per annum.

- (e) Term loan of RM27,000,000, was taken over from the previous holding company, Malaysia Land Properties Sdn Bhd, granted to Forward Esteem Sdn Bhd, to partially finance the purchase of a freehold land situated in Ampang. The said loan is secured by:
- (i) a first legal charge over the said freehold land;
  - (ii) a personal guarantee from Tan Sri Dato' David Chiu; and
  - (iii) a corporate guarantee by the previous holding company.

In accordance with letter of offer dated 24 October 2011, the term loan is repayable over 16 quarterly instalments of RM1,687,500 each. The repayment shall commence on 18 December 2018.

The term loan has been fully repaid in advance and the said land was discharged during the year.

The hire purchase bears interest at flat rates between 2.30% to 4.77% (2017: 2.30% to 4.77%) per annum.

# NOTES TO THE FINANCIAL STATEMENTS

31 March 2018 (cont'd)

## 27. Borrowings (cont'd.)

Reconciliation of liabilities arising from financing activities

	Hire purchase RM'000	Term loan RM'000	ICULS- liability component RM'000	Total RM'000
<b>Group</b>				
<b>At 31 March 2018</b>				
<b>At 1 April 2017</b>	106	77,091	176	77,373
Acquisition of subsidiaries	-	133,940	-	133,940
<b>Changes from financing cash flows</b>	106	211,031	176	211,313
Interest paid	(10)	(9,252)	(86)	(9,348)
Drawdown from borrowings	-	14,720	-	14,720
Repayment of borrowings	(85)	(40,153)	-	(40,238)
<b>Total changes from financing cash flow</b>	(95)	(34,685)	(86)	(34,866)
<b>Other changes</b>				
Interest expenses	10	9,252	10	9,272
Conversion of ICULS	-	-	(19)	(19)
<b>Total other changes</b>	10	9,252	(9)	9,253
<b>At 31 March 2018</b>	21	185,598	81	185,700
<b>Company</b>				
<b>At 31 March 2018</b>				
<b>At 1 April 2017</b>	106	-	176	282
<b>Changes from financing cash flows</b>				
Interest paid	(10)	-	(86)	(96)
Repayment of borrowings	(85)	-	-	(85)
<b>Total changes from financing cash flow</b>	(95)	-	(86)	(181)
<b>Other changes</b>				
Interest expenses	10	-	10	20
Conversion of ICULS	-	-	(19)	(19)
<b>Total other changes</b>	10	-	(9)	1
<b>At 31 March 2018</b>	21	-	81	102

# NOTES TO THE FINANCIAL STATEMENTS

31 March 2018 (cont'd)

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## 28. Hire purchase and finance lease liabilities

Future minimum lease payments under finance leases together with the present value of the net minimum lease payments are as follows:

	Group/Company	
	2018 RM'000	2017 RM'000
<b>Future minimum lease payments:</b>		
Not later than 1 year	24	94
Later than 1 year but not later than 2 years	-	24
Total future minimum lease payments	24	118
Less: Future finance charges	(3)	(12)
Present value of finance lease liabilities	21	106
<b>Present value of payments:</b>		
Not later than 1 year	21	85
Later than 1 year but not later than 2 years	-	21
Present value of minimum lease payments	21	106
Less: Amount due within 12 months (Note 27)	(21)	(85)
Amount due after 12 months (Note 27)	-	21

## 29. Share capital

	Group/Company			
	Number of ordinary shares		Amount	
	2018 '000	2017 '000	2018 RM'000	2017 RM'000
<b>Issued and fully paid:</b>				
At 1 April	1,122,585	1,093,091	272,032	218,618
Conversion of ICULS	8,854	29,494	1,872	6,099
Issuance of shares	1,798,855	-	377,760	-
Transition to no-par value regime on 31 January 2017	-	-	-	47,315
At 31 March	2,930,294	1,122,585	651,664	272,032

Effective from 31 January 2017, the new Companies Act 2016 ("the Act") abolished the concept of authorised share capital and par value of share capital. Consequently, the credit balance of the Company's share premium amount of RM47,315,000 became part of the Company's share capital as at 31 January 2017. There is no impact on the number of shares in issue or the relative entitlement of any members of the Company as a result of this transition.

The holders of ordinary share are entitled to receive dividends as declared from time to time and are entitled to one vote per share at meetings of the Company. All the ordinary shares rank equally with regard to the Company's residual assets.

# NOTES TO THE FINANCIAL STATEMENTS

31 March 2018 (cont'd)

## 29. Share capital (cont'd.)

The conversion of ICULS with a nominal value of RM0.13 each can be effected by way of:

- the cash option, whereby one unit of ICULS is tendered together with cash payment of an amount that in aggregate is equivalent to the conversion price for one new ordinary share of the Company; or
- the surrender option, whereby the units of ICULS tendered are equivalent to the conversion price for one new ordinary share of the Company.

During the financial year, there was a rights issue of 1,798,854,888 new ordinary shares of the Company at an issue price of RM0.21 per Rights Shares on the basis of every (8) Rights Shares for (5) existing share pursuant to the Rights Issue.

## 30. Irredeemable Convertible Unsecured Loan Stocks ("ICULS")

The value of the ICULS has been split into the liabilities component and the equity component, representing the fair value of the conversion option. The ICULS are accounted for in the statements of financial position as follows:

	Equity component RM'000	Liability component RM'000	Total RM'000
At 1 April 2017	9,036	176	9,212
Converted into ordinary shares during the year:			
- by cash option	(1,158)	(19)	(1,177)
- by surrender option	(2)	-	(2)
Deferred tax effects on conversion (Note 33)	(5)	-	(5)
Accrual of interest	-	10	10
Payment of interest	-	(86)	(86)
At 31 March 2018	7,871	81	7,952
At 1 April 2016	12,825	354	13,179
Converted into ordinary shares during the year:			
- by cash option	(3,748)	(77)	(3,825)
- by surrender option	(23)	-	(23)
Deferred tax effects on conversion (Note 33)	(18)	-	(18)
Accrual of interest	-	20	20
Payment of interest	-	(121)	(121)
At 31 March 2017	9,036	176	9,212

The liability component is as follows:

	Group/Company 2018 RM'000	2017 RM'000
Current liabilities	81	56
Non-current liabilities	-	120
	81	176

On 25 September 2013, the Company issued a renounceable rights issue of 598,304,530 units of 1% 5-year ICULS at nominal value of RM0.13 each which amounted to RM77,779,600 in proceeds. The ICULS were listed on Bursa Malaysia Securities Berhad on 30 September 2013.

### 30. Irredeemable Convertible Unsecured Loan Stocks ("ICULS") (cont'd.)

The proceeds from the issuance was used to fund the acquisition of one block of thirteen storey stratified office floors constructed on a piece of freehold land in Putrajaya by Maple Domain Sdn Bhd, its wholly-owned subsidiary, and for the working capital requirements of the Group.

Pursuant to the Trust Deed dated 6 August 2013 made between the Company and the Trustee for the holders of the ICULS, the nominal value of the ICLUS and the conversion price were determined at RM0.13 each and RM0.26 respectively.

The main features of ICULS are as follows:

- (a) The ICULS shall be convertible into ordinary shares of the Company during the period from 25 September 2013 to the maturity date on 24 September 2018 by:
  - (i) surrendering of each nominal value equivalent to the conversion price for one new ordinary share ("surrender option"); or
  - (ii) surrendering nominal value of one unit ICLUS with cash payment of an amount (the cash portion) such that in aggregate it being equivalent to the conversion price for every new ordinary share ("cash option").
- (b) Upon conversion of ICULS into ordinary shares, such shares shall rank pari passu in all respects with the ordinary shares of the Company in issue at the time of conversion except that they shall not be entitled to any dividend or other distributions declared in respect of a financial period prior to the financial period in which the ICULS are converted or any interim dividend declared prior to the date of conversion.
- (c) The ICULS bear a coupon rate of 1% per annum and is payable on an annual basis.
- (d) At the end of the tenure, any outstanding ICULS will be automatically converted into fully paid new ordinary shares at the conversion price.

On 18 April 2017, the Company announced the adjustment of the ICULS conversion price pursuant to the provision of the Trust Deed from its initial conversion price of RM0.26 to RM0.20 following the issuance of the Proposed Rights Issue. The adjusted conversion price shall be effective for all ICULS conversion on and subsequent to 17 April 2017.

During the financial year, 8,853,462 ordinary shares were issued pursuant to the conversion of the following:

- (a) 1,696,800 units of ICULS were converted into 1,696,800 ordinary shares by way of cash option following the receipt of cash proceeds of RM220,584 at the initial conversion price of RM0.26;
- (b) 6,748,200 units of ICULS were converted into 6,748,200 ordinary shares by way of cash option following the receipt of cash proceeds of RM472,374 at the adjusted conversion price of RM0.20 for conversion after 17 April 2017;
- (c) 3,385 units of ICULS were converted into 1,692 new ordinary shares by way of surrender option at the initial conversion price of RM0.26; and
- (d) 625,800 units of ICULS were converted into 406,770 new ordinary shares by way of surrender option at the adjusted conversion price of RM0.20 after 17 April 2017.

The outstanding ICULS as at 31 March 2018 was 64,573,558 (2017: 73,647,743) units at the Group and the Company levels.

### 31. Retained profits

The full imputation system has expired on 31 December 2013. The Company may distribute dividends out of its entire retained profits under the single tier system.

As at 31 March 2018, the Company has credit in the tax exempt account of RM85,370,000 (2017: RM85,370,000).

# NOTES TO THE FINANCIAL STATEMENTS

31 March 2018 (cont'd)

## 32. Other reserves

		Group	
	Note	2018 RM'000	2017 RM'000
Capital reserve	(a)	12,133	12,133
Foreign exchange reserve	(b)	9,115	8,859
		21,248	20,992

The movements in each category of reserve were as follows:

### (a) Capital reserve

	Group	
	2018 RM'000	2017 RM'000
At 1 April / 31 March	12,133	12,133

### (b) Foreign exchange reserve

	Group	
	2018 RM'000	2017 RM'000
At 1 April	8,859	8,399
Translation difference on net equity of foreign operations	256	460
At 31 March	9,115	8,859

The foreign exchange reserve comprises all foreign exchange differences arising from the translation of the financial statements of foreign operations.

## 33. Deferred tax

	Group		Company	
	2018 RM'000	2017 RM'000	2018 RM'000	2017 RM'000
At 1 April (as previously stated)	(1,179)	1,005	29	66
Adjustments (Note 43)	-	37,306	-	-
	(1,179)	38,311	29	66
Recognised in profit or loss (Note 9)	(14,506)	(16,586)	(17)	(19)
Recognised in equity (Note 30)	(5)	(18)	(5)	(18)
Acquisition of a subsidiary (Note 17(ii))	(19,947)	(22,886)	-	-
At 31 March	(35,637)	(1,179)	7	29
Presented after appropriate offsetting as follows:				
Deferred tax assets	7,867	22,144	7	29
Deferred tax liabilities	(43,504)	(23,323)	-	-
	(35,637)	(1,179)	7	29



# NOTES TO THE FINANCIAL STATEMENTS

31 March 2018 (cont'd)

## 33. Deferred tax (cont'd.)

The components of deferred tax assets and liabilities during the financial year are as follows:

### Group

#### Deferred tax assets

	Provision for costs to complete RM'000	ICULS RM'000	Others RM'000	Total RM'000
At 1 April 2017	19,297	29	3,964	23,290
Recognised in profit or loss	(13,347)	(17)	(1,280)	(14,644)
Recognised in equity (Note 30)	-	(5)	-	(5)
At 31 March 2018	5,950	7	2,684	8,641
At 1 April 2016	-	66	1,539	1,605
Adjustments	37,306	-	-	37,306
Recognised in profit or loss	37,306	66	1,539	38,911
Recognised in equity (Note 30)	(18,009)	(19)	2,425	(15,603)
At 31 March 2017	-	(18)	-	(18)
At 31 March 2017	19,297	29	3,964	23,290

#### Deferred tax liabilities

	Property, plant and equipment RM'000	Fair values adjustment of land RM'000	Others RM'000	Total RM'000
At 1 April 2017	(1,381)	(23,088)	-	(24,469)
Recognised in profit or loss	(64)	202	-	138
Acquisition of a subsidiary	-	-	(19,947)	(19,947)
At 31 March 2018	(1,445)	(22,886)	(19,947)	(44,278)
At 1 April 2016	(373)	(227)	-	(600)
Recognised in profit or loss	(1,008)	25	-	(983)
Acquisition of a subsidiary	-	(22,886)	-	(22,886)
At 31 March 2017	(1,381)	(23,088)	-	(24,469)

# NOTES TO THE FINANCIAL STATEMENTS

31 March 2018 (cont'd)

## 33. Deferred tax (cont'd.)

The components of deferred tax assets and liabilities during the financial year are as follows: (cont'd.)

### Company

#### Deferred tax assets

	ICULS RM'000
At 1 April 2017	29
Recognised in profit or loss (Note 9)	(17)
Recognised in equity (Note 30)	(5)
At 31 March 2018	7
At 1 April 2016	66
Recognised in profit or loss (Note 9)	(19)
Recognised in equity (Note 30)	(18)
At 31 March 2017	29

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

	Group		Company	
	2018 RM'000	2017 RM'000	2018 RM'000	2017 RM'000
Unutilised tax losses	2,395	7,105	-	-
Unabsorbed capital allowances	-	250	-	-
Others	48,385	44,250	46,781	43,132
	50,780	51,605	46,781	43,132

The unutilised tax losses of the Group are available indefinitely for set-offs against future taxable profits of the respective subsidiaries, subject to guidelines issued by the tax authorities. Deferred tax assets were not recognized as it is not probable that sufficient taxable profits will be available in those subsidiaries in the foreseeable future.

The carried forward unutilised tax losses is subject to the agreement of the tax authorities.

## 34. Dividends

	Group/Company			
	Dividend in respect of year		Dividends recognised in year	
	2018 sen	2017 sen	2018 RM'000	2017 RM'000
Recognised during the year:				
Final single tier dividend of 2 sen per share, on 1,118,352,717 (2016: 1,091,019,116) ordinary share of RM0.20 each (2 sen per ordinary share) paid on 26 October 2016	-	2	-	22,367
Interim single tier dividend of 2 sen per share, on 2,928,853,862 ordinary share of RM0.20 each (2 sen per ordinary share) paid on 7 June 2017	-	2	-	58,577

# NOTES TO THE FINANCIAL STATEMENTS

31 March 2018 (cont'd)

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## 34. Dividends (cont'd.)

Subsequent to 31 March 2018, the Directors proposed a single tier dividend in respect of the financial year ended 31 March 2018, of 1.5 sen per share on 2,930,294,167 ordinary shares, amounting to a dividend payable of RM43,954,000.

	Group/Company			
	Dividend in respect of year		Dividends proposed in year	
	2018	2017	2018	2017
	sen	sen	RM'000	RM'000
Final single tier dividend of 1.5 sen per share, on 2,930,294,167 ordinary share of RM0.20 each	1.5	-	43,954	-

## 35. Capital commitments

	Group		Company	
	2018	2017	2018	2017
	RM'000	RM'000	RM'000	RM'000
Capital expenditure				
Approved and contracted for:				
- Other commitments	41,211	314,348	41,211	314,348
Approved but not contracted for:				
- Property, plant and equipment	529	518	146	152
- School building	51,700	-	-	-
	52,229	518	146	152
	93,440	314,866	41,357	314,500

## 36. Corporate guarantees

	Group		Company	
	2018	2017	2018	2017
	RM'000	RM'000	RM'000	RM'000
Guarantee given to financial institutions to secure banking facilities granted to:				
- Subsidiaries	-	-	145,520	45,736
- Associate	52,277	-	52,277	-

As at reporting date, no values are ascribed on the guarantee provided by the Company to secure banking facilities described above as the value of the credit enhancement provided by these guarantees is minimal and the probability of default are remote.

# NOTES TO THE FINANCIAL STATEMENTS

31 March 2018 (cont'd)

## 37. Related party disclosures

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

	<b>Group</b>	
	<b>2018</b>	<b>2017</b>
	<b>RM'000</b>	<b>RM'000</b>
Management fee paid by a joint venture	(259)	(244)
<hr/>		
	<b>Company</b>	
	<b>2018</b>	<b>2017</b>
	<b>RM'000</b>	<b>RM'000</b>
Rental income from subsidiaries	(3,108)	(3,108)
Management fee from subsidiaries	(2,215)	(2,215)
Interest income from a subsidiary	(725)	(725)
Rental expense paid to a subsidiary	110	110
<hr/>		

Outstanding balances in respect of the above transactions are disclosed in Note 22 and Note 26.

- (b) Compensation of key management personnel

The remuneration of directors and other members of key management during the year are as follows:

	<b>Group</b>		<b>Company</b>	
	<b>2018</b>	<b>2017</b>	<b>2018</b>	<b>2017</b>
	<b>RM'000</b>	<b>RM'000</b>	<b>RM'000</b>	<b>RM'000</b>
Short term employee benefits	4,321	3,339	1,911	1,643
Post-employment benefits:				
- Defined contribution plan	511	401	229	198
- Other benefits	127	161	61	74
<hr/>				
	4,959	3,901	2,201	1,915
<hr/>				

Included in the total compensation of key management personnel are executive directors' remuneration and the estimated money value of benefits-in-kind as disclosed in Note 6.

### 38. Significant events

The Company had on 15 November 2016, announced that it proposed to undertake the following:-

- (i) proposed acquisitions by the Company from Malaysia Land Properties Sdn Bhd ("Mayland" or "Vendor") of the following:
  - (a) entire equity interests in Primal Milestone Sdn Bhd ("PMSB") for a cash consideration of approximately RM128,468,000 ("Proposed PMSB Acquisition");
  - (b) entire equity interests in Quantum Bonus Sdn Bhd ("QBSB") for a cash consideration of approximately RM5,970,000 ("Proposed QBSB Acquisition");
  - (c) entire equity interests in Triumph Bliss Sdn Bhd ("TBSB") for a cash consideration of approximately RM118,154,000 ("Proposed TBSB Acquisition"); and
  - (d) entire equity interests in Forward Esteem Sdn Bhd ("FESB") for a cash consideration of approximately RM45,725,000 ("Proposed FESB Acquisition"),

and the settlement of respective outstanding inter-company balances owing by PMSB, QBSB, TBSB and FESB to Mayland and its subsidiaries as at the completion date of the proposed acquisitions (Collectively, the Proposed PMSB Acquisition, Proposed QBSB Acquisition, Proposed TBSB Acquisition and Proposed FESB Acquisition are collectively referred to as the "Proposed Acquisitions".);

- (ii) proposed call option granted by Mayland in favour of the Company for the acquisition of the entire equity interests in Soho Prestige Sdn Bhd ("SPSB") for a cash consideration of RM37,250,000 ("Option") ("Proposed SPSB Option") and the settlement of outstanding inter-company balances owing by SPSB to the Mayland Group as at the completion date of the proposed acquisition upon exercise of the Option;
- (iii) proposed renounceable rights issue of up to 1,914,063,296 new ordinary shares of RM0.20 each in the Company ("L&G Shares") ("Rights Shares") at an issue price to be determined later on the basis of eight (8) Rights Shares for every five (5) existing L&G Shares held on an entitlement date to be determined and announced later ("Entitlement Date") based on a minimum subscription level of 820,000,000 Rights Shares ("Proposed Rights Issue"); and
- (iv) proposed exemption to Mayland Parkview Sdn Bhd ("MPSB"), the major shareholder of the Company under Paragraph 4.08 of the Rules on Take-Overs, Mergers and Compulsory Acquisitions from the obligation to undertake a mandatory take-over offer for all the remaining L&G Shares and convertible securities in the Company not already owned by MPSB and person(s) acting in concert with MPSB (if any) upon completion of the Proposed Rights Issue ("Proposed Exemption").

Hereinafter, the Proposed Acquisitions and Proposed SPSB Option are collectively referred to as the "Proposed Acquisitions and Option"; the Proposed Acquisitions and Option, Proposed Rights Issue and Proposed Exemption are collectively referred to as the "Proposals".

The said Proposals was approved by the non-interested shareholders at Extraordinary General Meeting ("EGM") on 15 March 2017 and the application for Proposed Exemption was subsequently approved by the Securities Commission on 17 March 2017. The deposit of RM29,832,000 was paid for the Proposed Acquisitions in the previous financial year.

On 15 May 2017, the Company announced the issuance of 1,798,854,888 new ordinary shares of Land & General Berhad at RM0.21 per share pursuant to the Proposed Rights Issues and the said shares were allotted on 18 May 2017.

The said Proposals were completed on 22 May 2017 with the exception of the Proposed SPSB Option. The completion date is deemed as 31 May 2017 for financial reporting purposes.

### 39. Subsequent event

On 30 April 2018, the Company exercised its Option pursuant to the SPSB option as mentioned in Note 38. Upon exercising the Option, the Company had on the even date entered into SPSB Share Sale Agreement with Mayland and had subsequently paid a deposit of RM3,725,000, being 10% of the purchase consideration.

As at the date of this report, the completion of the acquisition of SPSB is pending the reactivation of the development order.

# NOTES TO THE FINANCIAL STATEMENTS

31 March 2018 (cont'd)

## 40. Financial instruments

### (a) Financial risk management objectives and policies

The Group's financial risk management policy seeks to ensure that adequate financial resources are available for the development of the Group's businesses whilst managing its interest rate risk, foreign currency risk, liquidity risk, credit risk and market price risk. The Board reviews and agrees policies for managing each of these risks and they are summarised below. It is the Group's policy not to engage in speculative transactions.

### (b) Interest rate risk

Interest rate risk is the risk that the fair value or future cash flows of the Group's financial instruments will fluctuate because of changes in market interest rates.

The Group's primary interest rate risk relates to interest-bearing borrowings. The Group's income and operating cash flows are substantially independent of changes in market interest rates. The Group's and the Company's interest-bearing financial assets are mainly short term in nature and have been mostly placed in fixed deposits.

The information on maturity dates and effective interest rates of financial assets and liabilities are disclosed in their respective notes.

#### Sensitivity analysis for interest rate risk

At the reporting date, if interest rates had been 100 (2017:100) basis points lower/higher, with all other variables held constant, the Group's profit for the year would have been RM101,000 (2017: RM51,000) higher/lower, arising mainly as a result of lower/higher interest expense on floating rate loans and borrowings. The assumed movement in basis points for interest rate sensitivity analysis is based on the currently observable market environment.

### (c) Foreign currency risk

Foreign currency risk is the risk that the fair value or future cash flows of the Group's financial instrument will fluctuate because of changes in foreign exchange rates.

The Group is exposed to currency risk as a result of foreign currency transactions entered into by subsidiaries in currencies other than their functional currency. Foreign currency denominated assets and liabilities together with expected cash flows from anticipated transactions denominated in foreign currency give rise to foreign exchange exposures. Foreign exchange exposures in transactional currencies other than the functional currency of the operating entities are kept to an acceptable level.

The Company has a number of investments in foreign subsidiaries whose net assets are exposed to currency translation risk.

#### Sensitivity analysis for foreign currency risk

Assuming a change of 10% in average rates collectively against Ringgit Malaysia ("RM"), with all other variables held constant, the impact to the Group and the Company's profit after tax will be approximately as shown below:

	<b>Group/Company</b>	
	<b>2018</b>	<b>2017</b>
	<b>RM'000</b>	<b>RM'000</b>
AUD/RM - strengthened by 10%	295	329
AUD/RM - weakened by 10%	(295)	(329)

### (d) Liquidity risk

Liquidity risk is the risk that the Group or the Company will encounter difficulty in meeting financial obligation due to shortage of funds.

The Group manages its debt maturity profile, operating cash flows and the availability of funding so as to ensure that refinancing, repayment and funding needs are met. As part of its overall liquidity management, the Group maintains sufficient levels of cash or cash convertible investments to meet its working capital requirements.

# NOTES TO THE FINANCIAL STATEMENTS

31 March 2018 (cont'd)

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## 40. Financial instruments (cont'd.)

### (d) Liquidity risk (cont'd.)

#### Analysis of financial instruments by remaining contractual maturities

The table below summarises the maturity profile of the Group's and of the Company's liabilities at the reporting date based on contractual undiscounted repayment obligations:

	2018 RM'000			
	On demand or within one year	One to five years	Over five years	Total
<b>Group</b>				
Financial liabilities:				
Trade and other payables	80,064	37,014	16,989	134,067
Borrowings	25,713	110,981	132,275	268,969
	105,777	147,995	149,264	403,036
<b>Company</b>				
Financial liabilities:				
Trade and other payables	19,027	-	-	19,027
Borrowings	24	-	-	24
	19,051	-	-	19,051

	2017 RM'000			
	On demand or within one year	One to five years	Over five years	Total
<b>Group</b>				
Financial liabilities:				
Trade and other payables	50,073	51,703	969	102,745
Borrowings	30,156	58,613	20,373	109,142
	80,229	110,316	21,342	211,887
<b>Company</b>				
Financial liabilities:				
Trade and other payables	27,507	-	-	27,507
Borrowings	94	24	-	118
	27,601	24	-	27,625

The nominal amount relating to corporate guarantee provided by the Group and by the Company to financial institutions for credit facilities granted to subsidiaries and associate company were amounted to RM52,277,000 (2017: Nil) and RM197,797,000 (2017: RM45,735,000) respectively. There was no indication that the subsidiaries and associate will default on payment. In the event of default by the subsidiaries and associate company, the financial guarantees could be called on demand.



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31 March 2018 (cont'd)**40. Financial instruments (cont'd.)****(e) Credit risk**

Credit risk is the risk of loss that may arise on outstanding financial instrument should a counterparty default on its obligation.

The Group is exposed to credit risk mainly from its customer base, including trade and other receivables. The Group extends credits to its customers based upon careful evaluation of the customer's financial condition and credit history. Trade receivables are monitored on an ongoing basis by the Group's credit control department.

At the reporting date, the Group's and the Company's maximum exposure to credit risk is represented by the carrying amount of each class of financial assets recognised in the statements of financial position and the nominal value of corporate guarantees as disclosed in Note 36.

**(i) Trade and other receivables**

Receivable balances are monitored continually with the results that the Group's exposure to credit risk is minimised.

The ageing analysis and information regarding impairment of the Group and of the Company are disclosed in Note 22.

**(ii) Inter-company balances**

The Company provides unsecured loans and advances to subsidiaries. The Company monitors the performance of the subsidiaries regularly.

Other than the amount due from a joint venture, the Group does not have any significant exposure to any individual customer or counterparty nor does it have any major concentration of credit risk related to any financial instruments.

**(f) Market price risk**

Market price risk is the risk that the fair value of future cash flows of the Group's financial instruments will fluctuate because of changes in market prices (other than interest or exchange rates).

The Group is exposed to market price risks arising from quoted equity instruments. The Group does not actively trade these investments. To manage its market price risks arising from these investments, the Group closely monitors the effects of fluctuation in equity prices and manages its portfolio within the limit set by the Board of Directors.

There has been no change to the Group's exposure to market risks or the manner in which these risks are managed and measured.

**Sensitivity analysis for market price risk**

At the end of reporting period, if the prices of quoted shares had been 5% (2017: 5%) higher/lower, with all other variables held constant, the Group's profit for the year would have been RM595,000 (2017: RM654,600) higher/lower, arising as a result of higher/lower fair value gains on financial assets designated at fair value through profit or loss.

#### 41. Fair value of financial instruments

- (i) Financial instruments that are not carried at fair value and whose carrying amounts are reasonable approximation of fair value are as below:

	Note
Trade and other receivables (current and non-current)	
- Trade and other receivables	22
- Amounts due from subsidiaries	22
- Amounts due from associates	22
- Amounts due from a joint venture	22
Deposits, cash and bank balances	24
Trade and other payables (current and non-current)	26
Borrowings (current and non-current)	27

The carrying amounts of trade and other receivables (current), trade and other payables (current) and deposits, cash and bank balances are reasonable approximation of fair values due to their short-term nature.

The carrying amounts of the borrowings are reasonable approximations of fair values due to the insignificant impact of discounting.

The fair values of non-current receivables and payables are estimated by discounting expected future cash flows at market incremental lending rate for similar types of lending, borrowing or leasing arrangements at the reporting date.

- (ii) Quoted equity instruments

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

- (iii) Money market funds

Fair value is determined directly by reference to their published Net Asset Value ("NAV") at the reporting date.

- (iv) Financial guarantee contract

The Company provided financial guarantees to banks for credit facilities granted to subsidiaries. As at reporting date, the fair value of the financial guarantees is negligible as the probability of the financial guarantees being called upon is remote due to the outstanding loans in the subsidiaries are adequately secured by land owned by the subsidiaries. Should the subsidiaries default any loans repayments, the proceeds from the realisation of the land will be able to satisfy the outstanding debts.

The table below analyses financial instruments carried at fair value at the end of the reporting date by valuation method.

The different levels have been defined as follows:

- Level 1 : Quoted prices (unadjusted) in active markets for identical assets or liabilities.
- Level 2 : Inputs other than quoted prices included within Level 1 that are observable for the assets or liabilities, either directly (such as prices) or indirectly (such as derived from prices).
- Level 3 : Inputs for the asset or liability that are not based on observable market data (unobservable inputs).

# NOTES TO THE FINANCIAL STATEMENTS

31 March 2018 (cont'd)

## 41. Fair value of financial instruments (cont'd.)

At the end of the reporting period, the Group held the following financial instruments carried at fair value on the statement of financial position:

	Level 1 RM'000	Level 2 RM'000	Total RM'000
<b>Group</b>			
<b>2018</b>			
<b>Other investments</b>			
Investment in quoted shares	11,900	-	11,900
Money market funds	-	1,454	1,454
<b>2017</b>			
<b>Other investments</b>			
Investment in quoted shares	13,092	-	13,092
Money market funds	-	7,380	7,380
<b>Company</b>			
<b>2018</b>			
<b>Other investments</b>			
Investment in quoted shares	11,900	-	11,900
Money market funds	-	729	729
<b>2017</b>			
<b>Other investments</b>			
Investment in quoted shares	13,092	-	13,092
Money market funds	-	1,593	1,593

There were no transfers between level 1, level 2 and level 3 fair value measurements during the financial year ended 31 March 2018 and 31 March 2017.

#### 42. Capital management

The primary objective of the Group's capital management policy is to maintain a strong capital base to support its businesses and maximise shareholder value.

The Group manages its capital structure and makes adjustments to it, in the light of changes in economic conditions or expansion plans of the Group. The Group may adjust the capital structure by issuing new shares, returning capital to shareholders or adjusting the amount of dividend paid to shareholders or sell assets to reduce the debts.

The Group monitors capital utilisation using the gearing ratio. This ratio is used to assess the appropriateness of the Group's debt level, hence its capital structure. The ratio is calculated as gross debt divided by total equity. Gross debt excludes current and non-current hire purchase obligations and overdraft, while total equity comprise equity attributable to the owners of the Company.

	<b>Group</b>		<b>Company</b>	
	<b>2018</b>	<b>2017</b>	<b>2018</b>	<b>2017</b>
	<b>RM'000</b>	<b>RM'000</b>	<b>RM'000</b>	<b>RM'000</b>
Borrowings	185,598	77,091	-	-
ICULS - liability component	81	176	81	176
Gross debt	185,679	77,267	81	176
Equity attributable to owners of the Company	1,109,287	656,314	920,659	502,066
Gross gearing (times)	0.17	0.12	0.00	0.00

#### 43. Comparatives

Certain comparative figures have been reclassified to conform with current year's presentation.

#### 44. Segment information

The Group has three reportable segments based on its products and services. The Managing Director together with the Board of Directors are collectively the chief operating decision maker ("CODM"). CODM assesses the performance of these segments regularly based on internal management reports. The operations in each of the reportable segment are as follows:

- (i) Property : development of residential and commercial properties
- (ii) Education : operation of co-education schooling from kindergarten to secondary education
- (iii) Others : investment holding, land cultivation, property management, management of club activities and dormant companies

Management monitors the operating results of its business units separately for the purpose of making decisions about resource allocation and performance assessment. Segment performance is evaluated based on operating profit or loss for the financial year, in certain respects as set out below, is measured differently from operating profit or loss in the consolidated financial statements.

Transfer prices between operating segments are on an arm's length basis in a manner similar to transactions with third parties.

With the exception of its property development in Australia via its joint venture, Hidden Valley Australia Pty Ltd, the Group's entire active business operations is located in Malaysia.

# NOTES TO THE FINANCIAL STATEMENTS

31 March 2018 (cont'd)

## 44. Segment information (cont'd.)

	Properties		Education		Others		Adjustments and eliminations		Notes		Consolidated	
	2018	2017	2018	2017	2018	2017	2018	2017	2018	2017	2018	2017
	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000
<b>Revenue</b>												
Sales to external customers	74,021	21,380	13,923	13,128	5,961	7,429	-	-			93,905	41,937
Interest income, dividends on money market funds, unit trust funds and quoted investment	-	-	-	-	4,113	5,256	-	-			4,113	5,256
Inter-segment sales	170	170	-	-	5,335	5,301	(5,505)	(5,471)	<b>A</b>		-	-
Total revenue	74,191	21,550	13,923	13,128	15,409	17,986	(5,505)	(5,471)			98,018	47,193
<b>Results</b>												
Operating profit	91,907	56,088	4,982	5,365	(3,199)	8,882	-	-			93,690	70,335
Interest income, dividends on money market funds and unit trust funds	10,181	12,866	638	594	206	196	-	-			11,025	13,656
Loss/(gain) on fair value changes on quoted shares-financial assets at fair value through profit or loss	-	-	-	-	1,192	(9,618)	-	-			1,192	(9,618)
Depreciation and amortisation	744	908	420	450	2,232	3,334	-	-			3,396	4,692
Share of results of a joint venture	-	-	-	-	-	(3,227)	-	-	<b>C</b>		-	(3,227)
Share of results of associates	-	-	-	-	(3,301)	-	-	-	<b>C</b>		(3,301)	-
Other non-cash expenses	(43,975)	222	-	-	21,543	2,065	-	-	<b>B</b>		(22,432)	2,287
Profit before tax	91,907	56,088	4,982	5,365	(3,585)	8,882	(7,324)	(583)			85,980	69,752
<b>Assets</b>												
Additions to non-current assets	334,084	121,927	571	476	301	504	-	-	<b>D</b>		334,956	122,907
Segment assets	1,082,193	665,668	35,615	33,792	410,518*	386,430*	24,587	22,565	<b>E</b>		1,552,913	1,108,455
<b>Liabilities</b>												
Segment liabilities	311,640	257,790	6,771	6,173	64,084	104,264	43,922	67,361	<b>F</b>		426,417	435,588

\* As at reporting date, included in the "Others" segment assets relate to investment holding segment which was RM278,520,000 (2017: RM249,794,000).

# NOTES TO THE FINANCIAL STATEMENTS

31 March 2018 (cont'd)

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## 44. Segment information (cont'd.)

Notes: Nature of adjustments and eliminations to arrive at amounts reported in the consolidated financial statements.

**A** Inter-segment revenues are eliminated on consolidation.

**B** Other material non-cash expenses consist of the following items as presented in the respective notes to the financial statements:

	Note	2018 RM'000	2017 RM'000
Allowance for impairment on financial assets:			
- Amount due from trade receivables	8	1,293	-
- Amount due from other receivables	8	-	1,190
- Amount due from joint venture	8	1,402	1,283
Inventories written down	8	-	222
Other provisions	8	1,349	210
Contingent consideration	26	16,082	-
Write back of provision for cost to complete	25	(45,212)	-
Unwinding of discount	25	1,716	-
Unrealised foreign exchange loss/(gain)	4 & 8	938	(618)
		(22,432)	2,287

**C** The following item is added to segment profit to arrive at profit before tax as presented in the consolidated statement of comprehensive income:

	2018 RM'000	2017 RM'000
Share of results loss of an associate (Note 18)	(3,301)	-
Share of results of a joint venture	-	(3,227)
	(3,301)	(3,227)

**D** Additions to non-current assets consist of:

	Note	2018 RM'000	2017 RM'000
Property, plant and equipment	11	1,814	2,721
Land held for property development	12(a)	332,898	119,766
Investment property	13	118	-
Biological assets	15	126	420
		334,956	122,907

# NOTES TO THE FINANCIAL STATEMENTS

31 March 2018 (cont'd)

## 44. Segment information (cont'd.)

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

	2018 RM'000	2017 RM'000
Investment in associates (Note 18)	12,105	-
Deferred tax assets (Note 33)	7,867	22,144
Tax recoverable	4,615	421
	24,587	22,565

- F** The following items are added to segment liabilities to arrive at total liabilities reported in the consolidated statement of financial position:

	2018 RM'000	2017 RM'000
Deferred tax liabilities (Note 33)	43,504	23,323
Tax payable	418	44,038
	43,922	67,361

## Geographical information

Revenue and non-current assets information based on the geographical location of customers and assets respectively are as follows:

	Revenue		Non-current assets	
	2018 RM'000	2017 RM'000	2018 RM'000	2017 RM'000
Malaysia	97,655	46,872	837,764	364,497
Australia	302	284	-	-
Others	61	37	-	-
	98,018	47,193	837,764	364,497



# ANALYSIS OF SHAREHOLDINGS AS AT 29 JUNE 2018)

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Type of Securities : Ordinary Shares  
Issued and Paid Up Capital : 2,930,977,267 Ordinary Shares

## **Voting Rights**

On show of hands : one (1) vote for every member of the Company present in person or by proxy  
On a poll : one (1) vote for each share held

## **DISTRIBUTION OF SHAREHOLDINGS**

Category	NO. OF SHAREHOLDINGS	NO. OF SHARES	% OF ISSUED SHARE CAPITAL
Less than 100	210	5,924	negligible
100 - 1,000	3,274	2,943,122	0.10
1,001 - 10,000	8,480	42,426,707	1.44
10,001 - 100,000	7,782	289,892,930	9.89
100,001 - less than 5% of issued shares	2,315	1,563,169,784	53.35
5% and above of issued shares	2	1,032,538,800	35.22
<b>TOTAL</b>	<b>22,063</b>	<b>2,930,977,267</b>	<b>100.00</b>

## **SUBSTANTIAL SHAREHOLDER**

Name	DIRECT		INDIRECT	
	No. of Shares	%	No. of Shares	%
1) Mayland Parkview Sdn Bhd	1,032,538,800	35.22	-	-

## **DIRECTORS' INTEREST IN SHARES**

Name	DIRECT		INDIRECT	
	No. of Shares	%	No. of Shares	%
1) Dato' Hj Zainal Abidin Bin Putih	-	-	-	-
2) Low Gay Teck	-	-	-	-
3) Ferdaus Mahmood	-	-	-	-
4) Dato' Ir Dr A Bakar Jaafar	-	-	-	-
5) Dato' Hj Ikhwan Salim Dato' Hj Sujak	-	-	-	-
6) Tengku Maruan Tengku Ariff	2,000	negligible	-	-
7) Hoong Cheong Thard	-	-	-	-
8) Chiu Andrew Wah Wai	-	-	1,032,538,800*	35.22*
9) Dato' Pahlawan Mohd Shukri Dahlan	2,000	negligible	-	-

Note \* Deemed interest through Mayland Parkview Sdn Bhd

# **LIST OF TOP 30 SHAREHOLDERS** AS AT 29 JUNE 2018

NO.	NAME	HOLDINGS	%
1	PUBLIC NOMINEES (ASING) SDN BHD PLEDGED SECURITIES ACCOUNT FOR MAYLAND PARKVIEW SDN BHD (KLC)	625,000,000	21.32
2	MAYLAND PARKVIEW SDN BHD	407,538,800	13.90
3	LEMBAGA TABUNG HAJI	126,094,540	4.30
4	CITIGROUP NOMINEES (ASING) SDN BHD CBNY FOR DIMENSIONAL EMERGING MARKETS VALUE FUND	34,051,620	1.16
5	CITIGROUP NOMINEES (TEMPATAN) SDN BHD EMPLOYEES PROVIDENT FUND BOARD (PHEIM)	30,059,940	1.03
6	LIM PEI TIAM @ LIAM AHAT KIAT	28,000,000	0.96
7	CARTABAN NOMINEES (ASING) SDN BHD BBH (LUX) SCA FOR FIDELITY ASIAN SMALLER COMPANIES POOL (FIDELITY FUNDS)	26,000,400	0.89
8	TOH KIM CHONG	19,748,000	0.67
9	CITIGROUP NOMINEES (ASING) SDN BHD CBNY FOR EMERGING MARKET CORE EQUITY PORTFOLIO DFA INVESTMENT DIMENSIONS GROUP INC	19,466,720	0.66
10	PUBLIC NOMINEES (TEMPATAN) SDN BHD PLEDGED SECURITIES ACCOUNT FOR NIK AWANG @ WAN AZMI BIN WAN HAMZAH (E-KPG/JRL)	16,460,000	0.56
11	CIMSEC NOMINEES (ASING) SDN BHD EXEMPT AN FOR CGS-CIMB SECURITIES (SINGAPORE) PTE LTD (RETAIL CLIENTS)	16,432,300	0.56
12	HLB NOMINEES (TEMPATAN) SDN BHD PLEDGED SECURITIES ACCOUNT FOR TAN CHANG JOON	15,400,000	0.53
13	CITIGROUP NOMINEES (ASING) SDN BHD CBNY FOR DFA EMERGING MARKETS SMALL CAP SERIES	15,164,960	0.52
14	YONG HUA KONG	14,300,000	0.49
15	CHONG AH HIM @ CHONG KUM KWAN	12,157,600	0.41
16	AMSEC NOMINEES (TEMPATAN) SDN BHD MTRUSTEE BERHAD FOR PACIFIC PEARL FUND (UT-PM-PPF)	11,755,000	0.40
17	CHAU PENG	11,100,000	0.38
18	HSBC NOMINEES (ASING) SDN BHD JPMCB NA FOR FIDELITY ASIAN VALUES PLC	10,552,400	0.36
19	MENTA CONSTRUCTION SDN BHD	10,303,800	0.35
20	KENANGA NOMINEES (TEMPATAN) SDN BHD PLEDGED SECURITIES ACCOUNT FOR CHEONG CHEN YUE	9,250,000	0.32
21	UOB KAY HIAN NOMINEES (ASING) SDN BHD EXEMPT AN FOR UOB KAY HIAN PTE LTD (A/C CLIENTS)	8,986,750	0.31
22	TEE BON PENG	8,497,000	0.29
23	LEE HAW SHYANG	8,000,000	0.27
24	KENANGA NOMINEES (TEMPATAN) SDN BHD PLEDGED SECURITIES ACCOUNT FOR TEH SIEW WAH (021)	7,500,000	0.26
25	HLB NOMINEES (TEMPATAN) SDN BHD PLEDGED SECURITIES ACCOUNT FOR MAH SIEW SEONG	7,274,800	0.25
26	TAN SIOW BENG	7,023,180	0.24
27	MAYBANK NOMINEES (TEMPATAN) SDN BHD PLEDGED SECURITIES ACCOUNT FOR TAN KIAN HONG	7,000,000	0.24
28	CIMB GROUP NOMINEES (TEMPATAN) SDN BHD PHEIM ASSET MANAGEMENT SDN BHD FOR PROGRESSIVE INSURANCE BERHAD (A/C231)	6,554,600	0.22
29	CIMSEC NOMINEES (TEMPATAN) SDN BHD CIMB FOR LEE KENG HONG (PB)	6,500,000	0.22
30	TAN KWE HEE	6,062,200	0.21

# ANALYSIS OF ICULS HOLDINGS AS AT 29 JUNE 2018

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Type of Securities : Five (5)-year, 1%, Irredeemable Convertible Unsecured Loan Stocks (ICULS) at nominal value of RM0.13 each (issued on 25 September 2013 and expiring 24 September 2018)

Total ICULS issued : RM77,779,589 consist of 598,304,530 ICULS at nominal value of RM0.13 each

Total Outstanding ICULS : RM8,288,742.54 consist of 63,759,558 ICULS at nominal value of RM0.13 each

## Voting Rights

On show of hands : one (1) vote for every ICULS holder of the Company present in person or by proxy

On a poll : one (1) vote for each ICULS held

## DISTRIBUTION OF ICULS HOLDINGS

Category	NO. OF ICULS HOLDERS	NO. OF ICULS	% OF OUTSTANDING ICULS
Less than 100	5	60	negligible
100 - 1,000	273	255,533	0.40
1,001 - 10,000	1,258	6,269,115	9.83
10,001 - 100,000	606	20,407,600	32.00
100,001 - less than 5% of outstanding ICULS	93	33,527,250	52.59
5% and above of outstanding ICULS	1	3,300,000	5.18
TOTAL	2,236	63,759,558	100.00

## DIRECTORS' INTEREST IN ICULS

Name	No. of ICULS	DIRECT %	INDIRECT No. of ICULS	%
1) Dato' Hj Zainal Abidin Bin Putih	-	-	-	-
2) Low Gay Teck	-	-	-	-
3) Ferdaus Mahmood	-	-	-	-
4) Dato' Ir Dr A Bakar Jaafar	-	-	-	-
5) Dato' Hj Ikhwan Salim Dato' Hj Sujak	-	-	-	-
6) Tengku Maruan Tengku Ariff	-	-	-	-
7) Hoong Cheong Thard	-	-	-	-
8) Chiu Andrew Wah Wai	-	-	-	-
9) Dato' Pahlawan Mohd Shukri Dahlan	-	-	-	-

# **LIST OF TOP 30 ICULS HOLDERS** **AS AT 29 JUNE 2018**

NO.	NAME	HOLDINGS	%
1	TNG KEE MENG	3,300,000	5.18
2	GEOFFREY LIM FUNG KEONG	3,026,700	4.75
3	ALLIANCEGROUP NOMINEES (TEMPATAN) SDN BHD PLEDGED SECURITIES ACCOUNT FOR ONG SIEW ENG @ ONG CHAI (8040800)	3,000,000	4.71
4	CIMSEC NOMINEES (ASING) SDN BHD EXEMPT AN FOR CGS-CIMB SECURITIES (SINGAPORE) PTE LTD (RETAIL CLIENTS)	2,372,550	3.72
5	CHOONG YOKE LEE	1,892,900	2.97
6	GOH HOOI HONG	1,154,000	1.81
7	ALLIANCEGROUP NOMINEES (TEMPATAN) SDN BHD PLEDGED SECURITIES ACCOUNT FOR LOH KUAN FONG (8078549)	930,300	1.46
8	UOB KAY HIAN NOMINEES (ASING) SDN BHD EXEMPT AN FOR UOB KAY HIAN PTE LTD (A/C CLIENTS)	895,900	1.41
9	LOW BEE KENG	850,000	1.33
10	TEH POH TIN	616,200	0.97
11	ALLIANCEGROUP NOMINEES (TEMPATAN) SDN BHD PLEDGED SECURITIES ACCOUNT FOR BEH HENG SEONG (M0016)	589,900	0.93
12	LING PING CHING	555,000	0.87
13	JF APEX NOMINEES (TEMPATAN) SDN BHD PLEDGED SECURITIES ACCOUNT FOR YEE KUM FOOK (DAYTRADE)	510,000	0.80
14	MAYBANK SECURITIES NOMINEES (TEMPATAN) SDN BHD PLEDGED SECURITIES ACCOUNT FOR AH CHOY @ CHONG AH CHOY (REM 148)	495,100	0.78
15	MAYBANK NOMINEES (TEMPATAN) SDN BHD PLEDGED SECURITIES ACCOUNT FOR SAI KIM SENG	463,400	0.73
16	SYARIKAT PERUMAHAN IRAMA SENDIRIAN BERHAD	450,000	0.71
17	RHB CAPITAL NOMINEES (TEMPATAN) SDN BHD PLEDGED SECURITIES ACCOUNT FOR CHEONG WENG TEONG (CEB)	445,800	0.70
18	KEMASEPAKAT SDN BHD	440,000	0.69
19	KHOO HENN KUAN	430,100	0.67
20	TONG CHIN HEN	410,000	0.64
21	LEE AH LEONG	403,400	0.63
22	TEO KWEE HOCK	389,900	0.61
23	MAH SIEW SEONG	365,000	0.57
24	KONG CHEE FIRE	345,000	0.54
25	CHAY MING KUM	330,600	0.52
26	FREDDIE PANG HOCK CHENG	311,500	0.49
27	FOO AH LEE	309,000	0.48
28	AFFIN HWANG NOMINEES (TEMPATAN) SDN BHD PLEDGED SECURITIES ACCOUNT FOR ONG AIK LIN (ONG1097M)	300,000	0.47
29	CITIGROUP NOMINEES (TEMPATAN) SDN BHD PLEDGED SECURITIES ACCOUNT FOR LOH HAI PENG (470647)	300,000	0.47
30	PUBLIC NOMINEES (TEMPATAN) SDN BHD PLEDGED SECURITIES ACCOUNT FOR PHUA LAM HUAT (E-TMI)	300,000	0.47

# LIST OF PROPERTIES AS AT 29 JUNE 2018

	LOCATION	PURPOSE/ EXISTING AREA	TENURE	AGE OF BUILDING (YEARS)	LAND AREA (HECTARES)	BUILT-UP/ NET LETTABLE AREA *(SQ FT)	GROUP NET BOOK VALUE RM'000
1	Lot 3, Presint 3, Town and District of Putrajaya, State of Wilayah Persekutuan Putrajaya	13-storey stratified office	Freehold	3	-	132,687*	61,547
2	Ladang Kerling Mukim Kerling District of Ulu Selangor Selangor	Rubber and oil palm estate	Freehold	-	1,009.71	-	48,146
3	Lot no. 62539 PT 120097 Jalan SD 12/5 Sri Damansara	Commercial units Car park L&G office	Freehold	5	3.45	375,831	17,648
4	Bandar Sri Damansara Housing Development Project Balance of development land in Mukim Sungai Buloh District of Petaling Gombak, Selangor	Land held for development	Freehold	-	9.53	-	15,423
5	Sekolah Sri Bestari, Persiaran Margosa School Bandar Sri Damansara Kuala Lumpur	School land and building	Leasehold land expiring in 2110	18-20	6.07	143,900	12,221
6	Lot 2058 & 2059, Mukim Tebrau Land Daerah Johor Bahru, Johor	Industrial land	Freehold	-	5.56	-	11,988
7	Lot Nos. 659, 663, 664 & 665 Mukim Sungai Petani District of Kuala Muda Kedah	Land held for development	Freehold	-	14.71	-	6,859
8	Lot 23304, Persiaran Perdana Bandar Sri Damansara Kuala Lumpur	Club house and club facilities	Freehold	22	13.90	51,184	3,602
9	Sena Parc Housing Development Project Balance of development land in Mukim Ampangan and Pekan Sungai Gadut, Daerah Seremban, Negeri Sembilan	Land held for development	Freehold	-	69.31	-	21,690
10	Compartment 32 Hutan Simpan Bukit Cherakah, Mukim Bukit Raja, Daerah Petaling, Shah Alam, Selangor	Land held for development	Leasehold	-	45.47	-	120,168
11	331357, Lot No 125847 Section 2 Town of Ulu Kelang, District of Gombak Selangor	Land held for development	Freehold	-	1.76	-	70,324
12	HS(D) 59903, P.T. No. 16731 Mukim and District of Petaling Selangor	Land held for development	Leasehold	-	7.99	-	258,883

## NOTICE OF THE FIFTY-FIFTH (55<sup>TH</sup>) ANNUAL GENERAL MEETING

**NOTICE IS HEREBY GIVEN THAT** the Fifty-fifth (55<sup>th</sup>) Annual General Meeting ("AGM") of Land & General Berhad ("L&G") will be held at the Saga Room, the Sri Damansara Club, Lot 23304, Persiaran Perdana, Bandar Sri Damansara, 52200 Kuala Lumpur on Wednesday, 12 September 2018 at 10.00 a.m. for the following purposes:-

### Agenda

- |   |  |
|---|--|
| 1) To receive and adopt the Audited Financial Statements for the financial year ended 31 March 2018 and the Reports of the Directors and Auditors thereon.    | <b>Please refer Explanatory Note (i)</b> |
| 2) To declare and approve payment of a single tier final dividend of 1.5 sen per ordinary share in respect of the financial year ended 31 March 2018.         | <b>Ordinary Resolution 1</b>             |
| 3) To approve the payment of Directors' fees of RM515,833 in respect of the financial year ended 31 March 2018.   | <b>Ordinary Resolution 2</b>             |
| 4) To approve Directors' Meeting Allowances to Non-Executive Directors up to an amount of RM119,000 from 13 September 2018 until the next AGM of the Company. | <b>Ordinary Resolution 3</b>             |
| 5) To re-elect the following Directors who retire pursuant to Article 93 of the Articles of Association of the Company:                                       |  |
| (a) Dato' Hj Zainal Abidin Putih;   | <b>Ordinary Resolution 4</b>             |
| (b) Dato' Hj Ikhwan Salim Dato' Hj Sujak; and   | <b>Ordinary Resolution 5</b>             |
| (c) Mr Low Gay Teck.  | <b>Ordinary Resolution 6</b>             |
| 6) To re-elect Dato' Pahlawan Mohd Shukri Dahlan who retires pursuant to Article 98 of the Articles of Association of the Company.                            | <b>Ordinary Resolution 7</b>             |
| 7) To re-appoint Messrs Ernst & Young as Auditors of the Company and to authorise the Directors to fix their remuneration.                                    | <b>Ordinary Resolution 8</b>             |

### AS SPECIAL BUSINESS

To consider and if thought fit, to pass the following resolutions:-

- |  |                               |
|--|-------------------------------|
| 8) <b>Authority to allot shares pursuant to Section 75 and 76 of the Companies Act, 2016</b>   | <b>Ordinary Resolution 9</b>  |
| <p>"<b>THAT</b> pursuant to Section 75 and 76 of the Companies Act, 2016, the Directors be and are hereby authorised to allot and issue shares in the Company at any time until the conclusion of the next Annual General Meeting 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 to be allotted and issued does not exceed 10% of the total issued shares of the Company for the time being and that the Directors be and are also empowered to obtain approval for the listing of and quotation for the additional shares so issued on Bursa Malaysia Securities Berhad, subject always to the approval of all relevant regulatory bodies being obtained for such issues."</p> |                               |
| 9) <b>Continuing in Office as Independent Non-Executive Director</b><br>- <b>Dato' Ir Dr A Bakar Jaafar</b>  | <b>Ordinary Resolution 10</b> |
| <p>"<b>THAT</b> authority be and is hereby given to Dato' Ir Dr A Bakar Jaafar who has served as an Independent Non-Executive Director of the Company for a cumulative term of more than nine years, to continue to serve as an Independent Non-Executive Director of the Company."</p>  |                               |
| 10) <b>Continuing in Office as Independent Non-Executive Director</b><br>- <b>Dato' Hj Ikhwan Salim Dato' Hj Sujak</b>   | <b>Ordinary Resolution 11</b> |
| <p>"<b>THAT</b> authority be and is hereby given to Dato' Hj Ikhwan Salim Dato' Hj Sujak who has served as an Independent Non-Executive Director of the Company for a cumulative term of more than nine years, to continue to serve as an Independent Non-Executive Director of the Company."</p>  |                               |

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**NOTICE OF  
THE FIFTY-FIFTH (55<sup>TH</sup>)  
ANNUAL GENERAL MEETING (cont'd)**

**11) Proposed Adoption of the New Constitution of the Company**

**Special Resolution 1**

**“THAT** the whole of the existing Memorandum and Articles of Association of the Company be and is hereby amended or altered and in place thereof, the new Constitution of the Company as set out in Appendix I be and is hereby adopted with immediate effect.

**AND THAT** the Board of Directors be and is hereby authorised to assent to any conditions, modifications and/or amendments as may be required by any 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 new Constitution of the Company.”

- 12) To transact any other business for which due notice shall have been given in accordance with the Company's Articles of Association and the Companies Act, 2016.

**NOTICE OF DIVIDEND ENTITLEMENT AND PAYMENT**

**NOTICE IS HEREBY GIVEN THAT**, subject to the approval of the shareholders at the 55<sup>th</sup> AGM of L&G, a single tier final dividend of 1.5 sen per ordinary share in respect of financial year ended 31 March 2018 will be payable to the shareholders of the Company on 8 October 2018. The entitlement date of the said dividend shall be 26 October 2018.

A depositor shall qualify for entitlement to the dividend only in respect of:

- (a) shares transferred to the depositor's securities account before 4.00 p.m. on 8 October 2018 in respect of transfers; and
- (b) shares bought on Bursa Malaysia Securities Berhad on a cum entitlement basis according to the Rules of Bursa Malaysia Securities Berhad.

By order of the Board

Lee Siw Yeng (MAICSA 7048942)  
Secretary

Kuala Lumpur  
31 July 2018

**Notes:-**

**1. Appointment of Proxy**

- (i) A member entitled to attend and vote at this Meeting is entitled to appoint a proxy or proxies to attend and vote in his stead. A proxy need not be a member of the Company.

There shall be no restriction as to the qualification of the proxy.

A proxy appointed to attend and vote at a meeting of the Company shall have the same right as the Member to speak at the meeting.

- (ii) A member shall be entitled to appoint more than one proxy to attend and vote at the AGM in accordance with the provision of Section 294(2) of the Companies Act, 2016.
- (iii) Where a Member of the Company is an exempt authorised nominee which holds ordinary shares in the Company for multiple beneficial owners in one (1) securities account (“omnibus account”), there is no limit to the number of proxies which the exempt authorised nominee may appoint in respect of each omnibus account it holds.

An exempt authorised nominee refers to an authorised nominee defined under the SICDA which is exempted from compliance with the provisions of subsection 25A(1) of SICDA.

- (iv) Where a Member appoints two proxies, the proportion of shareholdings to be represented by each proxy must be specified in the instrument appointing the proxies.

Where an exempt authorised nominee appoints two (2) or more proxies, the proportion of shareholdings to be represented by each proxy must be specified in the instrument appointing the proxies.



## NOTICE OF THE FIFTY-FIFTH (55<sup>TH</sup>) ANNUAL GENERAL MEETING (cont'd)

- (v) The instrument appointing a proxy in the case of an individual shall be signed by the appointer or his attorney, and in the case of a corporation either under its common seal or signed by its attorney or by an officer on behalf of the corporation.
- (vi) The Proxy Form, duly completed, must be deposited at the Registered Office of the Company at 8trium, Level 21 Menara 1, Jalan Cempaka SD12/5, Bandar Sri Damansara, 52200 Kuala Lumpur not less than forty-eight (48) hours before the time set for holding the Meeting or any adjournment thereof, or in the case of a poll, not less than twenty-four (24) hours before the time appointed for the taking of the poll, and in default the instrument of proxy shall not be treated as valid.
- (vii) Only members whose names appear in the Record of Depositors as at **3 September 2018** will be entitled to attend and vote at the meeting or appoint proxy (proxies) to attend and vote on their behalf.

### 2. Explanatory Notes

- (i) **Item 1 of the Agenda - Audited Financial Statements for the financial year ended 31 March 2018**  
This agenda is laid before the AGM pursuant to Section 340(1) of the Companies Act, 2016, and does not require a formal approval of the shareholders. As such, it is meant for discussion only and not put forward for voting.
- (ii) **Ordinary Resolution 2 - Payment of Directors' fees**  
The directors' fees for financial year ended 31 March 2018 are RM515,833 (2017: RM400,000). Please refer to the Corporate Governance Overview Statement for the components of the Directors' remuneration.
- (iii) **Ordinary Resolution 3 - Meeting Allowances**  
The meeting allowance for each Non-Executive Director is RM1,000.00 per meeting attendance and the total estimated meeting allowances amounting to RM119,000.00 are calculated based on estimated number of meetings for Board and Board Committees from 13 September 2018 until the next AGM in year 2019.
- (iv) **Ordinary Resolution 9 - Authority to allot shares pursuant to Section 75 and 76 of the Companies Act, 2016**  
The proposed Ordinary Resolution 9, if passed, will empower the Directors to allot and issue ordinary shares of the Company up to an amount not exceeding 10% of the total issued shares of the Company for purpose of fund raising exercise including but not limited to further placement of shares for purpose of funding current and/or future projects, working capital, acquisition and/or for issuance of shares as settlement of purchase consideration. This authority unless revoked or varied at a general meeting will expire at the next Annual General Meeting.  
  
As at the date of this notice, there was no issuance of new ordinary shares by the Company pursuant to the mandate obtained at the 54<sup>th</sup> AGM held on 13 September 2017 and the Directors do not intend to utilise the mandate from the date of issuance of this Annual Report up to the expiry date of the said mandate.
- (v) **Ordinary Resolution 10 - Continuing in Office as Independent Non-Executive Director - Dato' Ir Dr A Bakar Jaafar**  
The Nominating Committee has assessed the independence of Dato' Ir Dr A Bakar Jaafar, who has served as an Independent Non-Executive Director of the Company for a cumulative term of more than nine years, and recommended Dato' Ir Dr A Bakar Jaafar to continue to serve as an Independent Non-Executive Director of the Company based on the following justifications:-
  - a. he fulfills the criteria of an Independent Director pursuant to the Main Market Listing Requirements of Bursa Malaysia Securities Berhad;
  - b. he provides the Board a diverse set of experience, skill and expertise as he is a highly qualified person who has been contributing to academic fields relating to science and technology as well as serving government agencies for many years;
  - c. he is familiar with the Company's business operations and the property development market as he has been with the Company for more than 9 years and is aware of current issues confronting the Company and he continues to provide valuable input to steer the Company forward; and
  - d. he has devoted sufficient time and attention to his professional obligations for informed and balanced decision making.

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**NOTICE OF  
THE FIFTY-FIFTH (55<sup>TH</sup>)  
ANNUAL GENERAL MEETING (cont'd)**

(vi) **Ordinary Resolution 11 - Continuing in Office as Independent Non-Executive Director - Dato' Hj Ikhwan Salim Dato' Hj Sujak**

The Nominating Committee has assessed the independence of Dato' Hj Ikhwan Salim Dato' Hj Sujak, who has served as an Independent Non-Executive Director of the Company for a cumulative term of more than nine years, and recommended Dato' Hj Ikhwan Salim Dato' Hj Sujak to continue to serve as an Independent Non-Executive Director of the Company based on the following justifications:-

- a. he fulfills the criteria of an Independent Director pursuant to the Main Market Listing Requirements of Bursa Malaysia Securities Berhad;
- b. he provides the Board a diverse set of experience, skill and expertise as he is a highly experienced in financial and risk matters;
- c. he is familiar with the Company's business operations and the property development market as he has been with the Company for more than 9 years and is aware of current issues confronting the Company and he continues to provide valuable input to steer the Company forward; and
- d. he has devoted sufficient time and attention to his professional obligations for informed and balanced decision making.

(vii) **Special Resolution 1 - Proposed Adoption of the New Constitution of the Company**

The Special Resolution 1, if passed, will enable the Company's Constitution to be in line with the Companies Act, 2016 and the amendments of the Main Market Listing Requirements.

In view of the amendments or alterations to the whole of the existing Memorandum and Articles of Association of the Company ("M&A"), the new Constitution as set out in Appendix I, a copy of which is despatched together with the Company's 2018 Annual Report, will replace the existing M&A.



# PROXY FORM



LAND & GENERAL BERHAD  
(Company No.: 5507-H)  
(Incorporated in Malaysia)

I/We \_\_\_\_\_  
(FULL NAME IN BLOCK LETTERS)

of \_\_\_\_\_  
(ADDRESS IN FULL)

being a member / members of **LAND & GENERAL BERHAD** hereby appoint \_\_\_\_\_

(FULL NAME IN BLOCK LETTERS)

or failing him, the Chairman of the Meeting as my/our proxy/proxies to vote for me/us and on my/our behalf at the Fifty-Fifth (55<sup>th</sup>) Annual General Meeting of Land & General Berhad to be held at the Saga Room, the Sri Damansara Club, Lot 23304, Persiaran Perdana, Bandar Sri Damansara, 52200 Kuala Lumpur on Wednesday, 12 September 2018 at 10.00 a.m. and at any adjournment thereof.

My/our proxy/proxies shall vote as indicated below:-

Agenda	Resolution	For	Against
Declaration and payment of final dividend	Ordinary Resolution 1		
Payment of Directors' fees	Ordinary Resolution 2		
Payment of Meeting Allowances	Ordinary Resolution 3		
Re-election of the following Directors pursuant to Article 93 :			
(i) Dato' Hj Zainal Abidin Putih;	Ordinary Resolution 4		
(ii) Dato' Hj Ikhwan Salim Dato' Hj Sujak	Ordinary Resolution 5		
(iii) Mr Low Gay Teck	Ordinary Resolution 6		
Re-election of Dato' Pahlawan Mohd Shukri Dahlan pursuant to Article 98	Ordinary Resolution 7		
Re-appointment of Auditors	Ordinary Resolution 8		
Authority to allot shares pursuant to Section 75 & 76, Companies Act 2016	Ordinary Resolution 9		
Continuing in office as Independent Non-Executive Director - Dato' Ir Dr A Bakar Jaafar	Ordinary Resolution 10		
Continuing in office as Independent Non-Executive Director - Dato' Hj Ikhwan Salim Dato' Hj Sujak	Ordinary Resolution 11		
Proposed Adoption of the New Constitution of the Company	Special Resolution 1		

(Please indicate with an "X" in the spaces provided how you wish your votes to be cast on the resolutions specified. If you do not do so, your proxy/proxies will vote or abstain from voting at his/her/their discretion.)

No. of Shares	
CDS Account No.	
Contact No.	

Signature: \_\_\_\_\_

Date: \_\_\_\_\_

## Notes:-

### 1. Appointment of Proxy

- (i) A member entitled to attend and vote at this Meeting is entitled to appoint a proxy or proxies to attend and vote in his stead. A proxy need not be a member of the Company.

There shall be no restriction as to the qualification of the proxy.

A proxy appointed to attend and vote at a meeting of the Company shall have the same right as the Member to speak at the meeting.

- (ii) A member shall be entitled to appoint more than one proxy to attend and vote at the AGM in accordance with the provision of Section 294(2) of the Companies Act, 2016.

- (iii) Where a Member of the Company is an exempt authorised nominee which holds ordinary shares in the Company for multiple beneficial owners in one (1) securities account ("omnibus account"), there is no limit to the number of proxies which the exempt authorised nominee may appoint in respect of each omnibus account it holds.

An exempt authorised nominee refers to an authorised nominee defined under the SICDA which is exempted from compliance with the provisions of subsection 25A(1) of SICDA.

- (iv) Where a Member appoints two proxies, the proportion of shareholdings to be represented by each proxy must be specified in the instrument appointing the proxies.

Where an exempt authorised nominee appoints two (2) or more proxies, the proportion of shareholdings to be represented by each proxy must be specified in the instrument appointing the proxies.

- (v) The instrument appointing a proxy in the case of an individual shall be signed by the appointer or his attorney, and in the case of a corporation either under its common seal or signed by its attorney or by an officer on behalf of the corporation.

- (vi) The Proxy Form, duly completed, must be deposited at the Registered Office of the Company at 8trium, Level 21 Menara 1, Jalan Cempaka SD12/5, Bandar Sri Damansara, 52200 Kuala Lumpur not less than forty-eight (48) hours before the time set for holding the Meeting or any adjournment thereof, or in the case of a poll, not less than twenty-four (24) hours before the time appointed for the taking of the poll, and in default the instrument of proxy shall not be treated as valid.

- (vii) Only members whose names appear in the Record of Depositors as at **3 September 2018** will be entitled to attend and vote at the meeting or appoint proxy (proxies) to attend and vote on their behalf.

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STAMP

**The Secretary**  
**LAND & GENERAL BERHAD (5507-H)**  
8TRIUM LEVEL 21 MENARA 1  
JALAN CEMPAKA SD 12/5  
BANDAR SRI DAMANSARA  
52200 KUALA LUMPUR  
MALAYSIA

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**THE COMPANIES ACT 2016**

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**PUBLIC COMPANY LIMITED BY SHARES**

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**CONSTITUTION**

**OF**

**LAND & GENERAL BERHAD**

(Company No. 5507-H)

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Incorporated on the 21<sup>st</sup> day of May, 1964

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This is the Appendix I referred to in Agenda No. 11 of the Notice of 55<sup>th</sup> Annual General Meeting of Land & General Berhad dated 31 July 2018.

Date and Time of the 55 <sup>th</sup> AGM	: Wednesday, 12 <sup>th</sup> September 2018 at 10.00 a.m.
Venue of the 55 <sup>th</sup> AGM	: Saga Room, the Sri Damansara Club, Lot 23304, Persiaran Perdana, Bandar Sri Damansara, 52200 Kuala Lumpur

THE COMPANIES ACT 2016  
MALAYSIA  
\_\_\_\_\_  
PUBLIC COMPANY LIMITED BY SHARES  
\_\_\_\_\_  
**CONSTITUTION**  
OF  
**LAND & GENERAL BERHAD**

1. The name of the Company is “LAND & GENERAL BERHAD”.
2. The registered office of the Company will be situated in Malaysia.
3. In these presents if not inconsistent with the subject or context the words standing in the first column of the table next hereinafter contained shall bear the meanings set opposite to them respectively in the second column thereof. Interpretation

<b>WORDS</b>	<b>MEANINGS</b>
The Company	... Land & General Berhad (5507-H)
The Act	... The Companies Act, 2016, and any statutory modification, amendment or re-enactment thereof and any and every other legislation made thereunder for the time being in force.
Central Depositories Act	... The Securities Industry (Central Depositories) Act 1991 and any statutory modification, amendment or re-enactment thereof and any and every other legislation made thereunder for the time being in force.
Clause	... The provisions stated in this Constitution.
Deposited Security	... shall have the meaning given in Section 2 of the Central Depositories Act.
Depositor	... A holder of a securities account established by the Depository.
Depository	... Bursa Malaysia Depository Sdn Bhd.
Directors	... The Directors for the time being of the Company.
Dividend	... Dividend and/or bonus.



Dividend Reinvestment Scheme	...	A scheme which enables members to reinvest cash divided into new shares.
Document	...	Document(s) required to be sent or supplied under the Listing Requirements to members or securities holders of the Company.
Electronic form	...	Information, notices or Document which are sent or supplied by electronic means.
Electronic means	...	Information, notices or Documents are sent or supplied in electronic form via electronic mail (e-mail), facsimile, mobile application, web application, text and instant messaging, designated website link or designated portal or other method available arising from the development of information technology from time to time, via telecommunications network.
Exempt Nominee	Authorised ...	An authorised nominee defined under the Securities Industry (Central Depositories) Act, 1991 ("SICDA") which is exempted from compliance with the provisions of subsection 25A(1) of SICDA.
Exchange	...	Bursa Malaysia Securities Berhad.
In writing	...	Written or produced by any substitute for writing or partly one and partly another.
Listing Requirements	...	The Listing Requirements of the Exchange including any amendment thereto that may be made from time to time.
Market Day	...	A day on which the stock market of the Exchange is open for trading in securities.
Member(s)	...	Any person/persons for the time being holding shares in the Company and whose names appear in the Register of Members including Depositors who shall be treated as if he were a member pursuant to Section 35 of the Central Depositories Act but excludes the Depository in its capacity as a bare trustee.
Month	...	Calendar month.
Office	...	The registered office of the Company.
Paid	...	Paid or credited as paid.
Record of Depositors	...	A record provided by the Depository to the Company under Chapter 24.0 of the Rules.
Register of Members	...	The Register of Members to be kept pursuant to the Act.

Rules	... shall have the meaning given in Section 2 of the Central Depositories Act.
Seal	... The Common Seal of the Company.
Securities	... Securities shall have the meaning as defined in Section 2 of the Capital Markets and Services Act, 2007 or any modification amendment or re-enactment thereof for the time being in force.
Securities account	... An account established by the Depository for a Depositor for the recording of deposit of securities and for dealing in such securities by the Depositor.
These presents	... The Constitution as originally framed or as from time to time altered by Special Resolution.
Year	... Calendar year.

Note:

The expressions “debenture” and “debenture-holder” shall include “debenture stock” and “debenture-stockholder”, and the expression “Secretary” shall include any person appointed by the Directors to perform any of the duties of the Secretary.

Save as aforesaid, any words or expressions defined in the Act shall, if not inconsistent with the subject or context, bear the same meaning in these presents.

The marginal notes are inserted for convenience only and shall not affect the construction of these presents.

4. The objects for which the Company is established are:-

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| 4.1 To promote or assist in the promotion of any company for the purpose of acquiring the undertaking or all or any of the property and assets or any of the liabilities of this Company, or of undertaking any business or operations which may seem directly or indirectly likely to assist or benefit this Company, or to enhance the value of any property or business of this Company, or for any other purpose which may seem directly or indirectly calculated to benefit this Company, and to place or guarantee the placing of, underwrite, subscribe for, or otherwise acquire all or any part of the shares, debentures, debenture stock or securities of any such company and to subsidise or otherwise assist any such company. | To promote companies.         |
| 4.2 To purchase or otherwise, acquire and take over, wholly or in part for cash, shares, stock, debentures, debenture stock or other securities or otherwise howsoever all or any part of the business, goodwill, property and other assets and to assume or undertake the whole or in part the liabilities and obligations of any person, firm or company carrying on any business which the Company is or may become authorised to carry on or possessed of property suitable for the purposes of this Company, and to hold, manage, operate, conduct and dispose of in any manner the whole or any part of any such acquisitions, and   | To purchase other businesses. |

to exercise all the powers necessary or convenient in and about the conduct and management thereof.

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| 4.3 | To acquire in any lawful manner and for such consideration as the Company shall think fit, in the States of Malaya, Republic of Singapore and elsewhere, secret processes, inventions, protections, patents, brevets d'invention, and rights in the nature of patent rights, or any interest or rights therein, the acquisition of which may seem advantages or beneficial to the Company, and to test, manufacture, exercise, sell or grant licenses of the same or otherwise turn the same to account.  | To purchase patent rights etc.                                     |
| 4.4 | To aid, finance, subsidise or assist any company, corporation, association, firm or individual with capital, credit, means and resources for engaging in or carrying on any business or transaction which this Company is authorised to carry on or be engaged in or any business or transaction capable of being conducted so as directly or indirectly to benefit this Company and in particular for the import, export, purchase, sale, dealing in, hiring and letting on hire, under hire-purchase agreements or otherwise of any motor cars or vehicles or any of other articles, goods, wares merchandise, or things and for the acquisition, taking on lease or hiring of any land, buildings, offices, or premises or the prosecution of any works, undertakings, projects or enterprises connected with any of the said business or capable of being taken or carried on so as directly or indirectly to benefit this Company. | To finance persons or companies with capital or credit.            |
| 4.5 | To advance money to any person or persons or corporations, either at interest or without, upon the security of absolute, freehold or leasehold property by way of mortgage, or upon marketable security; and in particular to advance money to shareholders in the Company, and others, upon the security of or for the purpose of enabling the person borrowing the same to erect, or purchase, or enlarge or repair any house or buildings, or to purchase the absolute title, fee simple or any less estate or interest in, or to take a demise for any term or terms of years of any freehold or leasehold property in the States of Malaya or Republic of Singapore or elsewhere, upon such terms and conditions as the Company may think fit.   | To advance money to shareholders and others.                       |
| 4.6 | To purchase and sell for any persons freehold or other house property, buildings or lands, or any share or shares, interest or interests therein, and to transact on commission or otherwise the general business of a land agent.  | Land agents.   |
| 4.7 | To establish and carry on, and to promote the establishment and carrying on, upon any property in which the Company is interested, of any business which may be conveniently carried on upon or in connection with such property, and the establishment of which may seem calculated to enhance the value of the Company's interest in such property, or to facilitate the disposal thereof.  | To carry on businesses in connection with property of the company. |
| 4.8 | To carry on in all their respective branches all or any of the businesses of builders masonry and general construction contractors and hauliers and among other things to construct, execute, carry out, equip, improve, work and advertise railways, roadways, tramways, docks, harbours, wharves, canals, watercourses, reservoirs, embankments, irrigations, reclamations, sewage, drainage, and other sanitary works, water, gas, electric and other supply works, houses, buildings in erections of every kind, and to carry on any other businesses in connection with the above-mentioned businesses that are customarily or usually carried on in connection therewith or naturally incidental thereto.   | Builders and general construction contractors.                     |

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| 4.9  | To carry on in any of their respective branches all or any of the businesses of quarry proprietors, stone and granite merchants, dealers and exporters and contractors, and to search for, get, win, raise, make marketable, use, sell and dispose of granite, stone, coal, minerals and mineral substances and products within or under any property of the Company, and to prepare and manufacture cement, lime, mortar, concrete, paving blocks, tar, macadam, bituminous road materials and all or any other of the materials or things which the Company may require or which may be useful for carrying on any of the abovementioned businesses. | Stone and granite merchants.                            |
| 4.10 | To carry on all or any of the business of merchants and dealers in brick, timber, hardware and other building requisites, builders' merchants, brick and tile, terra-cotta makers, marble manufactures, masons, electrical and general engineers, metal founders, ship-wrights, wharfingers, etc., carriers by sea or land, forwarding agents and commission and general agents, exporters, importers and merchants.   | Dealers in brick, timber, hardware etc.                 |
| 4.11 | To manufacture, buy, sell, treat and deal in all kinds of plant, machinery, apparatus, tools, utensils, commodities, substances, articles and things necessary or useful for carrying on any of the above businesses or usually dealt with by persons engaged therein.   | Manufacturers and dealers in plant machinery tools etc. |
| 4.12 | To carry on the business of manufacturers, importers and exporters of timber, forest products, composites and plastics, and to buy and sell by wholesale or retail, and generally to deal in all such materials.   | Import and export of timber.                            |
| 4.13 | To carry on the business of timber and lumber merchants, lumber yard and sawmill proprietors, and to buy, sell, prepare for market, to manufacture and deal in articles of all kinds in the manufacture of which timber or wood is used and to carry on the business of logging and lumbering, purchasing, acquiring and leasing timber berths.  | Timber merchants.                                       |
| 4.14 | To buy or otherwise acquire, issue, place, sell or otherwise deal in stocks, shares, bonds, debentures and securities of all kinds, and to give any guarantee or security in relation thereto or otherwise in connection with any stocks, shares, bonds, debentures or securities.   | To deal in stocks and shares.                           |
| 4.15 | To carry on business and to act as merchants, traders, commission agents or in any other capacity; and to import, export, buy, sell, barter, exchange, pledge, make advances upon, or otherwise deal in goods, produce, articles and merchandise.  | Business of merchants, traders and commission agents.   |
| 4.16 | To invest the capital of the Company and make advances on all descriptions of motor vehicles and other goods, wares and merchandise whether on mortgage or bill of sale or assignment and whether subject to hire-purchase agreements or otherwise and to seize, retake, sell, dispose of or repurchase the same and generally to finance the carrying on of the hire-purchase business in all its branches.   | To invest capital and make advances on merchandise.     |
| 4.17 | To acquire by purchase, lease, exchange, hire or otherwise by way of investment or with a view to resale or otherwise any lands and hereditaments of any tenure, or any other property whether movable or immovable or any interest in the same or in any mortgages, shares and securities.  | To acquire property for investment or resale.           |

4.18	To sell, lease, let, mortgage or otherwise dispose of the lands, houses, buildings, hereditaments and other property of the Company.	To sell, lease, mortgage property of Company.
4.19	To develop and turn to account any land acquired by or in which the Company is interested, and in particular by laying out and preparing the same for building purposes, constructing, altering, pulling down, decorating, maintaining, furnishing, fitting up, and improving buildings, and by planting, paving, draining, farming, cultivating, letting on building lease or building agreement, and by advancing money to and entering into contracts and arrangements of all kinds with builders, tenants and others.	To turn to account land acquired.
4.20	To transact business as financiers, promoters and financial and monetary agents in any part of the world.	To transact business as financiers in any part of the world.
4.21	To borrow or raise money and to secure the repayment of any money borrowed, raise or owing in such manner as the Company shall think fit, and in particular by the issue of debentures or debenture stock, perpetual or otherwise, charged upon, and by mortgage, charge, lien, debentures or debenture stock of and on the whole or any part of the Company's property or assets (both present or future), including its uncalled capital, and also by a similar mortgage, charge or lien to secure and guarantee the performance by the Company of any obligation or liability it may undertake.	To borrow or raise money and to secure repayment thereof.
4.22	To lend and advance money or give credit to such persons or companies and on such terms as may seem expedient, and in particular to customers, companies, corporations, firms and others having dealings with the Company, and to give guarantees or become surety and give security for any such persons or companies.	To lend and advance money or give credit.
4.23	To subscribe for, take, underwrite, purchase, or otherwise acquire and hold shares, debentures, debenture stock or other interest in or securities of any other company having objects altogether or in part similar to those of this Company, or carrying on any business capable of being conducted so as directly or indirectly to benefit this Company.	To acquire shares of any other Company having similar objects.
4.24	To draw, make, accept, endorse, discount, execute and issue promissory notes, bills of exchange, bills of lading, warrants, debentures, and other negotiable or transferable instruments.	Bills of exchange.
4.25	To enter into any arrangement with any governments or authorities, municipal, local or otherwise, that may seem conducive to the Company's objects, or any of them and to obtain from any such governments or authority, any rights, privileges and concessions which the Company may think it desirable to obtain, and to carry out, exercise and comply with any such arrangements, rights, privileges and concessions.	To enter into arrangements with Authorities.
4.26	To sell, improve, manage, develop, exchange, lease, mortgage, dispose of, turn to account or otherwise deal with all or any part of the property and rights of the Company.	To sell, develop, etc. property of Company.

4.27	To carry on any other similar or dissimilar business which seems capable of being carried on advantageously or conveniently in connection with the above.	To carry on other business to advantage of Company.
4.28	To amalgamate, enter into partnership or any arrangement for sharing profits, union of interests, co-operation, joint venture, reciprocal concession, mutual assistance or otherwise with any person, firm, or company, carrying on or engaged in or about to carry on or engage in any business or transaction which this Company is authorised to carry on or be engaged in or any business or transaction capable of being conducted so as directly or indirectly to benefit this Company and to acquire in any manner shares and securities of any such company.	To amalgamate with other companies and enter into partnership.
4.29	To invest and deal with the moneys of the Company not immediately required upon such securities and in such manner as may from time to time be determined.	To invest moneys not immediately required.
4.30	To obtain any legislative, judicial, administrative or other Acts or authorizations of any Government or Authority competent in that behalf for enabling the Company to carry any of its objects into effect or for extending any of the powers of the Company or for effecting any modification of the constitution of the Company or for any other purpose which may seem expedient, and to oppose any proceedings or applications which may seem calculated directly or indirectly to prejudice the interests of the Company.	To obtain Act.
4.31	To establish or contribute to funds for the benefit of any persons employed by the Company.	To establish funds for benefit of employees.
4.32	To remunerate any person or company for services rendered or to be rendered in placing or assisting to place or guaranteeing the placing of any of the shares in or debentures, debenture stock or other securities of the Company or in or about the promotion, formation, or business of the Company, or of any other company promoted wholly or in part of this Company.	To remunerate persons or companies for services in promoting company.
4.33	To sell or dispose of all or any of the undertaking and assets of the Company for such consideration as the Company may think fit, and in particular for shares, debentures, debenture stock or securities of any company having objects altogether or in part similar to those of this Company.	To sell undertaking and assets.
4.34	To distribute any property of the Company, whether upon a division of profits or a distribution of assets, among the members in specie or otherwise.	To distribute property in specie.
4.35	To acquire by purchase in good faith and in the best interest of the Company, the Company's own shares through the Exchange pursuant to any guidelines issued by the Exchange or any other regulatory or government body provided always that the Company is solvent at the date of the purchase of the Company's shares and will not become insolvent by incurring the debts, if any, involved in the obligation to pay for the shares of the Company so purchased.	To acquire Company's own shares.

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| 4.36 | To issue warrants, options or any other form of convertible securities to any party at the discretion of the Directors if they deem such issue in the best interest of the Company, provided always that all such convertible securities shall have a period in which they may be converted into shares which shall not exceed 10 years from the date of issue of any such convertible security.  | To issue warrants, options or any other form of convertible securities. |
| 4.37 | To do all or any of the above things in any part of the world, and either as principals, agents, trustees, or otherwise, and by trustees, sub-contractors, agents, or otherwise, and either alone or in conjunction with others.  | To operate in any part of the world.                                    |
| 4.38 | To do all such other things as are incidental to or connected with any of the above objects or conducive to the attainment thereof or otherwise likely in any respect to be advantageous to the Company.  | General power.  |
| 4.39 | To reserve or set aside one per centum (1%) of the profit before tax of the Company annually or such other amount as may be determined from time to time for the purposes of contributions and donations and in any other manner in giving aids and or assistance in the establishment and or support of and or in subsidising any deserving associations, funds, charitable, organisations, institutions, places of worship, school, societies or any other bodies or parties having any objects or purposes whatsoever. | To reserve 1% annually for purposes of contributions, donation etc.     |
- The objects specified in each of the paragraphs of this clause shall (except where otherwise expressed in such paragraph) be construed in the most liberal way and shall be in no wise limited or restricted by reference to or inference from the terms of the first or any other paragraph or the name of the Company and the word “company” in this clause (except where used in reference to this Company) shall be deemed to include any partnership or other body of persons whether incorporated or not incorporated and whether domiciled in Malaysia or elsewhere.
5. The liability of the members is limited.
  6. The share capital of the Company shall be its issued share capital and the Company shall have power to increase or reduce its capital, to consolidate or subdivide the shares into shares of larger or smaller amounts and to divide the shares forming the capital (original, increased or reduced) of the Company into several classes and to attach thereto respectively preferential, deferred or special rights, privileges or conditions as may be determined by or in accordance with the regulations for the time being of the Company and to issue additional capital with any such rights, privileges or conditions as aforesaid, and any preference share may be issued on the terms that it is, or at the option of the Company is liable, to be redeemed.
  7. Section 21 of the Companies Act 2016 shall apply to the Company and the Company shall be capable of exercising all the functions of a body corporate and have the full capacity to carry on or undertake any business or activity the Directors considered advantageous to the Company and that are not prohibited under any law for the time being in force in Malaysia.
  8. The Company shall have the power, subject to and in accordance with the provisions of the Act and all its subsequent amendments in force at the material time, to purchase its own shares subject to any guidelines issued by the Exchange or any other regulatory or government body.
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| Share capital of the Company | Power given under the Companies Act, 2016 | Purchase of the Company's own shares. |
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| <p>9. Any share in the Company may be issued with such preferred, deferred or other special rights, or such restrictions, whether in regard to dividend, return of capital, voting or otherwise, as the Company may from time to time by Ordinary Resolution determine, and subject to the provisions of the Act, the Company may issue preference shares which are, or at the option of the Company are to be liable, to be redeemed on such terms and in such manner as the Company before the issue thereof may by Special Resolution determine. Provided that the Company shall not issue preference shares ranking in priority over, but may issue preference shares ranking equally with, preference shares already issued and not yet redeemed.</p>   | <p>Issue of shares.</p>   |
| <p>10. Notwithstanding the provisions of this Constitution on any issue of preference shares, preference shareholders will be deemed to have the same rights as ordinary shareholders as regards to receiving of notices, reports and audited accounts and the attending of General Meetings of the Company. Preference shareholders shall also have the right to vote during the winding up of the Company and at any meeting convened for the following purposes:-</p> <ul style="list-style-type: none"> <li>(a) when the dividend or part of the dividend on the shares is in arrears for more than 6 months;</li> <li>(b) on a proposal to reduce the Company's share capital;</li> <li>(c) on a proposal for the disposal of the whole of the Company's property, business and undertaking;</li> <li>(d) on a proposal that affects rights attached to the shares; and</li> <li>(e) on a proposal to wind up the Company.</li> </ul>   | <p>Rights of Preference shareholders as regards notices of meetings.</p>      |
| <p>11. Subject to any direction to the contrary that may be given by the Company in General Meetings, all new shares or other convertible securities shall, before issue, be offered to such persons as at the date of the offer are entitled to receive notices from the Company of General Meetings in proportion, as nearly as the circumstances admit, to the amount of the existing shares or securities to which they are entitled. The offer shall be made by notice specifying the number of shares or securities offered, and limiting a time within which the offer, if not accepted, will be deemed to be declined, and after the expiration of that time, or on the receipt of an intimation from the person to whom the offer is made that he declines to accept the shares or securities offered, the Directors may dispose of those shares or securities in such manner as they think most beneficial to the Company. The Directors may likewise also dispose of any new shares or securities which (by reason of the ratio which the new shares or securities bear to shares or securities held by persons entitled to an offer of new shares or securities) cannot, in the opinion of the Directors, be conveniently offered under this Constitution.</p> | <p>Issue of new shares to members.</p>  |
| <p>12. Notwithstanding the existence of a resolution pursuant to Section 75 of the Act, the Company shall not issue shares or convertible securities if those shares or convertible securities when in aggregate with any such shares or convertible securities issued during the preceding twelve (12) months exceeds 10% of the total issued share capital of the Company, except where the shares or convertible securities are issued with the prior approval of the members of the precise terms and conditions of the issue.</p>   | <p>Approval of members as to issuance of shares or convertible securities</p> |



## VARIATION OF RIGHTS

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| <p>13. Whenever the share capital of the Company is divided into different classes of shares, the special rights attached to any class including preference shares may, subject to the provisions of the Act, be varied or abrogated, and preference capital other than redeemable preference capital may be repaid if made pursuant to a Special Resolution of the preference shareholders or the particular class of shareholders concerned. To every such separate meeting all the provisions of these presents relating to General Meetings of the Company, or to the proceedings thereat, shall mutatis mutandis apply, except that the necessary quorum shall be three persons at least holding or representing by proxy one third of the total voting rights of the shareholders in the class. Provided that where the necessary majority for such a Special Resolution is not obtained at the meeting, consent in writing if obtained from the holders of three-fourths of the preference capital concerned within two months of the meeting, shall be as valid and effectual as a Special Resolution carried at the meeting.</p> | <p>How special rights of shares may be varied.</p>              |
| <p>14. The special rights attached to any class of shares having preferential rights shall not unless otherwise expressly provided by the terms of issue thereof be deemed to be varied by the creation or issue of further shares ranking as regards participation in the profits or assets of the Company in some or all respects pari passu therewith but in no respect in priority thereto.</p>   | <p>Creation or issue of further shares with special rights.</p> |

## ALTERATION OF CAPITAL

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| <p>15. The Company may from time to time by Ordinary Resolution increase its capital by such sum to be divided into shares of such amounts as the resolution shall prescribe.</p>   | <p>Power to increase capital.</p>                     |
| <p>16. All new shares shall be subject to the provision of these presents with reference to allotments, payment of calls, lien, transfer, transmission, forfeiture and otherwise.</p>   | <p>Rights and liabilities attached to new shares.</p> |
| <p>17. The Company may by Ordinary Resolution:-</p>   |   |
| <p>(a) Consolidate and divide all or any of its share capital, the proportion between the amount paid and the amount, if any, unpaid on each subdivided share shall be the same as it was in the case of the share from which the subdivided share is derived;</p>                    | <p>Power to consolidate shares.</p>                   |
| <p>(b) Convert all or any of its paid-up shares into stock and may reconvert that stock into paid-up shares; or</p>   | <p>Power to cancel shares.</p>                        |
| <p>(c) Subdivide its shares or any of the shares, whatever is in the subdivision, the proportion between the amount paid and the amount, if any, unpaid on each subdivided share shall be the same as it was in the case of the share from which the subdivided share is derived.</p> | <p>Power to sub-divide shares.</p>                    |
| <p>18. The Company may reduce its share capital by a Special Resolution and confirmation by the Court or a Special Resolution supported by a solvency statement, subject to the provisions of the Act.</p>  | <p>Power to reduce capital.</p>                       |

## SHARES

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| 19. | Subject to the prior approval of the members of the Company in general meeting, the provisions of the Act and the Listing Requirements, and to the conditions, restrictions and limitations expressed in these presents, the Directors may allot, grant options over or otherwise dispose of the unissued share capital of the Company to such persons, at such times, and on such terms as they think proper.  | Shares at the disposal of Directors.    |
| 20. | The Company may exercise the powers of paying commissions conferred by the Act. The rate per cent or the amount of the commission paid or agreed to be paid shall be disclosed in the manner required by the Act, and such commission shall not exceed 10 per cent of the price at which the shares in respect of which the commission is paid are issued. The Company may also on any issue of shares pay such brokerage as may be lawful.   | Power to pay commissions and brokerage. |
| 21. | If any shares of the Company are issued for the purpose of raising money to defray the expenses of the construction of any works or buildings or the provision of any plant which cannot be made profitable for a lengthened period, the Company may, subject to the conditions and restrictions mentioned in the Act, pay interest on so much of such share capital as if for the time being paid up, and may charge the same to capital as part of the cost of construction of the works, buildings or plant.   | Power to charge interest to capital.    |
| 22. | Except as required by law, the Act, the Central Depositories Act and the Rules, no person shall be recognised by the Company as holding any share upon any trust, and the Company shall not be bound by or compelled in any way to recognise any equitable, contingent, future or (except only as by these presents or by law otherwise provided or provided by the Central Depositories Act or the Rules) any other right in respect of any share, except an absolute right to the entirety thereof in the registered holder.  | Exclusive of equities.                  |
| 23. | A depositor whose name appears in the Record of Depositors maintained by the Depository pursuant to Section 34 of the Central Depositories Act in respect of the securities of a Company which have been deposited with the Depository shall be deemed to be a member, debenture holder, interest holder or option holder as the case may be, of the Company and shall, subject to the provisions of the Central Depositories Act and any regulations made thereunder, be entitled to the number of securities stated in the Record of Depositors and all rights, benefits, power and privileges and be subject to all liabilities, duties and obligations in respect of, or arising from, such securities (whether conferred or imposed by the Act or these presents). | Right of holders.                       |
| 24. | The Company shall ensure (unless specifically exempted, in which case the Listing Requirements shall not apply) that all new issues of securities for which listing is sought are made by way of crediting the securities accounts of the allottees with such securities in accordance with the provisions of the Central Depositories Act. For this purpose, the Company must notify the Depository of the names of the allottees and all such particulars required by the Depository, to enable the Depository to make the appropriate entries in the securities accounts of such allottees.  | New issues of securities.               |

## CERTIFICATES

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| 25. | Subject to the provisions of the Act, the Central Depositories Act and the Rules, the Company shall allot and/or issue securities, despatch notices of allotment to the | Issue of certificates. |
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successful allottees and make an application for the quotation of such securities within the respective periods as are prescribed or allowed by the Exchange pursuant to the provisions of the Listing Requirements.

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| 26. | Subject to the provisions of the Act, the Central Depositories Act and the Rules, if a certificate be defaced, lost or destroyed, it may be renewed on payment of such fee (if any), not exceeding RM3 and on such terms (if any) as to evidence and indemnity and the payment of out-of-pocket expenses of the Company in investigating evidence as the Directors think fit. | Renewal of certificates. |
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### CALLS ON SHARES

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| 27. | The Directors may from time to time make calls upon the members in respect of any moneys unpaid on their shares and not by the terms of issue thereof made payable at fixed times, and each Member shall (subject to receiving at least fourteen days' notice specifying the time or times and place of payment) pay to the Company at the time or times and place so specified the amount called on his shares. A call may be revoked or postponed as the Directors may determine.   | Calls.<br><br>Notice of call.                |
| 28. | A call shall be deemed to have been made at the time when the resolution of the Directors authorising the call was passed, and may be made payable by instalments.  | Time when made.                              |
| 29. | If a sum called in respect of a share is not paid before or on the day appointed for payment thereof, the person from whom the sum is due shall pay interest on the sum from the day appointed for payment thereof to the time of actual payment at such rate, not exceeding 8 per cent per annum, as the Directors determine, but the Directors shall be a liberty to waive payment of such interest wholly or in part.  | Interest on calls.                           |
| 30. | Any sum which by the terms of issue of a share becomes payable upon allotment or at any fixed date, shall for all the purposes of these presents be deemed to be call duly made and payable on the date on which, by the terms of issue, the same becomes payable, and in case of non-payment all the relevant provisions of these presents as to payment of interest and expenses forfeiture or otherwise shall apply as if such sum had become payable by virtue of a call duly made and notified.  | Sum due on allotment to be treated as calls. |
| 31. | The Directors may on the issue of shares differentiate between the holders as to the amount of calls to be paid, and the times of payment.  | Power to differentiate.                      |
| 32. | The Directors may, if they think fit, receive from any member willing to advance the same all or any part of the moneys uncalled and unpaid upon the shares held by him, and such payments in advance of calls shall extinguish, so far as the same shall extend, the liability upon the shares in respect of which it is made, and upon the money so received or so much thereof as from time to time exceeds the amount of the calls then made upon the shares concerned the Company may pay interest at such rate (not exceeding 8 percent per annum) as the member paying such sum and the Directors agree upon. No such sum paid in advance of calls shall, whilst carrying interest, confer a right to the member to participate in profits or entitle the member paying such sum to any portion of a dividend declared in respect of any period to the date upon which such sum would, but for such payment, become presently payable. | Payment in advance of calls.                 |

## FORFEITURE AND LIEN

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| 33. | If a member fails to pay in full any call or instalment of a call on the day appointed for payment thereof, the Directors may at any time thereafter serve a notice on him requiring payment of so much of the call or instalment as is unpaid, together with any interest and expenses which may have accrued.  | Notice requiring payment of calls.   |
| 34. | The notice shall name a further day (not being less than seven days from the date of service of the notice) on or before which and the place where the payment required by the notice is to be made, and shall state that in the event of non-payment in accordance therewith the shares on which the call was made will be liable to be forfeited.  | Notice to state time and place for payment.  |
| 35. | If the requirements of any such notice as aforesaid are not complied with, any share in respect of which such notice has been given may at any time thereafter, before payment of all calls and interest and expenses due in respect thereof has been made, forfeited by a resolution of the Directors to that effect. Such forfeiture shall include all dividends declared in respect of the forfeited share and not actually paid before forfeited. The Directors may accept a surrender of any share liable to be forfeited hereunder.  | Forfeiture on non-compliance with notice.<br><br>Surrender in Lieu of forfeiture.  |
| 36. | A share so forfeited or surrendered shall become the property of the Company and may be sold, reallocated or otherwise disposed of, either to the person who was before such forfeiture or surrender the holder thereof or entitled thereto, or to any other person, upon such terms and in such manner as the Directors shall think fit, and at any time before a sale, re-allotment or disposition the forfeiture or surrender may be cancelled on such terms as the Directors think fit. The Directors may, if necessary, authorise some person to transfer a forfeited or surrendered share to any such other person as aforesaid. If any share is forfeited and sold, any residue after the satisfaction of the unpaid calls and accrued interest and expenses, shall be paid to the person whose shares have been forfeited, or his executors, administrators or assignees or as he directs. | Sale of shares forfeited or surrendered.   |
| 37. | A member whose shares have been forfeited or surrendered shall cease to be a member in respect of the forfeited shares, but shall notwithstanding the person shall remain liable to pay to the Company all moneys which at the date of forfeiture or surrender was payable by him to the Company in respect of the shares together with interest or compensation at the rate of 8 per cent per annum from the date of forfeiture or surrender on the money for the time being unpaid if the Directors think fit to enforce payment of the interest or compensation, and the liability shall cease if and when the Company receives payment in full of all such money in respect of the shares.   | Rights and liabilities of members whose shares have been forfeited or surrendered. |
| 38. | The Company shall be entitled to a lien, in priority to any other claim, over a partly paid issued share and any dividend payment on the share for all money due by the shareholder to the Company by way of money called or payable at a fixed date.  | Company's lien.  |
| 39. | The Company's lien on shares and dividends from time to time declared in respect of such shares, shall be restricted to unpaid calls and instalments upon the specific shares in respect of which such moneys are due and unpaid, and to such amounts as the Company may be called upon by law to pay and has paid in respect of the shares of the member or deceased member.  | Company's lien on shares and dividends.  |

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| 40. | The Company may sell any share over which the Company has a lien in a manner as the Directors consider appropriate, but no sale shall be made unless a sum in respect of which the lien exists is presently payable and until the expiry of fourteen (14) days from a written notice, stating and demanding payment of such part of the amount in respect of which the privilege or lien exists as is presently payable has been given to the registered holder for the time of the share, or the person entitled to the share by reason of the death or bankruptcy of the registered holder.   | Sale of shares subject to lien.                      |
| 41. | The net proceeds of sale whether of a share forfeited by the Company or of a share which the Company had a lien, after payment of the costs of such sale shall be applied in or towards payment or satisfaction of the debt or liability in respect whereof the lien exists, so far as the same is presently payable, and any residue shall be paid to the person entitled to the shares at the time the sale or his executors administrators or assignees or as he or they may direct. For giving effect to any such sale the Directors may authorise some person to transfer the shares sold to the purchaser.  | Application of proceeds of such sale.                |
| 42. | A statutory declaration in writing that the declarant is a Director of the Company and that a share has been duly forfeited or surrendered or sold to satisfy a lien of the Company on a date stated in the declaration shall be conclusive evidence of the facts stated therein as against all persons claiming to be entitled to the share, and such declaration and the receipt of the Company for the consideration (if any), given for the share on the sale, re-allotment or disposal thereof, together with the certificate or proprietorship of the share under seal delivered to a purchaser or allottee thereof, shall (subject to the execution of a transfer if the same be required) constitute a good title to the share and the person to whom the share is sold, re-allotted or disposed of shall be registered as the holder of the share and shall not be bound to see to the application of the purchase money (if any), nor shall his title to the share be affected by an irregularity or invalidity in the proceedings in reference to the forfeiture, surrender, sale re-allotment or disposal of the share. | Title to shares forfeited or sold to satisfy a lien. |

## TRANSFER OF SHARES

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| 43. | Subject to the Central Depositories Act and the Rules with respect to the transfer of Deposited Security all transfers of shares may be effected by transfer in writing in the usual common form, or in such other form as the Directors may accept or such form as may from time to time, be approved by the Exchange. Subject to this Constitution, there shall be no restriction on the transfer of fully paid up shares except where required by law. | Form of transfer.        |
| 44. | The transfer of any listed securities or class of listed securities of the Company shall be by way of book entry by the Depository in accordance with the Rules and, notwithstanding Sections 105, 106, or 110 of the Act, but subject to Section 148(2) of the Act and any exemption that may be made from compliance with Section 148(1) of the Act, the Company shall be precluded from registering and effecting any transfer of securities.          | Transfer of securities.  |
| 45. | The instrument of transfer of a share shall be signed by or on behalf of the transferor and transferee and stamped. The transferor shall be deemed to remain the holder of the share until the name of the transferee entered in the Register of Members in respect thereof.  | Execution.               |
| 46. | No share shall in any circumstances be transferred to any infant, bankrupt or person of unsound mind.   | Person under disability. |

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| 47. | Subject to the provisions of the Act, the Central Depositories Act and the Rules, the Directors may decline to register the transfer of any non fully paid up share in the Company or decline to register the transfer of any share in the Company over which the Company has a lien.   | Directors power to decline to register. |
| 48. | The Directors may decline to recognise any instrument of transfer, unless:-   |   |
|     | (a) Such fee, not exceeding RM3 as the Directors may from time to time require, is paid to the Company in respect thereof; and  | Fee payable.                            |
|     | (b) Subject to the provisions of the Act, the Central Depositories Act and the Rules, the instrument of transfer is deposited at the office of the Company or at such other place as directed by the Directors from time to time, and if the instrument of transfer is executed by some other person other than the registered owner, the authority allowing that person to execute the said instrument of transfer; and  | Deposit of transfer.                    |
|     | (c) The instrument of transfer is in respect of only one class of share.  |   |
|     | All instrument of transfer which are registered may be retained by the Company.   |   |
| 49. | The Register of Members and/or the Record of Depositors may be closed for such period as the Directors may from time to time determine, provided always that it shall not be closed for more than thirty (30) days in any year. Any notice of intention to fix a book closing date and the reason therefore shall be given to the Exchange where such notice shall state the book closing date which shall be at least ten (10) market days after the notification to the Exchange or such other period as may be prescribed under the Listing Requirements and the Rules or by the Exchange from time to time and the address of the share registry at which documents will be accepted for registration. In relation to such closure, the Company shall give written notice in accordance with the Rules to issue the appropriate Record of Depositors. | Suspension of registration.             |
| 50. | There shall be paid to the Company in respect of the registration of any probate, letters of administration, certificate of marriage or death, power of attorney or other document relating to or affecting the title to any shares such fee, not exceeding RM3 as the Directors may from time to time require or prescribe.  | Fee for registration of probate, etc.   |
| 51. | Nothing in these presents shall preclude the Directors from recognising a renunciation of the allotment of any share by the allottee in favour of some other person.  | Renunciation of allotment.              |

### TRANSMISSION OF SHARES

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| 52. | In case of the death of a shareholder, the executors or administrators of the deceased shall be the only persons recognised by the Company as having any title to his interest in the shares, but nothing in this Constitution shall release the estate of a deceased holder from any liability in respect of any share held by him. | Transmission on death.                            |
| 53. | Where:-  | Transmission of securities from Foreign Register. |
|     | (a) the securities of the Company are listed on another stock exchange; and  |   |
|     | (b) the Company is exempted from compliance with the requirements in respect of deposit of such securities with the Depository under the provisions of the Central Depositories Act or the Securities Industry (Central Depositories)  |   |

(Amendment) Act 1998, as the case may be, under the Rules in respect of such securities;

the Company shall, upon request of a securities holder, permit a transmission of securities held by such securities holder from the register of holders maintained by the registrar of the Company in the jurisdiction of the other stock exchange, to the register of holders maintained by the registrar of the Company in Malaysia and vice versa provided that there shall be no change in the ownership of such securities.

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| 54. | Any person becoming entitled to a share in consequence of the death or bankruptcy of a member may, subject as hereinafter provided, either be registered himself as holder of the share upon giving to the Company notice in writing of such desire, or transfer such share to some other person. Provided that where the share is a Deposited Security and the person becoming entitled elects to have such share transferred to him, the aforesaid notice must be served by him on the Central Depository. All the limitations, restrictions and provisions of these presents relating to the right to transfer and the registration of transfers of shares shall be applicable to any such notice or transfer as aforesaid as if the death or bankruptcy of the member had not occurred and the notice or transfer were a transfer executed by such member. Provided that where the share is a Deposited Security, subject to the Rules, a transfer or withdrawal of the share may be carried out by the person becoming so entitled. | Registration of executors and trustees in bankruptcy. |
| 55. | Save as otherwise provided by or in accordance with these presents, a person becoming entitled to a share in consequence of the death or bankruptcy of a member shall be entitled to the same dividends and other advantages to which he would be entitled if he were the registered holder of the share except that he shall not be entitled in respect thereof to exercise any right conferred by membership in relation to meetings of the Company until he shall have been registered as a member in respect of the share.   | Rights of unregistered executors and trustees.        |

## STOCK

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| 56. | The Company may by Ordinary Resolution convert any paid-up shares into stock, and may from time to time by like resolution reconvert any stock into paid-up shares of any denomination.  | Power to convert into stock. |
| 57. | The stockholders may transfer the shares or any part of the shares in the same manner as the transfer of shares from which the stock arose may, before conversion, have been transferred or to be transferred in the closest manner as the circumstances allow. The Directors may fix the minimum amount of the stock transferable and may restrict or forbid the transfer of fractions of that minimum.   | Transfer of stock.           |
| 58. | The stockholders shall according to the amount of the stock held by them, have the same rights, privileges and advantages with regards to dividends, voting at meetings of the Company and other matters, as if they held the shares from which the stock arose, but no such privilege or advantage except participation in the dividends and profits of the Company and in the assets on winding up shall be conferred by an amount of stock which would not, if existing shares, have conferred that privilege or advantage. | Rights of Stock holders.     |
| 59. | All such of the provisions of these presents as are applicable to paid-up shares shall apply to stock and the words share and shareholders therein shall include stock and stockholder.  | Interpretation.              |

## GENERAL MEETINGS

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| 60. | An Annual General Meeting shall (subject to any provisions of the Act relating to its first Annual General Meeting) be held once in every year, at such time (within a period of not more than fifteen months after holding of the last preceding Annual General Meeting) and place as may be determined by the Directors. All other General Meetings shall be called Extraordinary General Meetings. | Annual General Meetings.        |
| 61. | The Directors may whenever they think fit, and shall on requisition in accordance with the Act, proceed to convene an Extraordinary General Meeting.  | Extraordinary General Meetings. |

## NOTICE OF GENERAL MEETINGS

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| 62. | An Annual General Meeting and any General Meeting at which it is proposed to pass a Special Resolution or (save as provided by the Act) a resolution of which special notice has been given to the Company shall be called by twenty-one days' notice in writing at the least and any other General Meeting by fourteen days' notice in writing at the least (exclusive in either case of the day on which it is served or deemed to be served and of the day for which it is given) given in manner hereinafter mentioned to the Auditors and to all members other than such as under the provisions of these presents are not entitled to receive such notices from the Company; Provided that a General Meeting notwithstanding that it has been called by a shorter notice than that specified above shall be deemed to have been duly called if it is so agreed -   | Notice.                            |
|     | <p>(a) In the case of an Annual General Meeting, by all the members entitled to attend and vote thereat; and</p> <p>(b) In the case of an Extraordinary General Meeting, by that number or majority in number of the members having a right to attend and vote thereat as is required by the Act.</p>  | Short notice.                      |
|     | <p>Provided also that the accidental omission to give notice to, or the non-receipt of notice by a person entitled thereto shall not invalidate the proceedings at any General Meeting.</p>  | Omission or non-receipt of notice. |
| 63. | <p>(a) In respect of a Deposited Security, the Company shall by written request in accordance with the Rules request the Central Depository to prepare and issue a Record of Depositors to whom notices of General Meetings shall be given by the Company.</p> <p>(b) The Company shall also request the Depository in accordance with the Rules, to issue a Record of Depositors, as at the latest date which is reasonably practicable which shall in any event be not less than three (3) market days before the General Meeting (hereinafter referred to as "the General Meeting Record of Depositors").</p> <p>(c) Subject to the Securities Industry (Central Depositories) (Foreign Ownership) Regulations 1996 (where applicable), a depositor shall not be regarded as a member entitled to attend any General Meeting and to speak and vote thereat unless his name appears in the General Meeting Record of Depositors.</p> | Record of Depositors.              |
| 64. | <p>(a) Every notice calling a General Meeting shall specify the place and the day and hour of the meeting, and there shall appear with reasonable prominence in</p>  | Contents of notice.                |



every such notice a statement that a member entitled to attend and vote is entitled to appoint a proxy to attend and vote instead of him and that a proxy need not be a member of the Company.

- (b) In the case of an Annual General Meeting, the notice shall also specify the meeting as such. At least twenty-one (21) days' notice of every such meeting shall be given by advertisement in at least one nationally circulated Bahasa Malaysia or English daily newspaper and in writing to each stock exchange upon which the Company is listed.
- (c) Any notice of a meeting called to consider special business shall be accompanied by a statement regarding the effect of any proposed resolution in respect of such special business. At least twenty-one (21) days' notice of every such meeting shall be given by advertisement in at least one nationally circulated Bahasa Malaysia or English daily newspaper and in writing to each stock exchange upon which the Company is listed.
- (d) At least fourteen (14) days' notice of any General Meeting shall also be given by advertisement in at least one nationally circulated Bahasa Malaysia or English daily newspaper and in writing to each stock exchange upon which the Company is listed.

65. Routine business shall mean and include only business transacted at an Annual General Meeting of the following classes, that is to say:-

Routine business.

- (a) Declaring dividends;
- (b) Reading, considering and adopting the balance sheet, the reports of the Directors and Auditors, and other accounts and documents required to be annexed to the balance sheet;
- (c) Appointing Auditors and fixing the remuneration of the Auditors or determining the manner in which such remuneration is to be fixed; and
- (d) Appointing Directors in the place of those retiring by rotation or otherwise and fixing the remuneration of the Directors.

#### **PROCEEDINGS AT GENERAL MEETINGS**

66. No business shall be transacted at any General Meeting unless a quorum is present. Three members present in person shall be a quorum for all purposes. Provided that in respect of a Deposited Security, the Company shall inform the Depository of the date of General Meeting and shall request the Depositor to issue the General Meeting Record of Depositors in accordance with Clause 63(b) above, and the General Meeting Record of Depositors shall be the final record of all Depositors who shall be deemed to be registered holders of shares of the Company eligible to be present and vote at such meetings.

Quorum.

67. If within half an hour from the time appointed for the meeting a quorum is not present, the meeting, if convened on the requisition of members, shall be dissolved. In any other case, it shall stand adjourned to the same day in the next week at the same time and place, or to such other day and at such other time and place as the Directors may determine, and if at such adjourned meeting a quorum is not present within fifteen minutes from the time appointed for holding the meeting, the meeting shall be dissolved.

Adjournment if quorum not present.

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| 68. | The Chairman of the Directors shall preside as Chairman at every General Meeting. If there be no such Chairman, or if at any meeting he be not present within fifteen minutes after the time appointed for holding the meeting or be unwilling to act, the members, present shall choose some Director to be Chairman of the meeting, or if no Director be present or if all the Directors present decline to take the chair, one of their number present to be Chairman.  | Chairman.                                    |
| 69. | The Chairman may, with the consent of any meeting at which a quorum is present (and shall if so directed by the meeting) adjourn the meeting from time to time and from place to place, but no business shall be transacted at any adjourned meeting except business which might lawfully have been transacted at the meeting from which the adjournment took place. When a meeting is adjourned for thirty days or more, notice of the adjourned meeting shall be given as in the case of an original meeting. Save as aforesaid, it shall not be necessary to give any notice of an adjournment or of the business to be transacted at an adjourned meeting. | Adjournments.<br><br>Notice of adjournments. |
| 70. | At any General Meeting a resolution put to the vote of the meeting shall be decided on a show of hands unless a poll be (before or on the declaration of the result of the show of hands) demanded by either:-   | Method of voting.                            |
|     | (a) the Chairman (being a person entitled to vote); or   | Who can demand a poll.                       |
|     | (b) at least three members present in person or by proxy and entitled to vote; or  |  |
|     | (c) a member or members present in person or by proxy and representing not less than ten per centum of the total voting rights of all the members having the right to vote at the meeting; or  |  |
|     | (d) a member or members present in person or by proxy and holding shares in the Company conferring a right to vote at the meeting being shares on which an aggregate sum has been paid-up equal to not less than ten per centum of the total sum paid-up on all the shares conferring that right.  |  |
|     | A demand for a poll may be withdrawn. Unless a poll be so demanded (and the demand be not withdrawn) a declaration by the Chairman that a resolution has been carried, or carried unanimously, or by a particular majority or lost and an entry to that effect in the minute book, shall be conclusive evidence of the fact without proof of the number or proportion of the votes recorded for or against such resolution.  | Result of voting.                            |
| 71. | If any votes shall be counted which ought not to have been counted, or might have been rejected, the error shall not vitiate the result of the voting unless it be pointed out at the same meeting or at any adjournment thereof, and not in that case unless it shall in the opinion of the Chairman be of sufficient magnitude.  | Votes counted in error.                      |
| 72. | If a poll be duly demanded (and the demand be not withdrawn), it shall be taken in such manner (including the use of ballot or voting papers or tickets) as the Chairman may direct, and the result of a poll shall be deemed to be the resolution of the meeting at which the poll was demanded. The Chairman may (and if so requested shall) appoint scrutineers and may adjourn the meeting to some place and time fixed by him for the purpose of declaring the result of the poll.  | How poll to be taken.                        |
| 73. | In the case of an equality of votes, whether on show of hands or on a poll, the Chairman of the meeting at which the show of hands takes place or at which the   | Chairman's casting vote.                     |

poll is demanded shall be entitled to casting vote.

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| 74. | No poll shall be demanded on the election of a Chairman or on a question of adjournment. A poll demanded on any other question shall be taken either immediately or at such subsequent time (not being more than thirty days from the date of the meeting) and place as the Chairman may direct. No notice need be given of a poll not taken immediately. | Time for taking a poll.                        |
| 75. | The demand for a poll shall not prevent the continuance of a meeting for the transaction of any business other than the question on which the poll has been demanded.   | Continuance of business after demand for poll. |

## VOTES OF MEMBERS

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| 76. | Subject to Clause 78 and to any special rights or restrictions as to voting attached to any class of shares hereinafter issued, on a resolution to be decided by a show of hands, a holder of ordinary shares or preference shares who is present in person or by proxy and entitled to vote, shall be entitled to one vote.  | Voting rights of members.         |
| 77. | A member of unsound mind, or in respect of whom an order has been made by any court having jurisdiction in lunacy, may vote, whether on a show of hands or on a poll, by his committee, curator bonis or other person in the nature of a committee curator bonis appointed by such court (who may appoint a proxy), provided that such evidence as the Directors may require of the authority of the person claiming to vote shall have been deposited at the office not less than forty-eight hours before the time appointed for holding the meeting. | Voting rights of lunatic members. |
| 78. | Subject to Clause 63, every member shall be entitled to be present and to vote at any General Meeting either personally or by proxy and to be reckoned in a quorum in respect of shares fully paid and in respect of partly paid shares where calls are not due and unpaid.   | Rights to vote.                   |
| 79. | Where a Member of the Company is an authorised nominee as defined in the SICDA, it may appoint not more than two (2) proxies in respect of each securities account it holds in ordinary shares of the Company standing to the credit of the said securities account.  | Appointment of proxy.             |
|     | Where a Member of the Company is an exempt authorised nominee which holds ordinary shares in the Company for multiple beneficial owners in one (1) 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.  |                                   |
| 80. | No objection shall be raised to the qualification of any voter except at the meeting or adjourned meeting at which the vote objected to is given or tendered, and every vote not disallowed at such meeting shall be valid for all purposes. Any such objection made in due time shall be referred to the Chairman of the meeting whose decision shall be final and conclusive.   | Objections.                       |
| 81. | Where the capital of the Company consists of shares of different monetary denominations, voting rights thereof shall be in such a manner that a unit of capital in each class, when reduced to a common denominator, shall carry the same voting power when such right is exercisable.  | Voting power.                     |

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| 82. | On a poll votes may be given either personally or by proxy, and a person entitled to more than one vote need not use all his votes or cast all the votes he uses in the same way.  | Votes on a poll.  |
| 83. | <p>An instrument appointing a proxy shall be in writing and:-</p> <p>(a) in the case of an individual shall be signed by the appointor or by his attorney; and</p> <p>(b) in the case of a corporation shall be either under its common seal or signed by its attorney or by an officer on behalf of the corporation.</p> <p>The Directors may, but shall not be bound to require evidence of the authority of any such attorney or officer.</p>   | Execution of proxies.   |
| 84. | <p>A member may appoint not more than two (2) proxies to attend at the same meeting. Where a member appoints two (2) proxies, the proxies shall not be valid unless the member specifies the proportion of his/her shareholdings to be represented by each proxy.</p> <p>A proxy need not be a member of the Company. There shall be no restriction as to the qualification of the proxy.</p> <p>A proxy appointed to attend and vote at a meeting of the Company shall have the same rights as the member to speak at the meeting.</p>  | Proxy need not be a member.                                     |
| 85. | An instrument appointing a proxy must be left at the office or such other place (if any) as is specified, or via electronic mail or facsimile as is specified, for that purpose in the notice convening the meeting not less than forty-eight hours before the time appointed for the holding of the meeting or adjourned meeting, or in the case of a poll, not less than twenty-four hours before the time appointed for the taking of the poll at which is to be used, and in default, the instrument of proxy shall not be treated as valid.   | Deposit of proxies.   |
| 86. | An instrument appointing a proxy may be in the usual common form or such other form as the Directors may accept, and shall be deemed to include the right to demand or join in demanding a poll. An instrument appointing a proxy shall, unless the contrary is stated thereon, be valid as well for any adjournment of the meeting as for the meeting to which it relates and need not be witnessed.  | Form of proxies.  |
| 87. | A vote given in accordance with the terms of an instrument of proxy shall be valid, notwithstanding the previous death or insanity of the principal or revocation of the proxy, or of the authority under which the proxy was executed, or the transfer of the share in respect of which the proxy is given, provided that no intimation in writing of such death, insanity, revocation or transfer shall have been received by the Company at the office (or at such other place as may be specified for the deposit of instruments appointing proxies) before the commencement of the meeting or adjourned meeting (or in the case of a poll before the time appointed for the taking of the poll) at which the proxy is used. | Intervening death or insanity of principal not to revoke proxy. |

#### **CORPORATION ACTING BY REPRESENTATIVES**

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| 88. | Subject to the provision of the Act, any corporation which is a member of the Company may by resolution of its directors or other governing body authorise such | Representatives |
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person as it thinks fit to act as its representatives at any meeting of the Company or of any class of members of the Company, and the person so authorised shall be entitled to exercise the same powers on behalf of such corporation as the corporation could exercise if it were an individual member of the Company.

## DIRECTORS

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| 89. | Subject as hereinafter provided the Directors shall not be less than two nor more than twelve in number. The Company may by Ordinary Resolution from time to time increase or reduce the maximum or minimum number of Directors.   | Number of Directors.                |
| 90. | A Director need not be a member of the Company.  | No qualification.                   |
| 91. | The fees and remuneration (which may include meeting allowances and other benefits) of the Directors shall from time to time be determined by an Ordinary Resolution of the Company, and shall (unless such resolution otherwise provides) be divisible among the Directors as they may agree, or failing agreement, equally, except that in the latter event any Director who shall hold office for part only of the period in respect of which such fees and remuneration are payable shall be entitled only to rank in such division for a proportion of the fees and remuneration related to the period during which he has held office. Such fees and remuneration shall so far as non-executive directors are concerned be by way of a fixed sum and not by way of a commission on or percentage of profits or turnover.   | Fees and remuneration of Directors. |
| 92. | No director shall be allotted shares as part of a share scheme for employees unless prior to such allotment, the members in General Meeting have approved of the specific allotment to be made to such director.   | Allotment to Directors.             |
| 93. | The Directors may repay to any Director all such reasonable expenses as he may incur in attending and returning from meetings of the Directors, or of any committee of the Directors, or General Meetings, or otherwise in or about the business of the Company.   | Expenses.                           |
| 94. | Any Director, who is appointed to any executive office or who serves on any committee or who otherwise performs services which in the opinion of the Directors are outside the scope of the ordinary duties of a Director, may be paid such extra remuneration by way of salary, percentage of profits or otherwise (but not a commission on or percentage of turnover) as the Directors may determine.  | Extra remuneration.                 |
| 95. | <p>(a) The Directors may pay pensions or allowances (either revocable or irrevocable and either subject or not subject to any terms or conditions) to any full-time Director (as hereinafter defined) on or at any time after his retirement from his office or employment under the Company or under any associated company or on or after his death to his widow or other dependents.</p> <p>(b) The Directors shall also have power and shall be deemed always to have had power to establish and maintain and to concur with associated companies in establishing and maintaining any schemes or funds for providing pensions, sickness or compassionate allowance, life assurances or other benefits for the staff (including any Director for the time being holding any executive office or any office of profit) or employees of the Company or of any such associated company and for the widows or other dependants of such persons and to make contributions out of the Company's moneys for any such schemes or funds.</p> | Pensions.                           |

- (c) In this Clause the expression “full-time Director” shall mean and include any Director who has for a continuous period of not less than five years been engaged substantially whole-time in the business of the Company or any associated company in any executive office or any office of profit or partly in one or partly in another; and the expression “associated company” shall include any company which is the holding company of the Company or a subsidiary of the Company or of any such holding company or which in the opinion of the Directors can properly be regarded as being connected with the Company or with any such company as aforesaid.

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| 96. | A Director may hold any other office or place of profit under the Company (other than the office of Auditor) and he or any firm which he is a member may act in a professional capacity for the Company in conjunction with his office of Director for such period and on such terms (as to remuneration and otherwise) as the Directors may determine. No Director or intending Director shall be disqualified by his office from contracting with the Company, nor shall any contract or arrangement entered into by or on behalf of the Company in which any Director is in any way interested be liable to be avoided, nor shall any Director so contracting or being so interested be liable to account to the Company for any profit realised by any such contract or arrangement by reason of such Director holding that office, or of the fiduciary relation thereby established, provided that such disclosure is made as is required by Clause 111 of these presents. | Power of Directors to hold offices of profit and to contract with Company. |
| 97. | A Director may be or become a director or other officer of, or otherwise interested in, any company promoted by the Company or in which the Company may be interested as a shareholder or otherwise, and unless otherwise agreed shall not be accountable for any remuneration or otherwise benefits received by him as a director or officer of, or by virtue of his interest in, such other company.  | Holding of concurrent office.  |

### MANAGING DIRECTOR

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| 98.  | The Directors may from time to time appoint one or more of their body to the office of Managing Director for such period not exceeding three years at a time and on such terms as they think fit, and, subject to the terms of any agreement entered into in any particular case, may revoke such appointment. Provided that if a Director so appointed shall retire by rotation, his appointment shall be automatically determined if he ceases from such cause to be a Director.   | Appointment.                  |
| 99.  | A Managing Director shall receive such remuneration whether by way of salary, commission or participation in profits, or partly in one way and partly in another but not by way of commission or percentage of turnover as the Directors may determine.  | Remuneration.                 |
| 100. | A Managing Director, or a person performing the functions of a managing director, by whatever name called, shall be subject to the control of the board of Directors. The Directors may entrust to and confer upon a Director holding any such office as aforesaid any of the powers exercisable by them as Directors upon such terms and conditions and with such restrictions as they think fit and either collaterally with or to the exclusion of their own powers, and may from time to time revoke, withdraw, alter or vary all or any of such powers. | Powers of Managing Directors. |

## APPOINTMENT AND RETIREMENT OF DIRECTORS

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| 101. | <p>The office of a Director shall be vacated in any of the following events, namely:-</p> <ul style="list-style-type: none"> <li>(a) If he becomes prohibited by law from acting as a Director;</li> <li>(b) He resigns by writing under his hand left at the Office;</li> <li>(c) If he has a receiving order made against him or compound with his creditors generally;</li> <li>(d) If he becomes of unsound mind during his term of office;</li> <li>(e) If he is absent from more than 50% of the total board of directors' meetings held during a financial year;</li> <li>(f) If he be removed by the Company in General Meeting pursuant to the Act; and</li> <li>(g) If he becomes bankrupt during his term of office.</li> </ul>                        | <p>Vacation of office of Director.</p>          |
| 102. | <p>At each Annual General Meeting one-third of all the Directors for the time being, or, if their number is not a multiple of three, the number nearest to one-third with a minimum of one, shall retire from the office but shall be eligible for re-election. Provided that all Directors shall retire from the office once at least in every three (3) years. A Director retiring at a meeting shall retain office until the close of the meeting, whether adjourned or not.</p>   | <p>Retirement of Directors by rotation.</p>     |
| 103. | <p>The Directors to retire in every year shall be those who, being subject to retirement by rotation, have been longest in office since their last election or appointment, but as between persons who became or were last re-elected Directors on the same day those to retire shall (unless they otherwise agree among themselves) be determined by lot. A retiring Director shall be eligible for re-election.</p>   | <p>Selection of Directors to retire.</p>        |
| 104. | <p>The Company at the meeting at which a Director retires under any provision of these presents may by Ordinary Resolution fill up the vacated office by electing a person thereto. In default the retiring Director shall be deemed to have been re-elected, unless:-</p> <ul style="list-style-type: none"> <li>(a) at such meeting it is expressly resolved not to fill up such vacated office, or a resolution for the re-election of such Director is put to the meeting and lost; or</li> <li>(b) such Director has given notice in writing to the Company that he is unwilling to be re-elected.</li> </ul>  | <p>Filling vacated office.</p>                  |
| 105. | <p>No person other than a Director retiring at the meeting shall unless recommended by the Directors for election be eligible for appointment as a Director at any General Meeting unless not less than eleven nor more than twenty-one clear days before the day appointed for the meeting there shall have left at the office notice in writing signed by a member duly qualified to attend and vote at the meeting for which such notice is given of his intention to propose such person for election, and also notice in writing signed by the person to be proposed of his consent to be nominated and willingness to be elected. Provided that in the case of a person recommended by the Directors for election nine clear days' notice only shall be</p> | <p>Notice of intention to appoint Director.</p> |

necessary and notice of each and every candidate for election shall be served on all members at least seven days prior to the meeting at which the election is to take place.

106. The Directors shall have power at any time and from time to time to appoint any person to be a Director either to fill a casual vacancy or as an additional Director, but so that the total number of Directors shall not at any time exceed the maximum number fixed by or in accordance with these presents. Any Director so appointed shall hold office only until the next Annual General Meeting and shall then be eligible for re-election, but shall not be taken into account in determining the number of Directors who are to retire by rotation at such meeting.

The Directors' powers to fill casual vacancies or appoint additional Director.

### ALTERNATE DIRECTORS

107. A Director may at any time appoint any person to act as his alternate provided that:-
- (a) such person is not a director of the Company;
  - (b) such person does not act as an alternate for more than one director of the Company;
  - (c) the appointment is approved by a majority of the other members of the Board; and
  - (d) any fee paid by the Company to the alternate shall be deducted from that director's remuneration.

Provisions for appointing and removing alternate Directors.

An alternate Director shall (subject to his giving to the Company an address within Malaysia at which notices may be served upon him) be entitled to receive notices of all meetings of the Directors, and to attend and vote as a Director at any such meeting at which the Director appointing him is not personally present, and generally at such meeting to perform all the functions of his appointor as a Director in the absence of such appointor.

An alternate Director shall ipso facto cease to be an alternate Director if his appointor ceases to be a Director for any reason, except retirement by rotation and immediate re-election. All appointments and removal of alternate Directors shall be effected by writing under the hand of the Director making or revoking such appointment left at the office.

### PROCEEDINGS OF DIRECTORS

108. The provisions set out in the Third Schedule of the Act shall not govern the proceedings of Directors.

The Directors may meet together for the despatch of business, adjourn and otherwise regulate their meetings as they think fit. Questions arising at any meeting shall be determined by a majority of votes. Where two directors form a quorum, the Chairman of a meeting at which only such a quorum is present, or at which only two directors are competent to vote on the question at issue, shall not have a casting vote. A Director may, and the Secretary on the requisition of a Director shall at any time summon a meeting of the Directors. It shall not be necessary to give notice of a meeting of Directors to any Director for the time being absent from Malaysia.

Meetings of Directors.

Votes.



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| 109. | The quorum necessary for the transaction of the business of the Directors may be fixed by the Directors, and unless so fixed at any other number shall be two. A meeting of the Directors at which a quorum is present shall be competent to exercise all powers and discretions for the time being exercisable by the Directors.  | Quorum.  |
| 110. | All or any of the members of the board of Directors or any committee to which the Directors may have delegated any of their powers pursuant to Clause 117, may participate in a meeting of the Directors or that committee by means of a teleconference, video conference or any communication equipment which allows all persons participating in the meeting to communicate with one another. A person so participating shall be deemed to be present in person at the meeting and shall be entitled to vote or be counted in a quorum accordingly.  | Meetings.<br><br>(adopted by a Special Resolution dated 11/9/2007) |
| 111. | A Director who is in any way, whether directly or indirectly, interested in a contract or proposed contract with the Company shall declare the nature of his interest in accordance with the provisions of the Act.  | Declaration of interest.   |
| 112. | <p>Save as by the next following Clause otherwise provided, a Director shall not vote in respect of any contract or proposed contract or arrangement in which he is interested, whether directly or indirectly (and if he shall do so his vote shall not be counted) nor shall he be counted for the purpose of any resolution regarding the same in the quorum present at the meeting, but this Clause shall not apply to:-</p> <p>(a) any arrangement for giving to him any security or indemnity in respect of money lent by him or obligations undertaken by him for the benefit of the Company; or</p> <p>(b) any arrangement for the giving by the Company of any security to a third party in respect of a debt or obligation of the Company for which he himself has assumed responsibility in whole or in part under a guarantee or indemnity or by the deposit of a security; or</p> <p>(c) any contract by him to subscribe for or underwrite shares or debentures of the Company; or</p> <p>(d) any contract or arrangement with any other company in which, he is interested only as an officer or creditor of or as a shareholder in or beneficially interested in shares of that company.</p> <p>By Ordinary Resolution of the Company the provisions of this Clause may at any time be suspended or relaxed to any extent and either generally or in respect of any particular contract, arrangement or transaction and any particular contract, arrangement or transaction carried out in contravention of this Clause may be ratified.</p> | Restrictions on voting and quorum.                                 |
| 113. | A Director notwithstanding his interest may be counted in the quorum present at any meeting whereat he or any other Director is appointed to hold any office or place of profit under the Company or whereat the Directors resolve to exercise any of the rights of the Company, (whether by the exercise of voting rights or otherwise) to appoint or concur in the appointment of a Director to hold any office or place of profit under any other company or whereat the Directors resolve to enter into or make any arrangements with him or on his behalf pursuant to Clause 95 of this Constitution, or whereat the terms of any such appointment or arrangements as hereinbefore mentioned are considered, and he may vote on any such matter other than in respect of the appointment of or arrangements with himself or the fixing of   | Relaxation of restrictions on voting.                              |

the terms thereof.

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| 114. | The continuing Directors may act notwithstanding any vacancies, but if and so long as the number of Directors is reduced below the minimum number fixed by or in accordance with these presents the continuing Directors or Director may act for the purpose of filling up of such vacancies or of summoning General Meetings of the Company, but not for any other purpose except in an emergency. If there be no Directors or Director able or willing to act, then any two members may summon a General Meeting for the purpose of appointing Directors.   | Proceedings in case of vacancies.                            |
| 115. | The Directors may elect a Chairman and a Deputy Chairman of their meetings and determine the period for which they are respectively to hold office, but if no Chairman or Deputy Chairman shall have been appointed, or if at any meeting neither the Chairman nor the Deputy be present within fifteen minutes after the time appointed for holding the same, the Directors present may choose one of their number to be a Chairman of the meeting.  | Chairman.  |
| 116. | A resolution in writing signed by all the Directors for the time being in Malaysia shall be as effective as a resolution passed at a meeting of the Directors duly convened and held, and may consist of several documents in the like form, each signed by one or more of the Directors. Provided that if a Director shall abstain from voting in respect of any contract or proposed contract or arrangement in which he is interested by virtue of Clause 112, the said Director shall not be required to sign on such resolution in writing, in which event, a resolution in writing signed by all other Directors not prohibited to vote by virtue of Clause 112 and for the time being in Malaysia shall be as effective as a resolution passed at a meeting of the Directors duly convened and held. | Resolutions in writing.                                      |
| 117. | The Directors may delegate any of their powers to committees consisting of such member or members of their body as they think fit. Any committee so formed shall in the exercise of the powers so delegated conform to any regulations that may be imposed on them by the Directors.  | Power to appoint committees.                                 |
| 118. | The meetings and proceedings of any such committee consisting of two or more members shall be governed by the provisions of these presents regulating the meetings and proceedings of the Directors, so far as the same are applicable and are not superseded by any regulations made by the Directors under the last preceding Clause.   | Proceedings at Committee meetings.                           |
| 119. | All acts done by any meeting of Directors, or of a committee of Directors, or by any person acting as a Director, shall as regards all persons dealing in good faith with the Company, notwithstanding that there was some defect in the appointment of any such Director, or person acting as aforesaid or that they or any of them were disqualified or had vacated office, or were not entitled to vote be as valid as if every such person had been duly appointed and was qualified and had continued to be a Director and had been entitled to vote.  | Validity of acts of Directors inspite of some formal defect. |

## BORROWING POWERS

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| 120. | The Directors may borrow or raise from time to time for the purpose of the Company or secure the payment of such sum as they think fit and may secure the repayment or payment of such sums by mortgage or charge upon all or any of the property or assets of the Company or by issue of debenture (whether at par or at a discount or premium) or otherwise as they may think fit. | Directors borrowing powers. |
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## GENERAL POWERS OF DIRECTORS

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| 121. | The business of the Company shall be managed by Directors who may exercise all such powers of the Company as are not by the Act or by these presents required to be exercised by the Company in General Meeting, subject nevertheless to any regulations of these presents, to the provisions of the Act, and to such regulations, being not inconsistent with the aforesaid regulations or provisions, as may be prescribed by Special Resolution of the Company, but no regulation so made by the Company shall invalidate any prior act of the Directors which would have been valid if such regulation had not been made. The general powers given by this Clause shall not be limited or restricted by any special authority or power given to the Directors by any other Clause provided that any sale of the Company's main undertaking shall be subject to ratification by the members in General Meeting. | General power of Directors to manage Company's business. |
| 122. | The Directors may establish any local Boards or Agencies for managing any of the affairs of the Company, either in Malaysia or elsewhere, and may appoint any persons to be members of such Local Boards, or any Managers or agents, and may fix their remuneration, and may delegate to any Local Boards, Manager or Agent any of the powers, authorities and discretions vested in the Directors, with power to sub-delegate, and may authorise the members of any Local Boards, or any of them, to fill any vacancies therein and to act notwithstanding vacancies, and any such appointment or delegation may be made upon such terms and subject to such conditions as the Directors may think fit, and the Directors may remove any person so appointed, and may annul or vary any such delegation, but no person dealings in good faith and without notice of any such annulment shall be affected thereby. | Power to establish local Boards, etc.                    |
| 123. | The Directors may from to time and at anytime by power of attorney under the seal appoint any company, firm or person or any fluctuating body of persons, whether nominated directly or indirectly by the Directors, to be the Attorney or Attorneys of the Company for such purposes and with such powers, authorities and discretions (not exceeding those vested in or exercisable by the Directors under these presents) and for such period and subject to such conditions as they may think fit, and any such power of attorney may contain such provisions for the protection and convenience of persons dealing with any such Attorney as the Directors may think fit, and may also authorise any such Attorney to sub-delegate all or any of the powers, authorities and discretions vested in him.   | Power to appoint Attorneys.                              |
| 124. | The Company may exercise the powers conferred by the Act with regard to having an official seal for use abroad, and such powers conferred by the Act with regard to having an official seal for use abroad, and such powers shall be vested in the Directors.  | Power to have a seal for use abroad.                     |
| 125. | The Company, or the Directors on behalf of the Company, may in exercise of the powers in that behalf conferred by the Act cause to be kept, a branch register or Register of Members and the Directors may (subject to the provisions of the Act) make and vary such regulations as they may think fit respecting the keeping of any such register.  | Power to keep a Branch register.                         |
| 126. | All cheques, promissory notes, drafts, bills of exchange and other negotiable or transferable instruments, and all receipt for moneys paid to the Companies, shall be signed, drawn, accepted, endorsed, or otherwise executed, as the case may be, in such manner as the Directors shall from time to time by resolution determine.   | Signature of cheques and bills.                          |

## SECRETARY

127. The Secretary shall, and a Deputy or Assistant Secretary may be appointed by the Directors for such term, at such remuneration and upon such conditions as they may think fit, and any Secretary, Deputy or Assistant Secretary so appointed may be removed by them, but without prejudice to any claim he may have for damages for breach of any contract of service between him and the Company.
- Appointment of Secretary and Deputy or Assistant Secretary.

## THE SEAL

128. The Directors shall provide for the safe custody of the seal, which shall only be used by the authority of the Directors or of a committee of the Directors authorised by the Directors in that behalf and every instrument to which the seal shall be affixed shall (subject to the provisions of this Constitution as to certificates for shares) be signed by a Director and by the Secretary or by a second Director or by some other person appointed by the Directors for the purpose.
- Formalities for affixing seal.

## AUTHENTICATION OF DOCUMENTS

129. Any Director or the Secretary or any person appointed by the Directors for the purpose shall have power to authenticate any document affecting the constitution of the Company and any resolution passed by the Company or the Directors, and any book, record, document and accounts relating to the business of the Company, and to certify copies thereof or extracts therefrom as true copies or extracts; and where any book, record, document or accounts are elsewhere at the office of the local manager or other officer of the Company having the custody thereof shall be deemed to be a person appointed by the Directors as aforesaid.
- Power to authenticate documents.
130. A document purporting to be a copy of a resolution of the Directors or an extract from the minutes of a meeting of the Directors which is certified as such in accordance with the provisions of the last preceding Clause shall be conclusive evidence in favour of all persons dealing with the company upon the faith thereof that such resolution has been duly passed or as the case may be that such extract is a true and accurate record of a duly constituted meeting of the Directors.
- Certified copies of resolution of the Directors.

## DIVIDENDS AND RESERVES

131. The distribution of dividends shall be in accordance with the Act but notwithstanding the Act, the Directors may, before recommending any dividend, set aside out of the profits of the Company such sums as they think proper as reserves as the Directors may from time to time think fit.
- The Directors may from time to time pay to the members such interim dividends as appear to the Directors be justified by the profits of the Company.
- The Company may also by Ordinary Resolution declare dividends but no dividends shall exceed the amount recommended by Directors.
132. Subject to the rights of holders of shares with special rights as to dividend (if any), all dividends shall be declared and paid according to the amounts paid on the shares in respect whereof the dividend is paid, but (for the purposes of this Clause only) no amount paid on a share in advance of calls shall be treated as on the share. All dividends shall be apportioned and paid pro rata according to the amounts paid on the shares during any portion or portions of the period in respect of which the
- Payment of dividends.
- Apportionment of dividends.

dividend is paid, but if any share is issued on terms providing that it shall rank for dividend as from a particular date such share shall rank for dividend accordingly.

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| 133. | If and so far as in the opinion of the Directors the profits of the Company justify such payments, the Directors may pay the fixed preferential dividends on any class of shares carrying a fixed preferential dividend expressed to be payable on fixed date on the half-yearly or other dates (if any) prescribed for the payment thereof by the terms of issue of the shares, and subject thereto may also from time to time pay to the holders of any other class of shares interim dividends thereon of such amounts and on such dates as they think fit.  | Payment of preference and interim dividends.           |
| 134. | Subject to the provisions of the Act where any assets, business or property is bought by the Company as from a past date upon the terms that the Company shall as from that date take the profits and bear the losses thereof, such profits or losses, as the case may be, shall, at the discretion of the Directors, be credited or debited wholly or in part to revenue account, and in that case the amount so credited or debited shall, for the purpose of ascertaining the fund available for dividend, be treated as a profit or loss arising from the business of the Company and available for dividend accordingly. Subject as aforesaid, if any shares or securities are purchased cum dividend or interest such dividend or interest when paid may at the discretion of the Directors be treated as revenue, and it shall not be obligatory to capitalise the same or any part thereof. | Profit earned before acquisition of a business.        |
| 135. | No dividend or other moneys payable on or in respect of a share shall bear interest against the Company.  | Dividends not to bear interest.                        |
| 136. | The Directors may deduct from any dividend or other moneys payable to any member on or in respect of a share all sums of money (if any) presently payable by him to the Company on account of calls or in connection therewith.   | Deduction of debts due to Company.                     |
| 137. | The Directors may retain any dividend or other moneys payable on or in respect of a share on which the Company has a lien, and may apply the same in or towards satisfaction of the debts, liabilities or engagements in respect of which the lien exists.  | Retention of dividends on shares subject to lien.      |
| 138. | The Directors may retain the dividends payable on shares in respect of which any person is under the provisions as to the transmission of shares herein before contained to become a member, or which any person under those provisions is entitled to transfer, until such person shall become a member in respect of such shares or shall duly transfer the same.   | Retention of dividends on shares pending transmission. |
| 139. | All dividends unclaimed for more than one (1) year after having been declared shall be disposed off in accordance with the provisions of the Unclaimed Moneys Act, 1965.  | Unclaimed dividends.                                   |
|      | The payment by the Directors of any unclaimed dividend or other moneys payable on or in respect of a share into separate account shall not constitute the Company trustee in respect thereof and any dividend unclaimed after a period of six years from the date of declaration of such dividend may be forfeited and if so shall revert to the Company.   |  |
| 140. | The Company may, upon the recommendation of the Directors, by Ordinary Resolution direct payment of a dividend in whole or in part by the distribution of specific assets and in particular of paid-up shares of debentures of any other company or in any one or more of such way; and the Directors shall give effect to  | Payment of dividends in specie.                        |

such resolution, and where any difficulty arises in regard to such distribution, the Directors may settle the same as they think expedient and in particular may issue fractional certificates and fix the value for distribution of such specific assets or an part thereof and may determine that cash payments shall be made to any members upon the footing of the value so fixed in order to adjust the rights of all parties and may vest any such specific assets in trustees as may seem expedient to the Directors.

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| 141. | Subject to the approval being obtained from the members of the Company and the Listing Requirements, the Company may issue shares pursuant to a Dividend Reinvestment Scheme to all its members who are entitled to dividend in accordance with the provisions of the Act and any rules, regulations and guidelines there under or issued by the Exchange and any other relevant authorities in respect thereof.  | Dividend Reinvestment Scheme.   |
| 142. | Any dividend or other moneys payable in cash on or in respect of a share may be paid by cheque or warrant sent through the post to the registered address of the member or person entitled thereto as appearing in the Record of Depositors or paid via electronic transfer or remittance to the account provided by such member or person entitled thereto or to such persons and to such address as such member or person entitled thereto may in writing direct. Every such cheque or warrant or electronic transfer or account remittance shall be made payable to the order of the person to whom it is sent and the payment of any such cheque or warrant of electronic transfer or account remittance shall be a good discharge to the Company. Every such cheque or warrant or electronic transfer or account remittance shall be sent at the risk of the person entitled to the money represented thereby. | Dividends payable by cheque, electronic transfer or account remittance. |

## RESERVES

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| 143. | The Directors may from time to time set aside out of the profits of the Company and carry to reserve such sums as they think proper which, at the discretion of the Directors, shall be applicable for meeting contingencies or for the gradual liquidation of any debt or liability of the Company or for repairing or maintaining the works, plant and machinery of the Company or for special dividends or bonuses or for equalising dividends or for any other purpose to which the profits of the Company may properly be applied and pending such application may either be employed in the business of the Company or be invested. The Directors may divide the reserve into such special funds as they think fit, and may consolidate into one fund any special funds or any parts of any special funds into which the reserve may have been divided. The Directors may also without placing the same to reserve | Power to carry profit to reserve. |
|      | carry forward any profits which they may think it not prudent to divide.   | Power to carry forward profit.    |

## CAPITALISATION OF PROFITS AND RESERVES

144. The Company may, upon the recommendation of the Directors by Ordinary Resolution resolve that it is desirable to capitalise any sum standing to the credit or any of the Company's reserve accounts or any sum standing to the credit of profit and loss account or otherwise available for distribution, provided that such sum be not required for paying dividends, and accordingly that the Directors be authorised and directed to appropriate the sum resolve to be capitalised to the members holding Ordinary Shares in the proportions in which such sum would have been divisible amongst them had the same been applied been applicable in paying dividends and to apply such sum on their behalf, either in or towards paying up the amounts (if any) for the time being unpaid on any shares held by such members respectively, or in paying up in full unissued shares or debentures of the Company,
- Power to capitalise profits.

respectively, or in paying up in full unissued shares or debentures of the Company, such shares or debentures to be allotted and distributed credited as fully paid up to and amongst such members in the proportion aforesaid or partly in one way and partly in the other.

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| 145. | Whenever such a resolution as aforesaid shall have been passed, the Directors shall make all appropriation and applications of the sum resolved to be capitalised thereby, and all allotments and issues of fully paid shares or debentures (if any) and generally shall do all acts and things required to give effect thereto, with full power to the Directors to make such provision by the issue of fractional certificates or by payment in cash or otherwise as they think fit for the case of shares or debentures becoming distributable in fractions, and also to authorise any person to enter on behalf of all the members interested into an agreement with the Company providing for the allotment to them respectively credited as fully paid up of any further shares to which they may be entitled upon such capitalisation, and any agreement made under such authority shall be effective and holding on all such members. | Implementation of resolution to capitalise. |
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### MINUTES AND BOOKS

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| 146. | The Directors shall cause minutes to be made in books to be provided for the purpose:-<br><br>(a) of all appointments of officers made by the Directors;<br><br>(b) of the names of the Directors present at each meeting of Directors and of any committee of Directors; and<br><br>(c) of all resolutions and proceedings at all meetings of the Company and of any class of members of the Company and of the Directors and committees of Directors.   | Minutes.                           |
| 147. | The Directors shall duly comply with the provisions of the Act and in particular the provisions in regard to registration of charges created by or affecting property of the Company, in regard to keeping a register of Directors and Secretaries, a Register of Members, a register of mortgages and charges, and a register of Directors' share and debenture holdings and in regard to the production and furnishing of copies of such registers and of any register of holders of debentures of the Company.                                 | Keeping of registers, etc.         |
| 148. | The Directors shall cause to be kept such books of accounts as are necessary to comply with the provisions of the Act.  | Directors to keep proper accounts. |
| 149. | The books of accounts shall be kept at the office, or at such other place within Malaysia as the Directors think fit, and shall always be open to the inspection of the Directors. No member (other than a Director) shall have any right of inspecting any account or book or document of the Company except as conferred by the Act or authorised by the Directors or by Ordinary Resolution of the Company.  | Inspection of books.               |
| 150. | The Directors shall in accordance with the provisions of the Act and the Listing Requirements cause to be prepared and issued the annual audited accounts, the Directors' and auditors' reports not later than four months after the close of the financial year of the Company. The Directors shall in accordance with the provisions of the Act and the Listing Requirements cause to be laid before a General Meeting of the Company the said audited accounts not later than six months after the close of the financial year of the Company. | Presentation of Accounts.          |

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| 151. | A copy of every balance sheet and profit and loss account which is to be laid before a General Meeting of the Company (including every document required by law to be annexed thereto) together with a copy of every report of the Auditors relating thereto and of the Directors report in printed form or in electronic form shall not less than twenty one (21) days before the date of the General Meeting be sent or supplied to every member and to every securities holders, the Company and to every other person who is entitled to received notices of General Meeting from the Company under the provisions of the Act or of these presents; provided that this Constitution shall not require a copy of these documents to be sent to any person of whose address the Company is not aware but any member to whom a copy of these documents has not been sent shall be entitled to receive a copy free of charge on application at the office. In the event that these documents are sent or supplied in electronic form and if a member requires a printed form of such documents, the Company shall send such documents to the member within four (4) Market Days from the date of receipt of the member's request and shall further comply with all such other conditions stipulated in the Listing Requirements in connection with the issuance of annual reports in electronic form. | Copies of accounts.         |
| 152. | Save as may be necessary for complying with the provisions of the Act or as the Company may by Special Resolution otherwise resolve, the Directors shall not be bound to publish any list or particulars of the securities or investments held by the Company or to give any information with reference to the same to any member.  | Particulars of investments. |

#### AUDITORS

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| 153. | Auditors shall be appointed and their duties regulated in accordance with the provisions of the Act.  | Appointment of Auditors.   |
| 154. | Subject to the provisions of the Act all acts done by any person acting as an Auditor shall, as regards all persons dealing in good faith with the Company, be valid, notwithstanding that there was some defect in his appointment or that he was at the time of his appointing not qualified for appointment. | Validity of acts of Auditors in spite of some formal defect.                   |
| 156. | The Auditors shall be entitled to attend any General Meeting and to receive all notices of and other communications relating to any General Meeting which any member is entitled to receive, and to be heard at any General Meeting on any part of the business of the meeting which concerns him as Auditor.   | Auditors right to receive notices of and attend and speak at General Meetings. |

#### NOTICE

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| 157. | For the purpose of interpreting of this Clause, the terms "Document", "Electronic means" and "Electronic form" shall have the meaning given under Clause 3. | Service of notices. |
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Subject to the Act, Listing Requirements, other relevant rules and regulations, all notices or Documents which are required to be provided to members or securities holders, shall be in writing, and shall be given either:

- (a) in hard copy;
- (b) in electronic form; or
- (c) partly in hard copy and partly in electronic form.

A notice or Document:



- (a) given in hard copy shall be sent to any member or securities holder either personally or by post to the address supplied by the member or securities holder to Depository or the Company for such purpose; or
- (b) given in electronic form shall be transmitted to the electronic address provided by the member or securities holder to the Depository or the Company for such purpose or by publishing on the Company's website or by way of other electronic means as provided in this Constitution.

If the Company publishes notice of general meeting on the Company's website, the Company shall notify a member or securities holder of such publication and such notification shall be in writing and shall be given in hard copy or electronic form stating:

- (i) that it concerns a General Meeting;
- (ii) the place, date and time of the meeting; and
- (iii) whether the meeting is an annual general meeting.

The notice shall be made available on the website throughout the period beginning from the date of the notification until the conclusion of the General Meeting. The above procedures shall apply if the Company publishes notice of general meeting via other electronic means as provided in this Constitution.

If Company sends or supplies notices or Documents through electronic mail, there must be proof of electronic mail delivery. In the event of delivery failure, the Company shall send hard copy of the notices or Documents as soon as practicable.

The contact details of the members or securities holders as provided to the Depository shall be deemed the last known contact details provided by the members or securities holders to the Company for purposes of communication with the members or securities holders.

Where any member or securities holder requests for a hard copy of the notice or Document, the Company shall forward a hard copy of this notice or Document to the member or securities holder as soon as reasonably practicable after the receipt of the request, free of charge.

Where it relates to Document required to be completed by members or securities holders for a rights issue or offer for sale, the Company must send this Document through electronic mail, in hard copy or in any other manner as the Exchange may prescribe from time to time.

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| 158. Any member described in the Register of Members and on the Record of Depositors by an address not within Malaysia who shall from time to time give the Company and address within Malaysia at which notices may be served upon him, shall be entitled to have served upon at such address any notice to which he is entitled under this Constitution. | Members abroad may give an address for service.             |
| 159. If a member has no registered address within Malaysia and has not supplied to the Company an address within Malaysia for the giving of notices or sending of Document to him, a notice or Document, may be sent to him by airmail or electronic means.  | Members abroad may be served by airmail or electronic means |

160. A person entitled to a share in consequence of the death or bankruptcy of a member, upon supplying to the Company such evidence as the directors may reasonably require to show his title to the share, and upon supplying also an address within Malaysia for the service of notices, shall be entitled to have served upon him at such address any notice or document to which the member but for his death or bankruptcy would be entitled, and such service shall for all purposes be deemed a sufficient service of such notice or document on all persons interested in the share. Save as aforesaid any notice or document delivered or sent by post to or left at the registered address of any member in pursuance of these presents shall (notwithstanding that such member be then dead or bankrupt and whether or not the Company have notice of bankruptcy) be deemed to have been duly served in respect of any share registered in the name of such member as appearing in the Register of Members and on the Record of Depositors.
- Service of notices after death or bankruptcy of a member.
161. A notice or Document may be served by the Company either personally or by sending it through postal service to such members or securities holders or Directors at his registered address stated in the Register of Members or the Record of Depositors or the register of Directors as the case may be, in Malaysia or the address within Malaysia supplied by him to the Company for the purpose of giving of notice or sending Document to him. In proving service by postal services, it shall be sufficient to prove the notice or Document was properly sent and served.
- When service effected.
- A notice or Document to be served to Directors with an address outside Malaysia, shall be forwarded by courier service or electronic means.
- A notice or Document may also be served, sent or supplied by electronic mail to an address supplied by member or securities holder or Director, is deemed to have been served immediately after the time of delivery, without any non-delivery notification or error message generated by the relevant server at that point of time and in proving service, it is sufficient to prove that the communication was properly addressed and sent.
- A member or securities holder shall be implied to have agreed to receive such notice or Document by way of electronic means. However, member or securities holder is given right to request for a hard copy for such notice, Document and the Company shall forward a hard copy of such notice or Document to the member within reasonable practicable timeframe.
- If a notice or Document is served by means of publication at website or other electronic means as provided in this Constitution, such notice or Document is deemed served or sent to the member or securities holder immediately after the necessary notification of such notice or Document is published or made available via electronic means as required under the Act, Listing Requirements and this Constitution, is sent to the member or securities holder.
- If a notice or Document is serviced by means of publication in at least one (1) nationally circulated Bahasa Malaysia or English daily newspaper or in writing to the Exchange, it shall be deemed to have been given or received by the intended recipient when it was first published in such daily newspaper or the Exchange's website.
162. Any notice on behalf of the Company or of the Board of Directors shall be deemed effectual if it purports to bear the signature of the Secretary or other duly authorised officer of the Company.

## WINDING UP

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| 163. | <p>If the Company shall be wound up (whether the liquidation is voluntary, under supervision, or by the court) the Liquidator may, with the authority of a Special Resolution, divide among the members in specie or kind the whole or any part of the assets of the Company and whether or not the assets shall consist of property of one kind or shall consist of properties of different kinds, and may for such purpose set such value as he deems fair upon any one or more class or classes as between the members or different classes or members. The Liquidator may, with the like authority, vest any part of the assets in trustees upon such trusts for the benefit of members as the Liquidator with the like authority shall think fit, and the liquidation of the Company may be closed and the Company dissolved, but so that no contributory shall be compelled to accept any shares in respect of which there is a liability.</p> <p>Save that this Clause shall be without prejudice to the rights of holders of shares issued upon special terms and conditions the following provisions shall apply:-</p> <p>(a) If the Company shall be wound up and the assets available for distribution among the members as such shall be insufficient to repay the whole of the paid up capital such assets shall be borne by the members in proportion to the capital paid up, or which ought to have been paid up at the commencement of the winding-up, on the shares held by them respectively; and</p> <p>(b) If in a winding-up the assets available for distribution shall be more than sufficient to repay the whole of the capital paid up at the commencement of the winding-up, the excess shall be distributed among the members in proportion to the capital paid up, or which ought to have been paid up at the commencement of the winding-up, on the shares held by them respectively.</p> | <p>Distribution of assets in specie.</p>    |
| 164. | <p>Subject to the provisions of the Act, every Director, Auditor, Secretary or other officer of the Company shall be entitled to be indemnified by the Company against all costs, charges, losses, expenses and liabilities incurred by him in the execution and discharge of his duties or in relation thereto.</p>   | <p>Indemnity of Directors and Officers.</p> |
| 165. | <p>The Company shall have the power to lodge electronically with the Registrar of Companies, at the sole and absolute discretion of the Company, any and all documents so allowed to be lodged electronically by the Registrar of Companies pursuant to the payment by the Company of the requisite fee.</p>   | <p>Electronic lodgement of documents.</p>   |

## EFFECT OF EXCHANGE CONTROL LEGISLATION

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| 166. | <p>Whether under this Constitution, a member is given the right to purchase or subscribe for any shares in the Company, the said provisions shall apply if and to the extent any necessary consent or permission by the Controller of Foreign Exchange of Malaysia is granted, and unless such consent or permission is granted, the relevant Clauses shall be read and construed as if all reference to the member concerned had been omitted therefrom.</p> | <p>Exchange control.</p>                   |
| 167. | <p>(i) Notwithstanding anything contained in this Constitution, if the Listing Requirements prohibit an act being done, the act shall not be done.</p> <p>(ii) Nothing contained in this Constitution prevents an act being done that the Listing Requirements require to be done.</p>  | <p>Effect of the Listing Requirements.</p> |

- (iii) If the Listing Requirements require an act to be done or not to be done, authority is given for that act to be done or not to be done (as the case may be).
- (iv) If the Listing Requirements require this Constitution to contain a provision and they do not contain such a provision, this Constitution are deemed to contain that provision.
- (v) If the Listing Requirements require this Constitution not to contain a provision and they contain such a provision, this Constitution are deemed not to contain that provision.
- (vi) If any provision of this Constitution is or becomes inconsistent with the Listing Requirements, this Constitution are deemed not to contain that provision to the extent of the inconsistency.



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