GLOMAC

30 years ANNIVERSARY

Annual Report **2018**

VISION

Our vision is to help improve the quality of life by providing a better place to live or work in. By carrying out this vision, we want to be recognised by our customers, shareholders and employees as a world-class property developer.

MISSION

Our mission as a caring and reliable property developer is to deliver outstanding service, quality products and value for money for our customers. Through dedication, innovation and passion, we are confident about our ability to achieve these goals.

FORWARD

It starts with inspiration. A vision to provide ideal homes, work places and recreational facilities; to create an environment that enhances the quality of our lives. From pen to paper, plan to reality, we build the vision.

Glomac's vision is to enrich our lives in the most fundamental ways – value, quality and service. This is the catalyst of our business and the essence of our success, affirming our reputation as a visionary property developer.

CONTENTS

CORPORATE PROFILE

Glomac was founded on the vision, passion and determination of two entrepreneurs who aspired to develop inspiring places to live and work in. The founders of the Group, Tan Sri Dato' FD Mansor, Group Executive Chairman and Datuk Richard Fong, Group Executive Vice-Chairman, joined forces to establish the Group in 1988 and have since delivered value beyond expectations in every Glomac project.

Currently helmed by Datuk Seri FD Iskandar, Group Managing Director/Chief Executive Officer; today, Glomac Berhad comprises more than 55 subsidiaries with involvement in every facet of the real estate business encompassing property development, property investment, construction, property management and car park management.

Glomac Berhad was listed on the Main Board of Bursa Malaysia Securities Berhad on 13 June 2000 and has established a trusted reputation as a responsible and visionary property developer with its solid record of developing townships, residential, commercial and mixed development properties.

To-date, the Group has completed more than a total sales value over RM8.5 billion. Moving forward, Glomac is entering into a new phase of growth as it is in the midst of launching more than RM1.086 billion worth of property.

As a long term player committed to escalating our presence in the real estate market, Glomac is continuously planning and designing new projects for our existing landbank, evaluating new landbank opportunities and looking out for new opportunities in the country; with particular focus on the prime Greater KL area where the Group is well established.

CORPORATE INFORMATION

Board Of Directors

Tan Sri Dato' Mohamed Mansor bin Fateh Din
Group Executive Chairman

Datuk Richard Fong Loong Tuck
Group Executive Vice-Chairman

Datuk Seri Fateh Iskandar bin Tan Sri Dato' Mohamed Mansor
Group Managing Director/ Chief Executive Officer

Dato' Ikhwan Salim bin Dato' Hj Sujak
Senior Independent Non-Executive Director

Datuk Ali bin Abdul Kadir
Independent Non-Executive Director

Shan Choo
Independent Non-Executive Director

Datuk Seri Panglima Hj Abdul Azeez bin Hj Abdul Rahim
Non-Independent Non-Executive Director (resigned with effect from 23 May 2018)

Datuk Seri Johan bin Abdullah
Alternate Director to Datuk Seri Panglima Hj Abdul Azeez bin Hj Abdul Rahim (resigned with effect from 23 May 2018)

Company Secretaries

Ong Shaw Ching
(MIA 7819)

Chua Siew Chuan
(MAICSA 0777689)
(appointed w.e.f 14 March 2018)

Mak Chooi Peng
(MAICSA 7017931)
(appointed w.e.f 14 March 2018)

Audit Committee

Datuk Ali bin Abdul Kadir
Chairman

Dato' Ikhwan Salim bin Dato' Hj Sujak
Member

Shan Choo
Member

Nomination Committee

Dato' Ikhwan Salim bin Dato' Hj Sujak
Chairman

Datuk Ali bin Abdul Kadir
Member

Shan Choo
Member

Remuneration & ESS Committees

Dato' Ikhwan Salim bin Dato' Hj Sujak
Chairman

Datuk Ali bin Abdul Kadir
Member

Datuk Seri Fateh Iskandar bin Tan Sri Dato' Mohamed Mansor
Member

Shan Choo
Member

Registrar

Shareworks Sdn Bhd
2-1, Jalan Sri Hartamas 8
Sri Hartamas
50480 Kuala Lumpur
Tel : +603 6201 1120
Fax : +603 6201 3121

Principal Bankers

AmBank (M) Berhad
Malayan Banking Berhad
HSBC Amanah Malaysia Berhad

Registered Office

Level 15, Menara Glomac
Glomac Damansara
Jalan Damansara
60000 Kuala Lumpur
Tel : +603 7723 9000
Fax : +603 7729 7000

Auditor

Deloitte PLT (AF 0080)
Level 16, Menara LGB
1 Jalan Wan Kadir
Taman Tun Dr Ismail
60000 Kuala Lumpur
Tel : +603 7610 8888
Fax : +603 7726 8986

Stock Exchange

Main Market of Bursa Malaysia
Stock Code: 5020

Website

www.glomac.com.my

CORPORATE STRUCTURE

Property Development & Investment

100% **Anugerah Armada Sdn. Bhd.**
Lot 13720, Pekan Kayu Ara

100% **Dunia Heights Sdn. Bhd.**
Proposed Residential Development in Sg. Buloh

100% **Elmina Equestrian Centre (Malaysia) Sdn. Bhd.**
Saujana Utama V, Sg. Buloh

100% **Glomac Alliance Sdn. Bhd.**
Lakeside Residences, Puchong

100% **Glomac Consolidated Sdn. Bhd.**
Bukit Saujana, Sg. Buloh

100% **Glomac City Sdn. Bhd.**
Plaza Glomac, Kelana Jaya

100% **Glomac Damansara Sdn. Bhd.**
Glomac Damansara, Kuala Lumpur

100% **Glomac Enterprise Sdn. Bhd.**
Sungai Buloh Country Resort, Sg. Buloh

100% **Glomac Jaya Sdn. Bhd.**
Glomac Cyberjaya, Cyberjaya

100% **Glomac Maju Sdn. Bhd.**
Suri Residen, Cheras

100% **Glomac Rawang Sdn. Bhd.**
Saujana Rawang, Rawang

100% **Glomac Regal Sdn. Bhd.**
Suria Stonor, Kuala Lumpur

100% **Glomac Resources Sdn. Bhd.**
Glomac Galleria, Kuala Lumpur

100% **Glomac Segar Sdn. Bhd.**
Mixed Development
Plaza @ Kelana Jaya

100% **Glomac Sutera Sdn. Bhd.**
Sri Saujana, Kota Tinggi, Johor

100% **Glomac Vantage Sdn. Bhd.**
Taman Mahkota Laksamana, Seksyen III, Melaka

100% **Kelana Centre Point Sdn. Bhd.**
Kompleks Kelana Centre Point, Kelana Jaya

100% **Precious Quest Sdn. Bhd.**
Saujana Jaya, Kulai, Johor

100% **Regency Land Sdn. Bhd.**
Saujana Utama III, Sg Buloh & Saujana Aman

51% **Glomac Al Batha Sdn. Bhd.**
Glomac Tower (now known as Menara Prestige), Kuala Lumpur

51% **Glomac Al Batha Mutiara Sdn. Bhd.**
Reflection Residences, Mutiara Damansara

100% **Glomac Kristal Sdn. Bhd.**
Centro V, Petaling Jaya

100% **FDM Development Sdn. Bhd.**

100% **Berapit Properties Sdn. Bhd.**
Glomac Cyberjaya 2, Cyberjaya

100% **Kelana Kualiti Sdn. Bhd.**
Saujana Perdana, Sg. Buloh

100% **Magical Sterling Sdn. Bhd.**
Saujana KLIA, Dengkil

Other Activities

Investment Holding

100% **Bangi Integrated Corporation Sdn. Bhd.**
Plaza Kelana Jaya, Phase II, Kelana Jaya
100% **Glomac Realty Sdn. Bhd.**
100% **Glomac Restaurants Sdn. Bhd.**
100% **Glomac Australia Pty Ltd.**
85.7% **Glomac Power Sdn. Bhd.**
30% **Irama Teguh Sdn. Bhd.**
(held through PPC Glomac Sdn. Bhd.)

Property Development, Investment Holding and Project Management

100% **Glomac Group Management Services Sdn. Bhd.**

Property Investment and Mall Management

100% **Glo Damansara Sdn. Bhd**
Glo Damansara Mall @ Glomac Damansara, Kuala Lumpur

Property Investment

100% **Glomac Nusantara Sdn. Bhd.**
Dataran Glomac, Kelana Jaya
60% **Glomac Utama Sdn. Bhd.**
Worldwide Business Park
100% **Berapit Pertiwi Sdn. Bhd.**
Suria Stonor, Kuala Lumpur

Trustee Management

45.45% **VIP Glomac Pty Ltd**
(held through Glomac Australia Pty Ltd)

Property Management Services

100% **Glomac Property Services Sdn. Bhd.**
100% **Kelana Property Services Sdn. Bhd**

Car Park Operations and Management

60% **Prominent Excel Sdn. Bhd.**

Construction

51% **Glomac Bina Sdn. Bhd.**
30% **PPC Glomac Sdn. Bhd.**
(held through Glomac Power Sdn. Bhd.)

Dormant

100% **Berapit Development Sdn. Bhd.**

100% **BH Interiors Sdn. Bhd.**

100% **Glomac Land Sdn. Bhd.**

100% **Glomac Leisure Sdn. Bhd.**

100% **Glomac Real Estate Sdn. Bhd.**

100% **Kelana Seafood Centre Sdn. Bhd.**

100% **Magic Season Sdn. Bhd.**

100% **Magnitud Teknologi Sdn. Bhd.**

100% **OUG Square Sdn. Bhd.**

100% **Prisma Legacy Sdn. Bhd.**

100% **Prima Sixteen Sdn. Bhd.**

100% **Sungai Buloh Country Resort Sdn. Bhd.**

100% **Glomac Thailand Sdn. Bhd.**

70% **FDA Sdn. Bhd.**

60% **Glomac Excel Sdn. Bhd.**

100% **Glomac Cekap Sdn. Bhd.**

BOARD OF DIRECTORS' PROFILES

TAN SRI DATO' MOHAMED MANSOR BIN FATEH DIN

Group Executive Chairman
78, Male, Malaysian

Tan Sri Dato' Mohamed Mansor bin Fateh Din or better known as "Tan Sri Dato' FD Mansor" was appointed to the Board of Glomac Berhad on 1 April 1986. Before he founded the Glomac Group, he was attached with Utusan Malaysia Berhad as the Group Personnel Director.

Tan Sri Dato' FD Mansor has extensive experience in the property development business through his involvement in the industry for more than 30 over years. He was the Honorary Secretary of the Selangor Chapter of the Malay Chamber of Commerce and Industry from 1987 to 1995. He was awarded the Selangor Entrepreneur of the Year 1995 by the Malay Chamber of Commerce and Industry, Selangor in recognition of his contributions to the state. In September 2005, he was awarded the prestigious "Property Man of the Year" by FIABCI Malaysia. Being a genuine Malay businessman and entrepreneur, he was presented the award of "Anugerah Usahasama Tulen" by the Malay Chamber of Commerce, Malaysia in June 2008.

In June 2011, Tan Sri Dato' FD Mansor was bestowed with the "Jewels of Muslim World 2011" award in recognition of his achievements and contributions in the Muslim World. He also sits as the Advisory Council in Iqra Foundation.

In October 2013, Tan Sri Dato' FD Mansor was conferred the prestigious Brand Laureate - Premier Brand Icon Leadership 2013 in the Brand Laureate Icon Award 2013 for his illustrious career as one of Malaysia's top business entrepreneurs and corporate leaders. The annual Brand Laureate Award provides recognition to inspirational leaders who dedicate their lives and profession to the country.

In 2016, The Edge Malaysia Outstanding Property Entrepreneur Award was presented to Tan Sri Dato' FD Mansor and Datuk Richard Fong, both being the founders of the Glomac Group, to honour industry captains who have made significant and outstanding contributions.

Tan Sri Dato' FD Mansor attended all five (5) Board meetings of the Company held during the financial year ended 30 April 2018.

DATUK RICHARD FONG LOONG TUCK

Group Executive Vice Chairman
67, Male, Malaysian

Datuk Richard was appointed to the Board of Glomac Berhad on 4 April 1988. He graduated with a Bachelor of Science (Hons) in Civil Engineering from University of London, United Kingdom. Datuk Richard began his career in Mudajaya Construction Sdn Bhd and IJM Corporation Berhad before founding the Glomac Group in 1988.

He has more than 30 years of experience in property development, building construction and engineering. He served as the Secretary General of FIABCI (International Real Estate Federation) Malaysian Chapter from 1998 to 2000 and was appointed President of FIABCI Malaysia from 2006 to 2010.

As the former President of FIABCI, he was instrumental in the formation of the Malaysia Property Incorporated ("MPI"), a body set up by the Economic Planning Unit of the Prime Minister's Department, to promote property investments among foreigners in Malaysia. Datuk Richard also served as the Chairman of MPI from February 2008 to June 2010.

In 2016, The Edge Malaysia Outstanding Property Entrepreneur Award was presented to Datuk Richard and Tan Sri Dato' FD Mansor, both being the founders of the Glomac Group, for their significant and outstanding contributions to the property development industry. Datuk Richard is frequently invited as guest speakers at forum and seminars on property market in Malaysia, both locally and internationally.

Datuk Richard attended all five (5) Board meetings of the Company held during the financial year ended 30 April 2018.

BOARD OF DIRECTORS' PROFILES

DATUK SERI FATEH ISKANDAR BIN TAN SRI DATO' MOHAMED MANSOR

Group Managing Director / Chief Executive Officer
Member of Remuneration and ESS Committee
50, Male, Malaysian

Datuk Seri Fateh Iskandar bin Tan Sri Dato' Mohamed Mansor better known as "Datuk Seri FD Iskandar", is one of Malaysia's well respected figures. An exemplary leader, he has carved out a place as a nation-builder for vast swathes of Malaysia's modern development. Now, as Group Managing Director and Chief Executive Officer at Glomac Berhad, he continues to lead the way for the company to become one of Malaysia's most pioneering property developers. He was appointed as a Board member of Glomac since 5 February 1997.

Datuk Seri FD Iskandar attended the Malay College Kuala Kangsar (MCKK). He pursued his studies and graduated with a degree in Law from the University of Queensland, Australia and later obtained his Masters in Business Administration (MBA). He became a legal practitioner for a couple of years in Australia before returning back to Malaysia.

Thereafter, Datuk Seri FD Iskandar began rising up the corporate ladder, starting out as a Corporate Manager for Kumpulan Perangsang Selangor Berhad (KPS) before leaving KPS in 1992 to join Glomac Berhad as a General Manager for Business Development. By 1997, Datuk Seri FD Iskandar was appointed to the Board as Glomac's Executive Director, a position he held for seven years before assuming his current role as Group Managing Director/Chief Executive Officer. In addition, he also sits on the Board of Axis-REIT Managers Berhad, the first REITs company to be listed on Bursa Malaysia.

Datuk Seri FD Iskandar was the immediate past President of REHDA Malaysia (Real Estate and Housing Developers Association of Malaysia) for 2 terms from 2014 until recently and he was formerly Chairman of REHDA Selangor for 2 terms from 2006 to 2010. He has been a member of the City Advisory Board for Dewan Bandaraya Kuala Lumpur (DBKL) from November 2014. He has also served as the Chairman of the Special Taskforce to Facilitate Business (PEMUDAH), specializing in legal matters.

Datuk Seri FD Iskandar has served as an Independent Director of Telekom Malaysia (TM) since 2013 until recently. TM is Malaysia's broadband champion and leading integrated information and communications. Furthermore, he was the Chairman of VADS Berhad, a wholly owned subsidiary of Telekom Malaysia Berhad which services the IT and telecommunications industries. Datuk Seri FD Iskandar was also the Group Chairman of the Media Prima Group, the largest incorporated media company in South East Asia, for 8 years in various capacities until 2017. He was appointed to the Board in 2009 and was also the Chairman of the

Nomination & Remuneration Committee and Risk Management Committee of Media Prima. His presence also extends to being a Director of New Straits Times Press (Malaysia) Berhad from 2009 until 2015, the most established publisher in Asia with three main newspapers and a string of established magazines.

He was formerly a Director of Kumpulan Hartanah Selangor Berhad from 2004 until 2008. He was also the Deputy Chairman of the Malaysian Australian Business Council (MABC), Chairman of Gagasan Badan Ekonomi Melayu, Selangor Branch (GABEM) a body that promotes entrepreneurship amongst Malays in the country. He was one of the Founding Directors of Malaysia Property Incorporated (MPI), a partnership between Government and the private sector that was established to promote property investments and ownership to foreigners all around the world.

With more than 28 years' experience and involvement in the property development industry, his vast experience and expertise has made him a very well-known and respected figure among his peers locally as well as internationally. He frequently shares his insights and views as a guest speaker in forums, seminars and conventions, and has given talks on the Malaysian property market both locally and abroad.

His esteemed position is reflected through the wide variety of accolades that he has accumulated. Amongst these awards that Datuk Seri FD Iskandar was awarded were the 2012 Malaysian Business Award in Property by the Malay Chamber of Commerce, the Outstanding Entrepreneurship Award at the 2013 Asia Pacific Entrepreneurship Awards, the MBA Industry Excellence Award (Property Sector) by the Malaysia Business Awards in 2013 and the Brand Laureate Corporate Leader Brand Icon Award by the Asia Pacific Brands Foundation in 2014.

Datuk Seri FD Iskandar was also the recipient of the Global Leadership Award for Commercial Property Development by The Leaders International in 2014 and 2015. In 2016, the World Leader Business Person and World Business Leader award by The Bizz 2016 was awarded to him.

"The Special Achievement Award from Asia Pacific's Most Prestigious Awards" (APEA) 2017 under the category of Property Development Industry was awarded to Datuk Seri FD Iskandar to recognize and honour business leaders who have demonstrated outstanding entrepreneurship, embodying qualities such as exceptional performance, perseverance and tenacity in developing successful businesses in Asia Pacific.

In 2018, Datuk Seri FD Iskandar was honoured by The EdgeProp.My, The Editor's Choice for Malaysia's Exemplary Real Estate Industry Leader 2018 title to his contribution to the local real estate industry in general and specifically for his commitment to raising the standards of property management. Furthermore, Datuk Seri FD Iskandar was also honoured by the Property Insight Prestigious Developer Awards 2018 for Industry Excellence Award in the recognition of his immense contribution to the industry all these years as well as in his capacity as REHDA President.

Datuk Seri FD Iskandar attended all five (5) Board meetings of the Company held during the financial year ended 30 April 2018.

BOARD OF DIRECTORS' PROFILES

DATO' IKHWAN SALIM BIN DATO' HJ SUJAK

Senior Independent Non-Executive Director
Chairman of Nomination Committee, Remuneration and ESS Committee,
Member of Audit Committee
61, Male, Malaysian

Dato' Ikhwan Salim was appointed to the Board of Glomac Berhad on 9 February 2000. He holds a Bachelor of Science degree in Economics and Accounting from Queen's University, Belfast, Ireland. He began his career in 1977 as an auditor with Coopers & Lybrand, United Kingdom and, later in 1979, he joined Nestle (M) Sdn Bhd. In 1980, Dato' Ikhwan Salim moved on to be the Group Financial Planning Manager of Kumpulan Low Keng Huat Sdn Bhd. In 1982 he ventured into business and was Managing Director of Jaya Holdings Sdn. Bhd.

Currently, Dato' Hj Ikhwan runs his private business namely Konsortium Jaringan Selangor Sdn Bhd. He is the Non-Executive Chairman of Malaysia Steel Works (KL) Berhad and Independent Non-Executive Director of Land and General Berhad. He also sits on the board of A2A Capital Services Berhad and several private limited companies.

Dato' Ikhwan Salim was also a committee member of Automobile Association of Malaysia (AAM) and British Graduates Association of Malaysia (BGAM). He is currently the Division Head of Damansara Division of United Malay National Organisation (UMNO).

Dato' Ikhwan Salim attended all five (5) Board meetings of the Company held during the financial year ended 30 April 2018.

DATUK ALI BIN ABDUL KADIR

Independent Non-Executive Director
Chairman of Audit Committee
Member of Nomination Committee, Remuneration and ESS Committee
69, Male, Malaysian

Datuk Ali was appointed to the Board of Glomac Berhad on 20 February 2009. He is a Fellow of the Institute of Chartered Accountants in England and Wales (ICAEW), member of the Malaysian Institute of Certified Public Accountants and the Malaysian Institute of Accountants. He is also the Honorary Advisor to ICAEW Malaysia, Honorary Fellow of the Institute of Chartered Secretaries & Administrators, United Kingdom and the Malaysian Institute of Directors.

Datuk Ali is currently the chairman of Jobstreet Corporation Berhad and ENRA Group Berhad. He is a board member of Citibank Berhad, Labuan Financial Services Authority, Labuan IBFC and Ekuiti Nasional Berhad. He also sits on the boards of Landskap Malaysia, Tropical Rainforest Conservation & Research Centre Berhad. He was the Chairman of Privasia Technology Berhad up until his retirement in June 2018.

Datuk Ali was the Chairman of the Securities Commission of Malaysia from 1 March 1999 to 29 February 2004. During his tenure, he was instrumental to the launch of the Capital Market Masterplan and chairing the Capital Market Advisory Council. He was also a member of a number of national level committees namely the Foreign Investment Committee, Oversight Committee of Danaharta and Finance Committee on Corporate Governance.

On the international front, he was a member of the executive committee of the International Organisation of Securities Commissions (IOSCO) and chairman of its Asia-Pacific Regional Committee and the Islamic Capital Market Working Group. He was also the advisor to the Sri Lanka Securities & Exchange Commission.

Earlier in his career, Datuk Ali was the Executive Chairman and Partner of Ernst & Young and its related firms. He was the Past President of the MICPA, chairing its Executive Committee and Insolvency Practices Committee, and co-chairing the Company Law Forum. He was appointed as an Adjunct Professor in the Accounting and Business Faculty, University of Malaya in 2008, retiring in August 2011. He was then appointed to the Advisory Board of the same faculty.

Datuk Ali was bestowed with the “Lifetime Achievement Award” by MICPA and the "President’s Award” by ICAEW Kuala Lumpur City Chapter.

Dato’ Ali attended all five (5) Board meetings of the Company held during the financial year ended 30 April 2018.

BOARD OF DIRECTORS' PROFILES

SHAN CHOO

Independent Non-Executive Director
Member of Audit Committee, Nomination Committee and the Remuneration and ESS Committee
58, Female, Malaysian

Shan Choo was appointed to the Board of Glomac Berhad on 3 July 2017. She holds a Bachelor of Economics from Monash University, Australia and is a member of CPA Australia.

She started her career in the stockbroking industry with Seagroatt & Campbell and later moved to commercial banking industry with the MUI Banking Group. She moved to Australia 1986 and worked with the ANZ Banking Group, Melbourne as Group Credit Analyst.

In 1990, she returned to the stockbroking industry in Malaysia by joining RHB Research Institute Sdn Bhd where she undertook the role as a banking analyst. She subsequently moved on to head a team of analysts covering various sectors of companies listed on Bursa Malaysia Securities Berhad.

Ms Shan Choo then joined CLSA Malaysia in 1999, firstly as an analyst covering banks and conglomerates. She subsequently led an award-winning research team for six years as Head of Research before moving on as Head of Sales in 2006 when CLSA Malaysia was awarded a full stockbroking licence. She was appointed the Country Head and was the principal officer for CLSA Group's operations in Malaysia in 2007. In August 2015, she was appointed as Chairman of CLSA Malaysia and on her retirement in December 2016, she was made an advisor. She sat on the Boards of RHB Asset Management Sdn Bhd and RHB Islamic International Asset Management Bhd.

Ms Shan Choo attended all four (4) Board meetings of the Company held during the financial year ended 30 April 2018 since her appointment as an Independent Non-Executive Director of the Company.

Additional information of the Directors:

1. *Tan Sri Dato' Mohamed Mansor bin Fateh Din and Datuk Seri Fateh Iskandar bin Tan Sri Dato' Mohamed Mansor has a family relationship.*

2. *Save as disclosed in this Annual Report, none of the Directors have:-*

   i. *Any family relationship with any directors/major shareholders of the Company;*
   ii. *Any conflict of interest with the Company;*
   iii. *Any conviction for offences within the past five years other than traffic offences; and*
   iv. *Any public sanction or penalty imposed by the relevant regulatory bodies during the financial year ended 30 April 2018.*

KEY SENIOR MANAGEMENT PROFILES

ONG SHAW CHING

Aged 53, Male, Malaysian
Chief Operating Officer

Ong Shaw Ching joined Glomac in 1996 and was appointed as Chief Operating Officer of Glomac on 1 January 2014. He is also the joint Secretary of the Company since 1 December 2009.

He is a Fellow of the Association of Chartered Certified Accountants (UK) and a Member of the Malaysian Institute of Accountants.

He began his professional career in 1988 and spent six years in two international accounting firms where he was involved in the audit of several public listed companies and handled a wide range of corporate rescue exercises.

In 1994, he moved on to be the Financial Controller of a Hong Kong based group of companies involved in manufacturing and trading before joining Glomac in 1996.

HOWARD CHONG JIANN YEONG

Aged 39, Male, Malaysian
Group Chief Financial Officer

Howard Chong joined Glomac as its Group Chief Financial Officer on 6 June 2018.

He is a Fellow of the Association of Chartered Certified Accountants and a Member of the Malaysian Institute of Accountants.

He began his professional career in 2001 and spent eleven years in three international accounting firms where he was involved in first tax services and later assurance and audit services. Howard Chong later joined TA Global Berhad as a Senior Manager, Finance from 2012 to 2014.

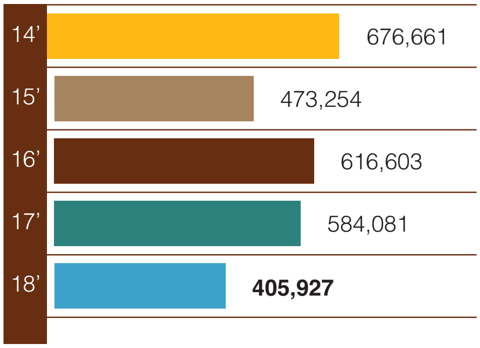
Prior to joining Glomac, Howard Chong was with JKG Land Berhad, as its Financial Controller from October 2014 to June 2018. He was also a Director within subsidiary companies within JKG Land Berhad Group between November 2015 to June 2018.

Save as disclosed, none of the Key Senior Management:-

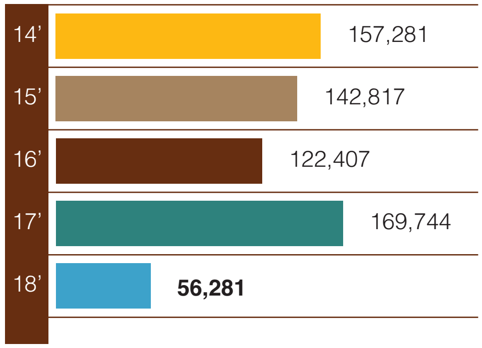
1. *Has directorships in other public companies and listed issuers;*
2. *Has any family relationship with any directors and/or major shareholders of the Company;*
3. *Has any conflict of interest with the Company;*
4. *Has any conviction for offences within the past 5 years other than traffic offences; and*
5. *Has any public sanction or penalty imposed by the relevant regulatory bodies during the financial year ended 30 April 2018.*

5-YEAR FINANCIAL HIGHLIGHTS

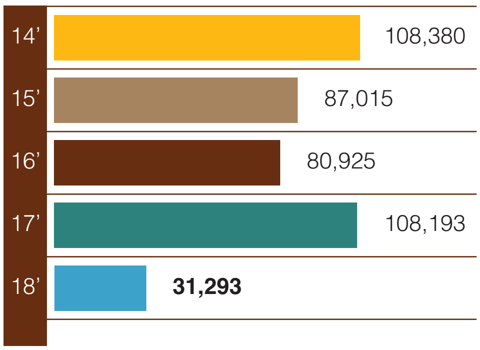
Revenue
(RM'000)



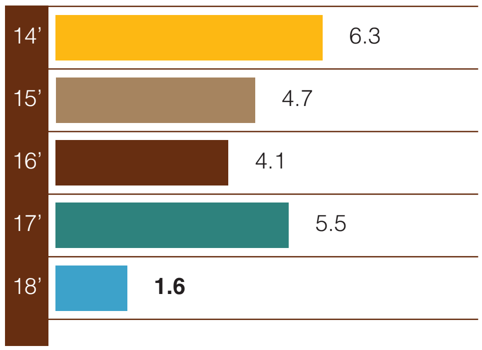
Profit Before Tax
(RM'000)



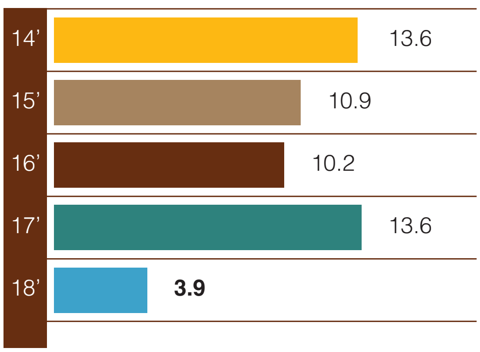
Profit Attributable to Owners of the Company
(RM'000)



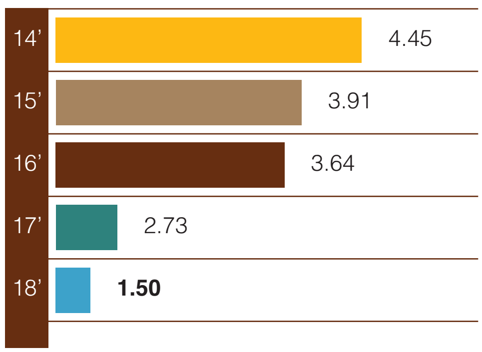
Return on Total Assets
(%)



Basic Earnings Per Share
(sen)[N1]



Net Dividend Per Share
(sen)[N3]



	2018 RM'000	2017 RM'000	2016 RM'000	2015 RM'000	2014 RM'000
Revenue	405,927	584,081	616,603	473,254	676,661
Profit Before Tax and Exceptional Item	56,281	169,744	122,407	142,817	157,281
Profit Before Tax	56,281	169,744	122,407	142,817	157,281
Income Tax Expense	(22,619)	(60,535)	(36,747)	(47,266)	(44,393)
Profit for the year	33,662	109,209	85,660	95,551	112,888
Profit Attributable to Owners of the Company	31,293	108,193	80,925	87,015	108,380
Non-controlling Interest	2,369	1,016	4,735	8,536	4,508
	33,662	109,209	85,660	95,551	112,888
Assets and Equity					
Total Assets Employed	1,916,342	1,965,828	1,981,330	1,870,328	1,711,865
Paid-up Share Capital	418,632	418,632	363,911	363,911	363,911
Equity Attributable to Owners of the Company	1,095,236	1,077,463	991,938	938,945	887,116
Return on Shareholders' Funds Attributable To Owners of the Company	2.9%	10.0%	8.2%	9.3%	12.2%
Return On Total Assets	1.6%	5.5%	4.1%	4.7%	6.3%
Share Information					
Basic Earnings Per Share (Sen)[N1]	3.9	13.6	10.2	10.9	13.6
Net Assets Per Share (RM)[N2]	1.39	1.35	1.25	1.19	1.11
Net Dividend Per Share (Sen)[N3]	1.50	2.73	3.64	3.91	4.45

Notes:

N1 In accordance with FRS 133 *Earnings Per Share*, the comparatives have been restated to account for the effects of the bonus issue.

N2 The comparative has been restated to take into account the effects of bonus shares issued in financial year ended 30 April 2018.

N3 The information is based on dividend declared for respective financial year. The comparative has been restated to take into account the effects of bonus shares issued in financial year ended 30 April 2018.

SUSTAINABILITY REPORT

Glomac Berhad's ("Glomac" or "the Company") inaugural Sustainability Statement highlights the Company's sustainability initiatives and strategies that cover Glomac Berhad and its subsidiaries ("the Group") in the property development and construction industries for the financial year ended 30 April 2018 ("FY2018").

Statement Boundary and Scope

For our first year of reporting, we have focused on Menara Glomac, our corporate headquarters, and eight flagship projects namely:

- Menara Glomac in Petaling Jaya, Selangor
- Saujana KLIA in Sepang, Selangor
- Glomac Centro, Damansara
- Reflection Residence, Damansara
- Glomac Damansara, Damansara
- Sri Saujana in Kota Tinggi, Johor
- Saujana Jaya in Kulai, Johor
- Lakeside Residences, Puchong

In developing the Sustainability Statement, we have given due consideration to the material issues that affect our business operations as well as our internal and external stakeholders, which include investors, regulatory bodies, employees, suppliers, customers and the local community.

This report has been prepared in accordance with the Main Market Listing Requirements of Bursa Malaysia Securities Berhad ("Bursa Malaysia"). The contents of this statement and the identified material issues with respect to economic, environment and social ("EES") risks were identified using the Global Reporting Initiative ("GRI") G4 Guidelines as a principal guideline.

Establishing Our Sustainability Strategy

We implement strategies and initiatives that would maximise our business performance with regards to expanding our development portfolio, building sustainable investment assets and create reputable long-term relationships with our stakeholders.

Corporate Vision

To help improve the quality of life by providing a better place to live or work in. We want to be recognised by our customers, shareholders and employees as a world-class property developer.

Corporate Mission

To deliver outstanding service, quality products and value for money for our customers.

Sustainability Goals

Incorporate sustainability practices into all three economic, environmental and social aspects to establish ourselves as a sustainable Group	Achieve long-term corporate sustainability by identifying aspects that are material to the Group	Create an environment which can enhance our quality of life while ensuring our business success as a visionary property developer

We aim to embed our sustainability strategy across our business operations to further improve our sustainability development. Participation by our employees, including top management, is highly encouraged as it is vital towards achieving successful implementation.

Governing Our Sustainability Aspirations

In the context of sustainability, we are cognizant that a strong governance structure is key in steering our Group in the right direction. To ensure this we have set up a three-tiered governance structure for sustainability.

At the apex of the structure is our Board of Directors ("the Board") to oversee the overall sustainability performance of the organisation. The main committees in the governance structure are Sustainability Steering Committee ("SSC") and Sustainability Working Committee ("SWC"). The SSC holds a supervisory role over the SWC. Members of the SSC will give recommendations and convey the sustainability initiatives and material matters identified by the SWC to the Board. The SWC holds the role of identifying material matters that are relevant to the organisation as well as identifying effective sustainability strategies that will guide the Group towards sustainable development.

SSC

1) Deliberate and recommend key sustainability related matters.
2) Review and approve EES risks and mitigation plan reported by SWC.
3) Provide support, direction and advice to the SWC on the implementation of sustainability related strategies.
4) Review the internal sustainability scope, sustainability programmes, function and resources of the SWC.
5) Report the progress of sustainability projects and initiatives to the Board.

SWC

1) Identify environmental, economic and social risks and opportunities.
2) Implement sustainability related strategies for managing EES risks within their divisions or department.
3) Monitor EES performance and provide regular updates to SSC.

Board of Directors

Sustainability Steering Committee ("SSC")

- Group Managing Director and Chief Executive Officer - Datuk Seri FD Iskandar
- Chief Operating Officer

Sustainability Working Committee ("SWC")

Head of divisions or senior management
from Business Development and HSE, Group Corporate communications and Corporate Marketing, Legal and Corporate Affairs, Company Secretary, Human Resources, Sales Admin & Marketing, Customer Relations, and Project Development

SUSTAINABILITY REPORT

Engaging with Our Stakeholders

The Group believes that it is through collaboration and partnerships that we can accelerate sustainability. We value our partnerships with numerous stakeholders as a way to not only address our sustainability issues, but to help our partners address their sustainability challenges.

A stakeholder-driven approach to sustainability serves as a foundation for our sustainability strategy and reporting. By establishing effective and transparent lines of communication with our stakeholders, we aim to address their concerns in a collaborative manner that meets both the stakeholders' interest and the Group's vision for sustainable growth.

Stakeholder Group	Areas of Concern	Methods of Engagement
Employees	• Performance management • Learning and development • Fair remuneration • Employee benefits • Business ethics and code of conduct • Employee satisfaction • Working environment	• Town hall sessions • Circulation of internal policies • Management meetings • Staff appraisals • Training and product knowledge • Employee satisfaction survey • Company dinner and family day
Regulatory Agencies and Statutory Bodies	• Regulatory compliance • Labour practices • Occupational safety and health • Environmental management and compliance	• Regular inspection by local authority • Annual reports • General meetings with managers and local regulatory bodies • Regular safety meetings • EIA compliance audits
Investors	• Group financial performance • High financial return • Global business strategy • Sustainable and stable income distribution • Corporate governance • Safety and security • Investor relationship management	• Annual General Meeting • Corporate website • Investors seminars • Circulars and notices • Annual Report
Customers	• Customer - company relationship management • Safety and security (Data) • Complaint resolution	• Contract agreement • Feedback sessions • Satisfaction surveys • Networking events
Suppliers and Contractors	• Transparent procurement practices • Payment schedule • Pricing of services • Prioritisation of local product	• Evaluation and performance reviews • Contract negotiation • Vendor registration • Open tenders
Local Communities	• Social contribution • Impact of business operations • Transparency and accountability • Environmental impacts	• Community engagement programmes (CSR) • Press releases • Providing amenities (schools, Mosques etc.)

Assessing Our Material Issues

We have identified key material issues that directly impact the Group's business activities. Our maiden report ranks these material issues by conducting an internal assessment involving the SSC and SWC members as illustrated below.

1 Identification

Identify the material issues that may be relevant to Glomac's business operations and issues that would also concern our stakeholders.

2 Approval

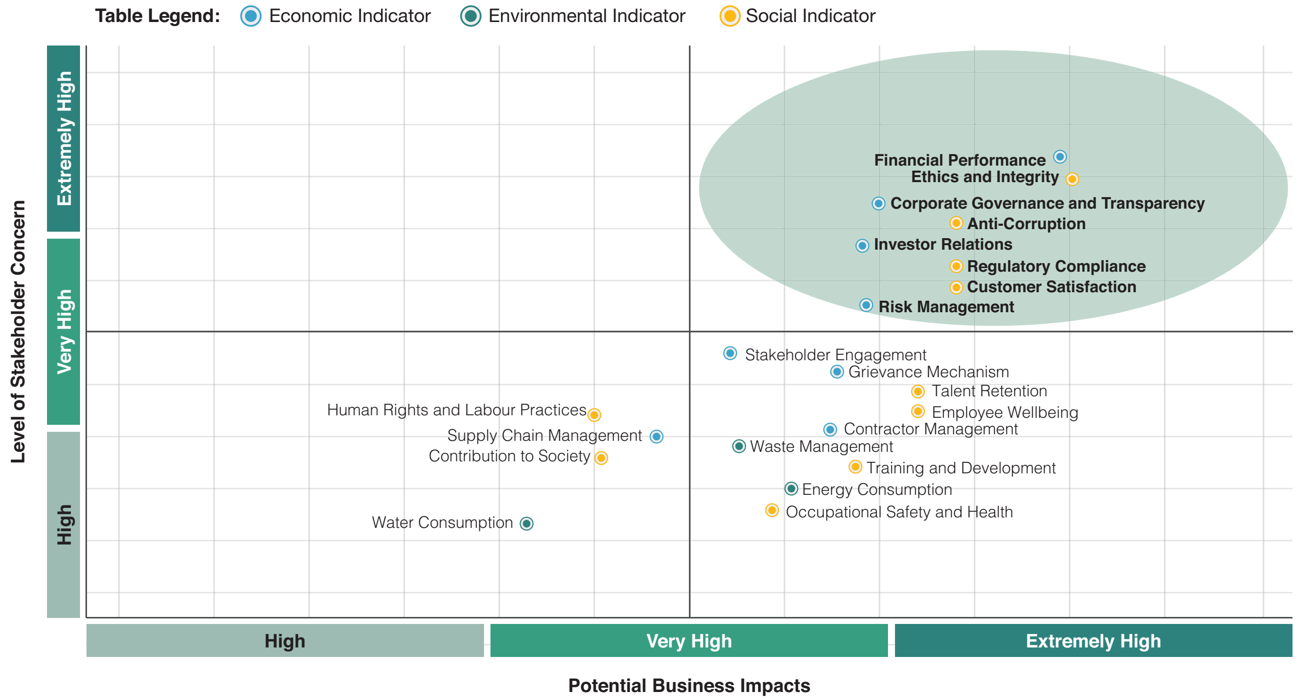
List of materials matters submitted for approval to the **SSC** before proceeding with the prioritisation phase.

The approved material issues were prioritised based on the degree of impact each individual issue would have on our business operations and its level of concern to our stakeholders.

3 Ranking

Ranked each material issue in a matrix to clearly illustrate our priority area of concern.

The materiality matrix derived from our materiality assessment process is presented below.



Our material sustainability matters are mapped against the stakeholders concerned as well as the GRI G4 aspects to show the inter-relationships.

Material Sustainability Matters	Stakeholder(s) Concerns	Applicable GRI Aspects
Financial Performance	Employees and Investors	Economic Performance
Ethics and Integrity	Employees and Investors	GRI General Standard Disclosure
Corporate Governance and Transparency	Employees and Investors	GRI General Standard Disclosure
Anti-Corruption	Regulatory Agencies, Employees, Investors and Customers	Anti-corruption
Investor Relations	Investors	GRI General Standard Disclosure
Regulatory compliance	Regulatory Agencies, Investors and Customers	Compliance
Customer Satisfaction	Customers and Investors	Product Service and Labelling
Risk Management	Investors	GRI General Standard Disclosure
Stakeholder Engagement	All Stakeholders	GRI General Standard Disclosure
Grievance Mechanism	Employees and Customers	Grievance Mechanisms for Labour Practices and Impacts on Society
Talent Retention	Employees	Training and Education
Employee Wellbeing	Employees	Diversity and Equal Opportunity
Contractor Management	Suppliers	GRI General Standard Disclosure
Human Rights and Labour Practices	Employees and Suppliers	Child Labour and Forced or Compulsory Labour
Supply Chain Management	Suppliers	GRI General Standard Disclosure
Waste Management	Local Communities, Investors and Customers	Effluent and Waste
Training and Development	Employees	Training and Education
Contribution to Society	Local Communities	Local Communities
Energy Consumption	Local Communities and Investors	Energy
Occupational health and Safety	Employees and Customers	Occupational Health and Safety
Water Consumption	Local Communities and Investors	Water

SUSTAINABILITY REPORT

Developing Our Flagship Projects

Menara Glomac was completed in July 2012, with a build-up area measuring 98,619 square feet. The building features a two-level basement parking for its occupants and office facilities that spans across 16 floors. The office building comes equipped with a controlled variable refrigerant volume (VRV) system that allows occupants to maintain their office air-conditioning temperature at an optimal level without compromising energy usage.

The building is connected to Glo Damansara Mall, a shopping hub frequented by visitors and the working-class alike. Located within close proximity to Tropicana City Mall, One Utama shopping centre and Bangsar shopping centre, Menara Glomac serves as one of the hotspots for people to work and relax.

Saujana KLIA is Glomac Berhad's fifth township. It is a 99-year leasehold mixed development project spread across 231 hectares of land. We focus on providing comfortable and affordable homes for our buyers. Saujana KLIA has 10 project phases which consists of 905 double-storey terrace houses and 146 semi-detached houses. We offer generous space for our housing projects with a build-up that starts from 1,765 square feet per lot. A number of highways connect Saujana KLIA to the rest of the Klang Valley providing high accessibility to the buyers. The township is located near the Sepang F1 Track, Xiamen University, Multimedia University, Cyberjaya and Putrajaya.

Glomac Damansara is an integrated freehold business hub with a residential component at a prime Kuala Lumpur address. Glomac Damansara is located on the north-western edge of the city bordering the state line, just across from the bustling PJ-Damansara locality. Developed on a 6.8-acre plot of land, it consists of an impressive build-up of 1.6 million square feet of space.

Glomac Centro development comprises 56 units of double storey shop offices and 344 units of service apartments built on approximately 4.5-acre of land situated in Mukim Kayu Ara, Petaling Jaya. The development is surrounded by established public facilities and commercial centres such as KPJ Damansara Specialist Hospital, Bandar Utama and Damansara Utama. It is easily reached via the North Klang Valley Expressway, Sprint Highway, Lebuhraya Damansara Puchong and the MRT.

Reflection Residence is a freehold property located in Mutiara Damansara. The service apartment development stretches over 39 storeys high comprising 299 units with build-ups range from 1,092 square feet to 1,705 square feet within a 2.66-acre plot of land. Reflection Residence is an outstanding residential landmark in the making and the epitome of luxury urban living.

Lakeside Residences is a 200-acre mixed development that comprises 2-storey and 2½-storey terrace houses, shop offices, high-rise apartments, affordable apartments and shop offices. As the name suggests, Lakeside Residences is located at the fringes of a lake. There is a 7-acre area allocated for a private park and open spaces within the guarded community to offer some recreational

facilities, such as playgrounds, multi-purpose court, par course exercise station, jogging tracks, gazebos and reflexology path. Additionally, there is a resident-only club house, a half-olympic sized swimming pool, and a gym with panoramic view of the lake in the club house, surau and children's playground.

Lakeside Residences is strategically located where one can find shopping centres, restaurants, banks, schools and colleges at a reasonable distance. It is nestled behind commercial hubs of Pusat Bandar Puchong (Tesco), Bandar Puchong Jaya (IOI Mall) and Bandar Puteri (Giant). Lakeside Residences is easily accessible via major highways namely LDP, KESAS, Puchong-Sungai Besi bypass and ELITE Highway. With these highway connections, it is easy to access other developed townships such as Bandar Sunway, Shah Alam, Putrajaya, Cyberjaya and the Kuala Lumpur city centre.

Sri Saujana is a 450-acre freehold land and an exclusive township development with over 4,700 units of residential and commercial units. There are 9 phases of the development with 70% of the project completed and fully sold.

Designed with lush greenery, this township paves the way for a truly relaxing-resort-style ambience in a strategic location surrounded by public amenities such as Today's Mall, Jusco Tebrau City, Tesco Tebrau City, Ikea Tebrau, Giant Hypermarket, Senai Airport, Desaru and many more. The township also offers easy accessibility to the Tebrau Expressway, Senai-Desaru Expressway, North-South Expressway.

Saujana Jaya is located 29 kilometres away from Johor Bahru city and 8 kilometres away from Skudai. The project is a mixed-development township that spreads across 174 acres of land with more than 1,800 units of residential and commercial developments. The township consists of 9 phases of development which includes residential, commercial, petrol station and low-cost housing units (Rumah Komuniti Johor A and Rumah Mampu Milik Johor).

This excellent township is surrounded by other prominent amenities such as IOI Mall, Senai International Airport, Johor Premium Outlet, Senai Technology Park and Universiti Teknologi Malaysia. Equipped with public amenities like primary and secondary schools, a surau, a mosque, a multipurpose hall, a police station and other government offices, the township gives incredible value to its current and future residents with an easy access to Kulai from the North - South Expressway.

Economic: Developing a Sustainable Economy

Governing the Group

Implementing robust corporate governance measures facilitates our efforts to achieve good corporate accountability and integrity while ensuring that we continue to safeguard our stakeholders' interests and concerns.

The corporate governance standards set by the Group are supported by a framework of governing principles, regulations and policies that are relevant to the Group's business operations. We strongly believe that sustainable economic success can be achieved through responsible practices and regulatory compliance.

We adhere to the three governing principles of the Malaysian Code on Corporate Governance ("MCCG" or "the Code") as a framework to effectively govern the Group. The details of each principle and their respective roles in governing the Group's business operations are further elaborated in the Corporate Governance Overview Statement and Corporate Governance Report.

MCCG Principles
Principle A Board Leadership and Effectiveness Board Leadership
Principle B Effective Audit and Risk Management Effective Audit
Principle C Integrity in Corporate Reporting and Meaningful Relationship with Stakeholders

Each principle outlines a comprehensive framework that guides an organisation to enhance their accountability, transparency and sustainability.

Code of Ethics and Conduct

The Group adopts a Code of Ethics and Conduct which is intended to preserve our business integrity and accountability. Our compliance with the MCCG and the Code of Ethics and Conduct work in tandem with the requirements of the Group for corporate values such as professionalism, good conduct, integrity, loyalty and discipline that are integral to our success and further enhances our business sustainability.

The behaviour standards listed in the Code of Ethics and Conduct are applied across all corporate levels within the Group. Dissemination of the Code of Ethics and Conduct is carried out through internal memorandums and included in the induction programme for new employees to ensure that our entire workforce is aware of this code.

Grievance Mechanisms

We have made our grievance reporting mechanism available on our corporate website. Thereby, allowing our stakeholders and the general public to utilise this channel should there be any grievances or concerns.

Reported Grievances as of 30th November 2017	
Filed	414
Addressed	414
Resolved	304

For FY2018, we recorded a total of 414 cases through this grievance channel for Glomac Centro of which 73% were resolved. The table above presents the number of cases that have been addressed and successfully resolved.

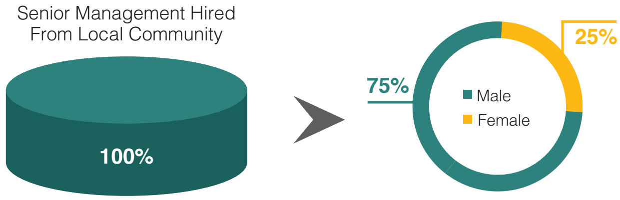
Whistleblowing Policy

Approved by the Board in 2017, the Company's Whistleblowing Policy focuses on providing an avenue for our stakeholders to formally report any concerns regarding malpractice, non-compliance with regulatory requirements or any breach of business conduct occurring within the Group's business operations.

Complying with Minimum Wage Order 2016

Malaysia's Minimum Wage Order 2016 stipulates that every employee hired by a company should be paid at an average minimum wage of not less than RM1,000 per month in Peninsular Malaysia or RM920 per month in Sabah, Sarawak and the Federal Territory of Labuan. We comply with this Minimum Wage Order as it ensures the standard entry level wage offered is fair and equal for both men and women.

Hiring from Local Communities



Hiring the right employees for a company contributes towards ensuring its success. The quality of our employees constitutes our stakeholders' first impressions of the Group and helps preserve our business reputation. With fair remuneration packages and the opportunity to hold a professional position, we contribute towards enhancing the employability of Malaysians while also improving the socio-economic conditions of the local community.

Keeping in mind Malaysia's cultural diversity, we only employ Malaysians for our senior management positions. The gender distribution for the senior management hired within the Group consists of 75% male employees.

SUSTAINABILITY REPORT

Investing in Local Infrastructure

Our corporate headquarters and townships are established in areas that are well served by public services such as public utilities, local infrastructure and amenities. To better serve our stakeholders and the general public, we invested towards improving accessibility to these public services.

Saujana KLIA

- Bricked walkways surrounding entire township premises to provide associability to tenants living within the township
- Designated an 8-acre recreational park equipped with a football field, basketball court and children's playground to facilitate social interactions within the township community
- We allocated land for school, mosque, community centre and proposed to build a club house. We also included the Rumah Selangorku in our plan

Glomac Centro

- Developed roads surrounding the development area
- Widened the walkways surrounding the existing school and mosque within the development area
- Established sound traffic control by installing additional traffic lights to ease congestion

Menara Glomac

- Pedestrian walkways surrounding our building premises to ensure that pedestrians can commute safely
- Direct walkway built to connect the MRT station to our lobby to reduce walking time and prevent commuters from crossing busy roads
- Widened the road along the building and installed streetlights and traffic lights to ease traffic flow
- Constructed a right turning road to Jalan Damansara Lama
- Constructed and egress connecting to Sprint Highway

Reflection Residence

- Contributed RM 282,182.50 to the Improvement Service Fund (ISF) allocated towards improving public amenities surrounding the area
- Constructed an additional lane from PJU 7/5 to PJU 7/1 to ease traffic congestion in the area
- Installed a closed drainage system to ensure efficient water drainage
- Constructed a pedestrian walkway surrounding the residence to improve accessibility

Sri Saujana and Saujana Jaya

- 40 acres of recreation park including schools, a community hall, children playground, 1 Malaysia Clinic, Masjid, Surau and retail shops
- Saujana Jaya includes a low-cost housing unit (Rumah Mampu Milik) as part of its development plan

Glomac Damansara

- Contributed RM 1,278,220.00 to the Improvement Service Fund (ISF) allocated towards improving public amenities surrounding the area
- Widened road in the surrounding area and included the installation of street lighting and traffic lights
- Conducted landscaping along Jalan Damansara to improve area conditions
- Constructed pedestrian walkways to ease public accessibility around the area

Lakeside Residences

- Established approximately seven (7) acres of recreational parks surrounding the lake, fully equipped with jogging tracks, a futsal court, badminton or takraw court, basketball court, schools, Surau, community hall, clubhouse with an attached café, pool and gymnasium
- Developed affordable housing apartments within the township
- Installed light-sensing streetlights to ensure that areas are well lit
- Contributed approximately RM 4.3 million to develop a link-bridge between USJ 1 and Bandar Puchong Jaya
- Developed a 1.5 kilometre 100-feet wide dual carriageway road from Persiaran Setia to LDP to improve township accessibility
- Upgraded and maintained the retention pond for the township

As an overall contribution, the Group took a pledge as part of their corporate social responsibility initiative to carry out landscaping for the slope of land along Jalan Damansara as part of its mixed development project, both planting fully mature trees and clearing the undergrowth that was once used as an illegal dumping site. The overall beautification area spanned across 0.24 hectares which was completed in July 2017, with Glomac contributing approximately RM250,000.

Efforts to promote a more holistic lifestyle are incorporated in the building plans of our townships. By providing easy access to recreational parks and defined walkways for residents to use, we aim to reduce the need for private vehicle use, thereby reducing carbon emissions.

Investments in local infrastructure also promote social interaction and healthier living practices. Our townships are well-maintained with regular landscaping management to preserve the excellent standards that the Group has set for its township community.

Spending on Local Suppliers

Our business presence benefits local development in many aspects by allocating project funds to hire local suppliers for many of our development projects. Although we do not have an official policy that prioritises local suppliers, we assure our stakeholders, which include local suppliers, that we provide fair purchasing and project tendering opportunities.

Our Group's PDD Group A Division allocates 5% of their procurement budget towards hiring local suppliers. This initiative has generated a positive outcome for two local businesses, KPD Security Services Sdn Bhd and Gerak Telus Maju Sdn Bhd. KPD Security Services Sdn Bhd supplies security guards to protect our Saujana KLIA project while Gerak Telus Maju Sdn Bhd is responsible for waste collection for the same project.

The Johor Development Division for our Sri Saujana and Saujana Jaya Project has engaged only local suppliers. We pride ourselves on this achievement knowing that we have contributed to the local economy in Johor and we aim to continue this practice in the years to come.

Future initiatives will include increasing the procurement budget for local suppliers throughout the Group's supply chain while also expanding its local hiring initiatives across other divisions.

Ensuring Product Quality and Customer Satisfaction

Maintaining the quality of products and services is an essential aspect that contributes to an organisation's business success. As a property developer, the needs of our customers have to be met to ensure that our property sales continue to grow and the business remains sustainable.

To achieve this, the Group has implemented a Project Quality Plan (PQP) as a contractual requirement for every property project we develop and construct. The PQP requires several forms of quality monitoring methods to be carried out, these include consistent quality inspection during construction, issuance of non-conformance report as and when necessary and regular site inspection by project consultants. In addition to the PQP, the Group has also established a number of internal policies with the aim to protect our product quality management, these include the following:

- Quality Procedure for Handing-over of Vacant Possessions Policy;
- Defect Management via Defect Tracking System Policy; and
- Handling Feedback and Complaint Policy.

We closely monitor the quality of our properties using the Defect Tracking Report method which logs and records any reported defects by our customers for our newly developed projects.

Our customers are ensured of a pleasant living experience at our township and non-township developments. We maintain this by establishing an Online Customer Portal via the Glomac website, a One-Stop Email solution (cs@glomac.com.my), distributing feedback forms and obtaining project reviews through telephone surveys.

Results from Glomac Centro's customer satisfaction survey via feedback forms:

- Design - dissatisfaction with carpark design due to long walk from the car parking area to the lift entrance
- Residence specification and finishing - requires several improvements
- Construction and workmanship quality - minimal complaints, overall low defects recorded

SUSTAINABILITY REPORT

Environment: Developing a Sustainable Environment

As a reputable developer, we are mindful of delivering quality sustainable homes to our customers. Careful thought and planning are put into our development projects to create an eco-friendly environment that promotes healthy living for residents with green landscaped spaces and environment friendly features amongst others. Energy consumption, water consumption and waste management are key aspects of sustainability. If they are monitored and managed well, it will reduce the impact of our operations on the environment.

Environmental risks include non-compliance to regulatory standards set by the local authority or the government. To ensure compliance, we strictly adhere to the Environmental Quality Act 1974 and its subsidiary regulations.

Our Green Building Initiatives

We extend our sustainability initiatives to include core structural designs that promotes natural lighting and insulation for our buildings and township houses. These initiatives form a stepping stone for the Group to steer itself towards developing future township and non-township projects that are both environmentally conscious and sustainable to its occupants.

Menara Glomac

- The office building has been installed with a VRV system which works to efficiently regulate the building air conditioning to enhance energy efficiency. The system allows its tenants to control and maintain the building temperature instead of relying on a central air conditioning system that would otherwise consume excessive amounts of electricity.
- The elevators within Menara Glomac and Block A has been installed with LED lights to reduce electricity consumption and utility cost
- Inverter alternatives and green refrigerant gas (R 410A) are used for Menara Glomac's air conditioners, fire extinguishers, refrigerators, cleaning solvents etc. to reduce contribution to Ozone Depleting Substances (ODs)

Saujana KLIA

- Several phases of development include terrace houses with a courtyard designed to improve air circulation inside the houses, keeping the houses cool with natural breeze, therefore reducing energy consumption for air conditioning

Lakeside Residences

- Used colour-tinted window glass to reduce amount of heat and sunlight glare that enters the house
- Installed aluminium insulated roofing to prevent heat from the sun to penetrate the house and maintain the cool environment within the house

Glomac Centro

- Certified for Green Building Index (GBI)
- Building structure constructed using low volatile organic compound (VOC) materials
- Building equipped with rain-water harvesting system and efficient water fittings to reduce water consumption and wastage
- Recyclable waste segregation, storage and disposal being carried out during construction phase
- Salvage piles were reused as part of building foundation
- Steel bars were reused as building material

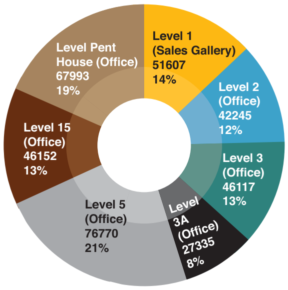
Reflection Residence

- Certified for GBI
- Achieved DOSH requirements for indoor air quality (IAQ) performance
- Comprehensive sound insulation
- Building structure constructed using low volatile organic compound (VOC) materials
- Minimised formaldehyde usage during construction
- Conduct regular post occupancy evaluation to identify areas of building improvement and address tenant needs
- Building site and open area constructed away from environmentally sensitive areas
- Utilises timber as part of its building structure
- Construction waste was segregated, stored, disposed and recycled responsibly.
- Building equipped with rain-water harvesting system and efficient water fittings to reduce water consumption and wastage
- Water for building fire system is recycled during equipment testing

Safeguarding Energy Consumption

Irresponsible energy consumption can lead to an increase in overall carbon emission which subsequently contributes to climate change. In light of this, we actively monitor the energy consumption of our sales galleries and Menara Glomac. This way, we will be able to formulate future energy reduction measures and monitor the effectiveness of such measures in the short, medium and long-term. At Sri Saujana and Saujana Jaya sales gallery, we have established a general reminder to our employees to conserve electricity where possible by being mindful of unnecessary electrical product usage or electricity wastage.

Menara Glomac



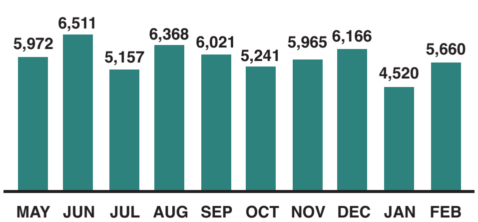
Menara Glomac's Anunal Electricity Consumption, kwh

The environmental data for Menara Glomac represents specific building levels, which are Level 1 (sales gallery), 2, 3, 3A, 5, 15 and the Penthouse. The remaining office levels at Menara Glomac are occupied by other tenants who manage their own utility bills.

Our building electricity consumption is highly dependent on the number of employees working at each building level. By keeping a close monitor on the amount of electricity that we consume on a monthly basis, we can begin future initiatives that can guide the organisation towards sustainable energy consumption practices.

Lakeside Residences

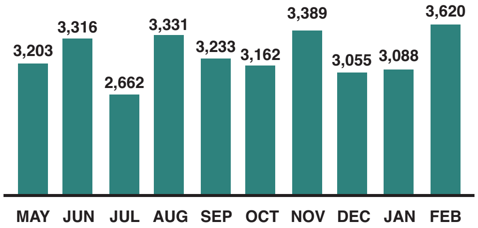
Lakeside Residences Sales Gallery Electricity Consumption, kWh



Total energy consumption at the Lakeside Residences sales gallery between May 2017 to February 2018 was 57,581 kWh. As the development phases at the township continues to grow, we experience larger volumes of customers who visit our sales gallery to view our project. This accounts for the high electricity consumption that we record.

Sri Saujana

Sri Saujana Sales Gallery Electricity Consumption, kWh

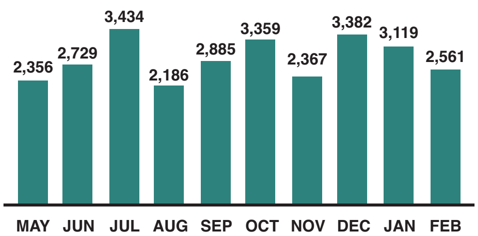


Between May and December 2017, the Sri Saujana property sales gallery recorded total energy consumption at 25,351 kWh. The lowest energy consumption was 2,662 kWh in July 2017 while the highest consumption levels occurred in November 2017 with a recorded value of 3,389 kWh.

Our energy consumption value is dependent on the number of clients that visit our sales gallery to view our flagship projects. Therefore, we observe slight fluctuations in energy consumption trends but still remain conscious of our role to conserve electricity.

Saujana Jaya

Saujana Jaya Sales Gallery Electricity Consumption, kWh



The average annual electricity consumption for the Saujana Jaya property sales gallery, from May to December 2017 was 22,698 kWh. While August 2017 recorded the lowest energy consumed at 2,186 kWh, July recorded the highest electricity consumption at 3,434 kWh.

Similar to Sri Saujana's sales gallery, our energy consumption levels are highly dependent on the number of client that visit the gallery. We continue to practice energy saving practices by avoiding any energy wasting practices.

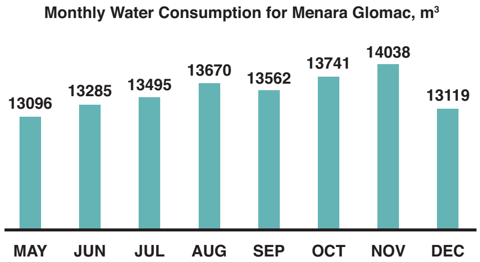
Efficient Water Utilisation

We protect our water resources by acutely monitoring our levels of water consumption for our sales gallery and office building. As a property developer, we are aware of the impacts of irresponsible water usage or wastage which may impact our surrounding ecosystem in the long run.

To play a part in maintaining environmental sustainability while our projects continue to enrich the lives of the nation, we aim to steer our strict monitoring practices towards creating future initiatives that are geared towards effective water management and reducing water wastage.

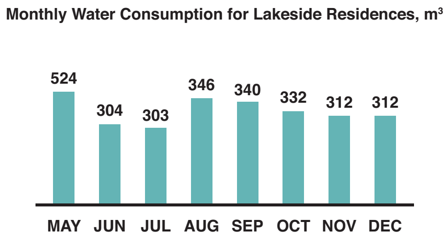
SUSTAINABILITY REPORT

Menara Glomac



Throughout FY2018, water consumption at Menara Glomac showed a steady increase every month. However, for the month of December 2017, due to incomplete record inventory, we recorded low water consumption. By closely monitoring our water consumption habits, we can begin to formulate initiatives that are targeted towards reducing our water usage.

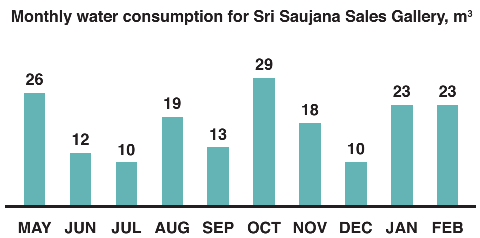
Lakeside Residences



While there was a spike in water consumptions reading in May 2017 (524 m^3), we managed to maintain our water usage between 304 to 345 m^3 between the months of June 2017 to December 2017.

Half (50%) of our electricity bills are charged to our contractors as their electricity is recorded using the same meter. We hope to continue this practice in the long run to avoid any wastage.

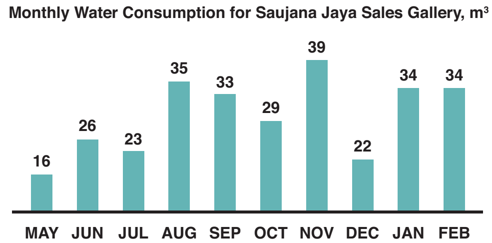
Sri Saujana



The water consumption readings for Sri Saujana sales gallery is low. Whenever we have events and project launches, the water usage would understandably increase, but on the whole, we are mindful of the need to conserve water.

Our water consumption in July and December 2017 was recorded at 10m^3. Low water consumption is due to low human traffic that visits our gallery and therefore reduces water utilisation.

Saujana Jaya



Water consumption was the lowest in May 2017 at Saujana Jaya sales gallery. However, water consumption gradually increased and peaked at 39m^3 in November 2017.

Although Saujana Jaya records an overall even distribution of water consumption, we remain mindful of the importance to conserve water and practice daily water saving methods to avoid any wastage.

Managing Waste Sustainably

We strive to manage our construction waste and scheduled waste generated at our project sites responsibly. This includes working closely with the Department of Environment (DOE) to ensure that our waste output is disposed in a responsible and sustainable manner.

In the case of our business operations, this is especially relevant to our construction division as construction activities often produce large solid wastes such as concrete, steel or other building materials that cannot be disposed in landfills. We adhere to Malaysia's scheduled waste disposal regulations as stipulated by the Environmental Quality (Scheduled Wastes) Regulations 2005 and ensure the proper disposal methods for different kinds of waste via hired contractors licensed by DOE.

While we do not keep exact records of the weight of waste we produce at Menara Glomac, we have a rough estimation of the amount of general waste the building generates. The property manager oversees five (5) mobile garbage bins with a capacity of 600 litres per bin. These are emptied and disposed by a licensed and registered contractor twice a week.

Moving forward, we aim to strengthen our efforts towards environmental stewardship by closely measuring our waste output and identifying viable options for waste segregation and recycling.

Social: Developing a Healthy and Safe Workplace

Given that our primary business is property development and construction, workplace health and safety is a high priority. To ensure the safety of our employees, especially contract workers involved in construction, our robust health and safety is managed by Health and Safety Committee and a qualified safety officer who implements, monitors and maintains the overall safety working condition at our project sites.

The Health and Safety Policy

Establishing a safe and conducive working environment is one of the key factors that drives an organisation towards sustainability. The Group aims to reduce the likelihood of accidents or injuries that may occur at our project sites by implementing our Health and Safety Policy.

Our Health and Safety Policy was initiated in May 2017. It emphasises the need for a safe and healthy working environment and the need to comply with the Occupational Safety and Health Act 1994. The new policy further improves the Group's Occupational Safety and Health Management System by creating a safe working space for individuals that enter our project sites.

We further support our Health and Safety Policy by implementing the Occupational Safety and Health Management System across the Group's business divisions. This system works to assist the Group in managing the standards of occupational safety and health at our workplace or project sites by practicing the "PLAN – DO – CHECK – ACT" approach.

Additional to this, we ensure that our employees are made aware of our policy and management system by conducting a compulsory safety induction session for our new recruits, contractors and suppliers.

The Health and Safety Committee and Emergency Response Team

To effectively implement our safety and health policy and management system, a Health and Safety Committee (HSC) was formed which consists of a qualified Safety and Health Officer and Managers and Executives from each business divisions at Glomac. The HSC meets on a quarterly basis to review the safety concern and performance mainly at Menara Glomac and any additional concern that arises from the Group's business divisions. Lead by the COO of Glomac, the safety performance and results are reported to the Board on a regular basis.

An Emergency Response Team (ERT) comprising of 20 employees from the Group has been designated to govern the procedures and response in the event of an emergency. Prompt and appropriate response during an emergency is essential to ensure the safety and wellbeing of our employees and contractors are constantly maintained. The ERT manages this by conducting relevant training programmes such as a CPR seminar and Fire Safety and Prevention Awareness training.

The Roles and Responsibilities of Our Health and Safety Officer

For this reporting period, we have appointed a qualified Health and Safety Officer (HSO) to strictly monitor and maintain our safety performance at our headquarters and for our property development and construction divisions. The roles and responsibilities of the HSO include:

- *Conducting project site inspections*
- *Conducting accident investigations as and when necessary*
- *Report and record any accidents or incidents that has occurred*
- *Check and maintain the compliance of the Group's facilities and infrastructure in line with the Occupational Safety and Health Act (OSHA) 1994, Act 514 and the Group's Safety and Health Policy*
- *Ensure employees, contractors and visitors comply with the aforementioned requirements*

Maintaining Building and Construction Safety

We maintain our workplace safety by providing necessary personal protective equipment (PPE), obtaining building permits and hiring pest control services. PPE is provided and made mandatory for employees and contractors who work in high-risk areas, namely the project construction sites. Our safety equipment includes safety helmets, safety shoes, high-visibility vests, ear muffs, gloves and goggles.

- ***Larvaciding*** *- Twice a week*
- ***Mosquito fogging*** *- Once every two (2) months*
- ***Rat baiting*** *- Once every two (2) months*
- ***Chemical spraying for termites and ants*** *- Once every two (2) months*

At Menara Glomac, we employ pest control services to avoid health risks to our employees. Through a hired contractor, larvaciding, fogging, rat baiting and chemical spraying for termites and ants are carried out periodically to reduce or eliminate any health threats that may arise through these known pest disease vectors.

The safety and integrity of our building equipment is of utmost importance to the Group. To secure this, we carry out an annual review and renewal of our *Permit Muat Angkat* (PMA) for our elevators and other building machineries that fall under the Factories and Machinery Act 1967. The PMA certification awarded by the Department of Occupational Safety and Health (DOSH) ensures that our building elevators are well maintained and safe for regular use. Additional building safety compliance adhered to by Menara Glomac is listed below:

- *Occupational Safety and Health Act (OSHA) 1994 (Act 514)*
- *Environmental Quality Act 1974 (Act 127)*
- *Fire Service Act 1988 (Act 341)*
- *Uniform Building By-Laws 1984*

SUSTAINABILITY REPORT

Human Rights and Labour Practices

The general wellbeing and rights of our employees are governed by Malaysian laws and regulations that we strictly adhere to. We continue to strive towards assuring our stakeholders, most importantly, our employees that their rights and wellbeing remain a priority within our Group. We strictly adhere to the listed policies to ensure that the rights of our employees are always protected and respected.

Malaysia's Human Rights and Labour Regulations
Employment Act 1955 Employment Regulations 1957 Children and Young Persons (Employment) Act 1966 Employment (Restriction) Act 1968 Trade Unions Act 1959

Our Sub-Contractor Agreement for appointed contractors includes a clause which requires the contractors to ensure that their workers are both legal and hold a CIDB Green Card before proceeding with the project.

For Saujana KLIA's township project, we allocate central housing units equipped with proper drainage system and facilities to our contract workers. The rights of our workers are well protected, ensuring that they live in sanitary living conditions throughout the development of our project.

With regards to our accident reporting and recording practices, we acknowledge the challenge the Group faces with keeping consistent accident records for its construction and development projects. This is partly due to the allocation of most construction activities to external contractors who record and report accident cases independently from the Group and is therefore not logged into the Group's system-keeping records. Moving forward, we aim to establish closer contact with our external contractors to gain better feedback and communication on accident cases at our project sites.

Responsible Construction Practices and Management

As property developers, we are heavily involved in construction processes to build our townships and non-township projects. The construction industry is often heavily plagued with irresponsible construction management systems and irresponsible worker protection.

Here at Glomac, we strongly take a stand against construction malpractices and have establish several key initiatives that are integral towards responsible contractor management and project development. Our ongoing efforts to improve and manage our construction practices include regular dilapidation surveys and providing monthly maintenance to newly-completed projects.

We require our hired contractors to conduct regular dilapidation survey during each development phase of our projects. This is to ensure that any defects to existing houses are easily identified and repaired in a prompt manner. Our project management practices extend up to one year after completion of a project. Even though a completed project has been handed over to the local council, we still provide monthly maintenance to ensure that our projects remain in pristine condition.

Industrialised Building System (IBS)

Glomac Centro and Lakeside Residences utilised the Industrialised Building System (IBS) during its development and construction phase. The IBS is an innovative construction method that ensures the building is constructed in a controlled, safe and efficient manner resulting in higher work quality and reduced construction time. We incorporated the IBS for the Glomac Centro project and the results have led to a promising outcome where our construction period was shortened and easier to manage. Our aim is to implement the IBS across our future property development and construction projects to further enhance our supply chain efficiency and improve product output.

Jump Form System

The jump form system was implemented during Glomac Centro's construction phase. Benefits of this system include quick and precise adjustment of formwork for high-rise structures. The formwork comprises of working platforms for cleaning the external building structure as well as efficient steel fixing and concreting. Our future initiatives aim to include this system to future high-rise projects to improve the quality of our construction services and reduce building time.

Social: Developing and Sustainably Managing Our Human Resources

Here, at our Group, we strive to promote teamwork, diversity, fairness and trust within the workplace. The policies we adopt aims to ensure that the wellbeing of our employees are preserved as we work towards achieving the Group's ambitions.

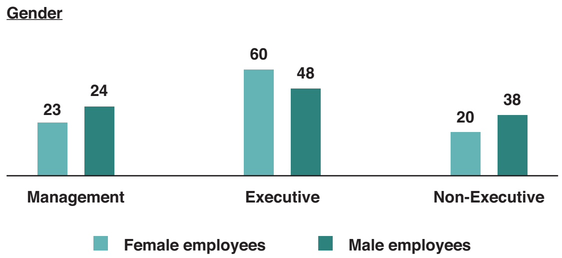
Employee Conduct

The Board formalised an Employee Handbook in 2017, which details the Group's expectations of its employees while also outlining acceptable behaviour throughout the organisation during their employment period. The handbook also includes a list of benefits that are the entitlement of fulltime employees.

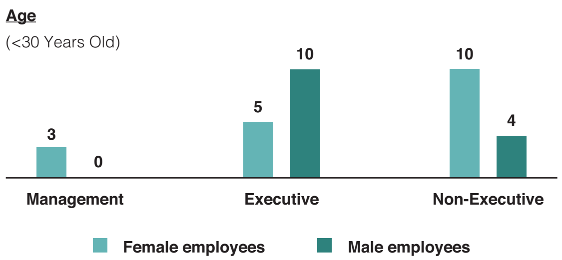
Providing Equal Opportunities for Our Employees

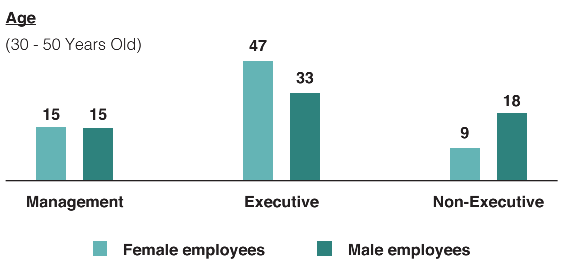
We encourage diversity and inclusiveness at the workplace and value individual differences without discrimination. Our recruitment and performance appraisal practices are based purely on merit and performance, regardless of gender, age or race. We hire or promote the best candidate for the job based on their experience, qualifications, knowledge and performance.

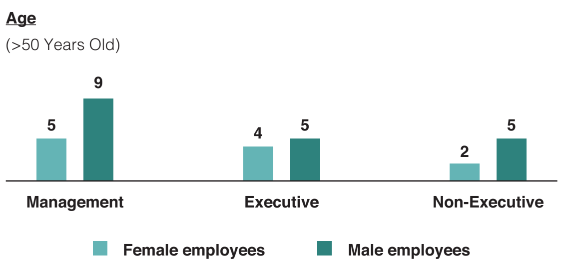
At the Group, we aim to build an organisation that is gender diverse as we believe in the contribution that women bring to the workplace.



As we evolve in the age of technology, we recognise the value of having a well-represented workforce. While the younger generation brings with them creativity and new-age thinking, the experienced hires bring a wealth of experience and knowledge in the industry.







Retaining Our Pool of Talents

We provide several opportunities for career advancement to our employees through performance appraisals and promotions based on the achievements on their target KPIs. The performance appraisals create a platform for systematic evaluation of employee performance and employee engagement, to understand their strengths and weaknesses, and provide suitable opportunities to further their career growth and development. We achieve this by observing the track record of our employees, their achievements and strengths when working within the organisation and take into consideration any improvement of performance from the previous years.

Our Employee Handbook outlines a list of benefits we provide for our permanent employees. These benefits include medical coverage, generous annual leave entitlement, maternal and paternal leave as well as allowances for certain Group divisions. We believe that by generously rewarding our employees with good benefits, we can retain our talents while creating a healthy working environment.

Social: Developing a Sustainable Society

Community engagement initiatives help mobilise our human resources, talents and skills to invest their time and effort in meaningful work to support communities and to inculcate a culture within the organisation to give back to the community.

Giving Back to Local Communities

Our ongoing efforts to incorporate sustainable practices into Glomac's business operations include increasing our involvement with the local community through volunteering activities or donations that would benefit the community.

We believe that in order to create a positive impact on the community, our efforts need to be continuous and worthwhile. Below are some of our ongoing community engagement programmes.

Giving Back to the Less Fortunate: Rumah Aman Orphanage and Welfare Home

- Hosted a breaking fast event for Rumah Aman at Glo Damansara Mall, which includes guests and the Rumah Aman children and Glomac employees including the Board of Directors. We have consistently hosted this event for the past 15 years during the holy month of Ramadhan.
- A sum of RM10,000 was donated to Rumah Aman towards ensuring the well-being of the children and RM50 was awarded to each child living in the orphanage. The Group also contributed new Hari Raya clothing for the children to commemorate the festive season.
- The funds have aided in building a school for the children, buying school necessities and paid the school teachers' salaries.

SUSTAINABILITY REPORT

Healthy Living: The Edge Kuala Lumpur Rat Race 2017

Since its launch in 2000, The Edge Kuala Lumpur Rat Race®, has continued to support over 200 registered charities and NGOs that aim to benefit the poor, the disadvantaged and the disabled.

- Glomac participated in the Edge Kuala Lumpur Rat Race 2017, for the 16th consecutive year. We enlisted on mixed team of runners consisting of male and female participants and 10 cheerleaders to support those who participated in the race.
- For 2017, we contributed RM17,500 to show support to the charities endorsed by the Edge Kuala Lumpur Rat Race®

Encouraging Local Talent: Malam Wartawan Malaysia 2017

While it continues to offer short and practical courses, workshops, seminars to local journalist, the Malaysian Press Institute (MPI) also offers academic programmes to its members. The Group supports this cause by providing generous donation to ensure that Malaysia's young local talents are given the opportunity to pursue their dreams of becoming an established journalist.

- We showed our support to this cause by consistently contributing funds for the last four (4) years, with this year's contribution amounting to RM 10,000.

Contributing to Charitable Foundations: The BUDIMAS Charitable Foundation (under the Royal Patronage of DYMM Seri Paduka Baginda Raja Permaisuri Agong)

The Budimas Charitable Foundation is a non-governmental, non-profit organization with the mission to provide guidance and funding in support the welfare and the wellbeing of orphans and underprivileged children in Malaysia.

- In accordance to their campaign awareness efforts, the Group showed its support by providing a complimentary space at Glo Damansara from 16th - 18th June 2018 for their authorized representatives to speak to members of the public about their cause.

Collaborating with UNICEF: My Promise to Children Campaign with UNICEF Malaysia

Twenty-eight years ago, the world made a promise to children when it adopted the Convention on the Rights of the Child (CRC) on 20th November 1989. The promise stated that they would do everything in their power to protect and promote their rights - to survive and thrive, learn and grow, to make their voice heard and to help them reach their full potential.

- In accordance with UNICEF's awareness campaign, the Group showcased their support to the campaign by providing a complimentary space at Glo Damansara from 8th - 13th August 2017 for their authorized representatives to speak to members of the public about their cause.

Creating Awareness: Autism Awareness Day - Collaboration with Autism Café Project

- Glomac together with Autism Café Project held an auction to raise funds for the autistic children with the aim to raise enough funds that would enable the organisation to buy a van to transport the children for their daily activities.
- The Group showed their support by providing a complimentary space at Glomac Property Gallery from 3rd - 4th March 2018 to sell their handmade art pieces, homemade cookies and weaving products to raise these funds.
- The Group contributed by preparing a menu of local dishes to be sold to the visitors during the Food Fit Fun campaign and donated RM 2,500 for the cause.

Keeping Our Employees Healthy: SUTAMA Cyclo 3.0 Event

Making Bandar Saujana Utama, Selangor's Sungai Buloh as the preferred location, the programme is a platform for mountain bike fans that are from various ages. Besides promoting a healthy lifestyle, the cycling jamboree which has been an annual event since 2013 is also aimed at introducing Glomac's township, Bandar Saujana Utama and the surrounding areas of Sungai Buloh as a cycling sports destination.

- Entered the event's third edition on 10th February 2018, the Cyclo MTB cycling program, organized by the Saujana Cycling Association.

- Glomac contributed monetary funds to show support for the cause of promoting a healthy lifestyle.

Uplifting the Local Community's School: Monetary Contribution to Schools in Bandar Saujana Utama

- Contributed to the Persatuan Ibu Bapa dan Guru (PIBG) at Sekolah Kebangsaan Saujana Utama for their state-level football tournament.

- Contributed to Sekolah Rendah Agama Saujana Utama.

- Contributed to the PIBG from Sekolah Kebangsaan Saujana Utama for their International Bahasa Malaysia - 'Menjejak Tamadun Islam Dunia' programme.

- Contributed to the PIBG from Sekolah Kebangsaan Saujana Utama for their 13th annual Sports Day in 2017.

GROUP EXECUTIVE CHAIRMAN'S STATEMENT
PENYATA PENGERUSI EKSEKUTIF KUMPULAN

On behalf of the Board of Directors, I am pleased to present Glomac Berhad's ("Glomac" or "The Group") Annual Report for the financial year ended 30 April 2018 ("FY18").

The Malaysia economy fared well in 2017, delivering GDP growth of 5.9% driven by domestic consumption and a more vibrant export sector. Nonetheless, we did not see a positive spillover to the property sector, which continued to be undermined by weak sentiment and tight financing guidelines imposed by banking institutions on lenders.

According to the 2017 Property Market Report, both the number of transactions and the value of transactions for residential properties within the range of RM500,000 and below fell 6.6% and 1.5% respectively last year, underscoring the prolonged lethargy within this segment of the property market. Buyers' confidence has been dampened by concerns over the rising cost of living and possibility of domestic interest rates moving up, as well as external uncertainties such as the risk of trade sanctions derailing global growth.

It is imperative that Glomac must strategize and sensibly manage our development business against this challenging backdrop. In this respect, I wish to compliment our Management and project teams, led by the Group Managing Director and Chief Executive Officer, Datuk Seri FD Iskandar, for their commendable efforts over the past year. Our financial results were satisfactory, reflecting our approach to not be overly aggressive with new launches and ensuring that we are only introducing relevant products that suit buyers' needs in this

Bagi pihak Lembaga Pengarah, saya dengan sukacitanya membentangkan Laporan Tahunan Glomac Berhad ("Glomac" atau "Kumpulan" bagi tahun kewangan berakhir pada 30 April 2018 ("TK18").

Ekonomi Malaysia memperlihatkan pencapaian yang baik pada tahun 2017, apabila mencatatkan pertumbuhan Keluaran dalam Negara Kasar (KDNK) sebanyak 5.9% didorong oleh penggunaan domestik dan sektor eksport yang berkembang dengan lebih pesat. Bagaimanapun, kami tidak melihat wujudnya limpahan yang positif dalam sektor hartanah yang terjejas dengan sentimen lemah dan garis panduan pembiayaan yang ketat dikenakan oleh institusi-institusi perbankan kepada para pemberi pinjaman.

Berdasarkan Laporan Pasaran Harta Tanah 2017, jumlah dan nilai urus niaga bagi harta kediaman dalam lingkungan harga RM500,000 dan ke bawah masing-masing jatuh sebanyak 6.6% dan 1.5% pada tahun lepas, memperlihatkan keadaan tidak bermaya yang berterusan dalam segmen pasaran hartanah ini. Keyakinan pembeli terjejas akibat kebimbangan terhadap kenaikan kos sara hidup dan kemungkinan kenaikan kadar faedah domestik, serta ketidakpastian dalam faktor luar seperti risiko sekatan perdagangan yang mengugat pertumbuhan global.

Sememangnya adalah penting bagi Glomac untuk mempunyai strategi dan kebijaksanaan dalam menguruskan perniagaan kami berikutan persekitaran yang mencabar ini. Dalam hal ini, saya ingin menyatakan penghargaan kepada pasukan pengurusan dan projek kami, yang diketuai oleh Pengarah Urusan dan Ketua Pegawai Eksekutif Kumpulan, Datuk Seri FD Iskandar, atas kecemerlangan usaha yang ditunjukkan pada sepanjang tahun sebelum ini. Keputusan kewangan kami menunjukkan pencapaian yang memuaskan, mencerminkan pendekatan tidak terlalu agresif diambil dalam pelaksanaan pelancaran yang baharu dan sentiasa memastikan hanya produk yang relevan diperkenalkan bagi memenuhi keperluan pembeli dalam persekitaran perniagaan

GROUP EXECUTIVE CHAIRMAN'S STATEMENT
PENYATA PENGERUSI EKSEKUTIF KUMPULAN

current climate. Our launches have mostly been focused on landed residential and affordable houses within the Klang Valley. Thus far, I am proud to report that all of our ongoing projects have achieved significant sales, despite the heightened competition from our peers in this segment of the market. This underscores Glomac's strengths in our development approach and our solid track record in delivering valued and innovative products in the marketplace. I remain confident that our recent as well as upcoming launches will be just as warmly received. Details of our development activities are further elaborated in our Management Discussion and Analysis report.

Dividends

Glomac has built a consistent dividend track record throughout the years. It is the Board's intention to maintain a reasonable trend in dividend payments, taking into consideration our earnings delivery and future capital commitment to sustain long term growth.

For the financial year ended 30 April 2018, the Board has proposed a final single tier dividend of 1.5 sen per ordinary share, subject to shareholders' approval in the upcoming 34th Annual General Meeting. This, if approved, is to be paid on our enlarged share base of 790.7 million shares following the completion of our bonus issue in January 2018.

In January 2018, Glomac completed a bonus issue on the basis of 1 bonus share for every 10 existing ordinary shares held. This exercise was aimed at further rewarding our shareholders by enabling them to have a greater participation in the equity of the Company in terms of number of shares held, whilst maintaining their percentage of equity interest. In addition, the bonus issue can also potentially improve the trading liquidity of Glomac shares on Bursa Malaysia.

Awards & Accolades

As a visionary property developer, it is always a delight to be recognised for the innovative living concepts we place onto our developments. At the recent PROPERTY INSIGHT PRESTIGIOUS DEVELOPER AWARDS 2018, Glomac was presented with the BEST LIVING LIFESTYLE DEVELOPMENT award for our LAKESIDE RESIDENCES.

With an estimated Gross Development Value ("GDV") of RM4.2 billion, Lakeside Residences is our flagship integrated residential development in the heart of Puchong. When completed, it will eventually have a good mix of landed and high rise residential phases, complemented by commercial shop offices. Featuring a serene lake, wide open park and a striking residents' clubhouse complete with an infinity pool and gym, Lakeside Residences is a well-planned development that protrudes a dedicated balance of nature, greenery and living spaces.

semasa. Pelancaran yang kami lakukan kebanyakannya menjurus kepada rumah kediaman bertanah dan rumah mampu milik di Lembah Klang. Setakat ini, saya dengan bangganya melaporkan bahawa . semua projek yang sedang dilaksanakan telah berjaya dijual dengan tahap yang amat memuaskan, meskipun terdapat persaingan yang semakin sengit dari saingan kita dalam segmen pasaran ini. Keadaan ini memperlihatkan kekuatan Glomac dalam pendekatan pembangunan dan keampuhan rekod prestasinya dalam menawarkan produk yang bernilai dan inovatif di pasaran. Saya kekal yakin bahawa pelancaran yang dibuat baru-baru ini dan juga pada masa mendatang akan terus mendapat sambutan hangat. Perincian tentang aktiviti pembangunan kami diberikan dengan lebih lanjut dalam laporan Perbincangan dan Analisis Pengurusan kami.

Dividen

Glomac memiliki rekod pencapaian dividen yang konsisten sejak bertahun-tahun lamanya. Sememangnya menjadi hasrat Lembaga Pengarah untuk mengekalkan arah aliran (trend) pembayaran dividen yang munasabah dengan mengambil kira perolehan pendapatan dan komitmen modal pada masa hadapan dalam mengekalkan pertumbuhan jangka panjang.

Bagi tahun kewangan berakhir 30 April 2018, Lembaga Pengarah telah mencadangkan dividen akhir peringkat satu sebanyak 1.5 sen bagi setiap saham biasa, tertakluk kepada kelulusan para pemegang saham dalam Mesyuarat Agung Tahunan ke-34 yang akan datang. Jika diluluskan, ia akan dibayar pada asas (modal) saham kami yang diperbesarkan berjumlah 790.7 juta saham berikutan selesainya terbitan bonus yang kami lakukan pada bulan Januari 2018.

Pada bulan Januari 2018, Glomac telah menyelesaikan pelaksanaan terbitan bonus pada asas 1 (satu) saham bonus bagi setiap 10 saham biasa yang dipegang. Terbitan itu bertujuan untuk memberi ganjaran berterusan kepada para pemegang saham supaya mereka mempunyai penyertaan yang lebih besar dalam ekuiti Syarikat dari segi bilangan saham yang dipegang, sambil mengekalkan peratusan kepentingan ekuiti mereka. Tambahan pula, terbitan bonus juga boleh meningkatkan kecairan atau mudah tunai urus niaga saham Glomac di Bursa Malaysia.

Anugerah & Penghargaan

Sebagai pemaju hartanah yang berwawasan, sememangnya menjadi satu kegembiraan apabila pengiktirafan diberikan kepada konsep kehidupan inovatif yang kami terapkan dalam projek-projek pembangunan kami. Pada majlis penyampaian anugerah PROPERTY INSIGHT PRESTIGIOUS DEVELOPER 2018 baru-baru ini, Glomac telah menerima anugerah PEMBANGUNAN GAYA HIDUP TERBAIK bagi projek LAKESIDE RESIDENCES kami.

Dengan anggaran Nilai Pembangunan Kasar atau GDV sebanyak RM4.2 bilion, Lakeside Residences merupakan sebuah pembangunan kediaman bersepadu utama yang kami majukan di tengah-tengah kawasan Puchong. Selepas penyelesaian projek pada masa depan, ia akan menawarkan pembangunan bercampur yang baik daripada kediaman bertanah hinggalah fasa kediaman bertingkat, disokong dengan kehadiran kedai pejabat komersial. Dengan adanya sebuah tasik yang mampu memberikan ketenangan dengan konsep taman terbuka dan rumah kelab penduduk lengkap dengan kemudahan gim dan kolam yang tidak bertepi atau infiniti, At the same PROPERTY INSIGHT PRESTIGIOUS DEVELOPER AWARDS 2018, our Group Managing Director and Chief Executive Officer, Datuk Seri FD Iskandar was also presented the INDUSTRY EXCELLENCE award in recognition of his immense contribution to the industry all these years as well as in his current capacity as the President of Real Estate and Housing Developers' Association Malaysia ("REHDA").

Datuk Seri FD Iskandar was also honoured by The EdgeProp.my, Editor's Choice as Malaysia's Exemplary Real Estate Industry Leader 2018, as an accreditation for his capacity as the president of REHDA Malaysia.

Prospects

As global economies expand, the outlook for Malaysia should remain stable. The 2018 GDP growth forecast is expected to range between 5.5% and 6.0%, driven by higher domestic demand. With sustained growth momentum, we believe overall sentiment and activities should at least sustain, and improve gradually over time to lift the property sector.

Glomac has a strong portfolio of property projects with total estimated GDV of RM9 billion to capitalize on potential upturn in the residential property segment. Within our portfolio is a strong and diverse suite of development products catering to the mid-market residential segment. Near term, Glomac will continue to focus on introducing products that would suitably meet with current market demands. Our balance sheet is not overly leveraged, and can support a higher level of development activities. Meanwhile, we will endeavour to further improve on our efficiencies and build on our reputation as a quality and innovative property developer in Malaysia.

Acknowledgements

This year, we commemorate our 30th anniversary, celebrating our 30 years in business since Datuk Richard Fong, our Group Executive Vice Chairman, and I started the company in 1998. Throughout the 30 years we have received various accolades in recognition of our achievements as we aspire to become a world class property developer dedicated to delivering outstanding services and innovative products.

On behalf of the Board, I would like to take this opportunity to express my appreciation to all stakeholders for their support. Our sincere thanks goes to our shareholders for their unwavering confidence in Glomac all these years. We are also grateful to our employees, customers, bankers and financiers, statutory bodies, business associates and partners for their support and contribution towards the growth and development of our Company.

Lakeside Residences adalah pembangunan hartanah yang dirancang dengan baik untuk menonjolkan keseimbangan alam semula jadi dengan persekitaran hijau dan juga ruang kehidupan.

Pada majlis penganugerahan itu juga, Pengarah Urusan dan Ketua Pegawai Eksekutif Kumpulan, Datuk Seri FD Iskandar juga menerima ANUGERAH KECEMERLANGAN INDUSTRI sebagai pengiktirafan sumbangan besar beliau kepada industri selama ini dan juga kedudukan beliau sebagai Presiden Persatuan Pemaju Hartanah dan Perumahan Malaysia ("REHDA Malaysia").

Datuk Seri FD Iskandar juga diberi penghormatan oleh Editor The EdgeProp.my, sebagai 'Malaysia's Exemplary Real Estate Industry Leader 2018', bertujuan mengiktiraf kedudukannya sebagai presiden REHDA Malaysia.

Prospek

Memandangkan ekonomi global terus meningkat, tinjauan prospek bagi Malaysia dijangka akan kekal stabil. Ramalan pertumbuhan KDNK 2018 dijangka berada pada julat antara 5.5% hingga 6.0%, didorong oleh permintaan domestik yang lebih tinggi. Dengan momentum pertumbuhan yang mampan, kami percaya keseluruhan sentimen dan aktiviti sekurang-kurangnya mampu bertahan, dan bertambah baik secara beransur-ansur mengikut masa untuk meningkatkan pertumbuhan sektor hartanah.

Glomac mempunyai portfolio projek hartanah yang kukuh dengan jumlah anggaran Nilai Pembangunan Kasar sebanyak RM9 bilion untuk meraih faedah daripada potensi peningkatan dalam segmen hartanah kediaman. Dalam portfolio, kami mempunyai produk pembangunan yang kukuh dan juga pelbagai untuk memenuhi segmen kediaman pertengahan. Dalam jangka masa terdekat, Glomac akan terus fokus dalam memperkenalkan produk yang sesuai dengan permintaan pasaran semasa. Lembaran imbangan kami berada dalam keadaan baik dan berupaya menyokong aktiviti pembangunan pada peringkat lebih tinggi. Sementara itu, kami akan terus berusaha untuk meningkatkan kecekapan dan membangunkan reputasi kami sebagai pemaju hartanah yang berkualiti dan inovatif di Malaysia.

Penghargaan

Tahun ini, kami meraikan ulang tahun ke-30, sebagai menandakan 30 tahun usia perniagaan kami sejak Datuk Richard Fong, Naib Pengerusi Eksekutif Kumpulan dan saya memulakan syarikat ini pada tahun 1998. Sepanjang tempoh berkenaan, kami telah mendapat pelbagai penghargaan sebagai pengiktirafan kepada pencapaian kami dalam aspirasi untuk menjadi pemaju hartanah bertaraf dunia yang menawarkan perkhidmatan cemerlang dan produk yang inovatif.

Bagi pihak Lembaga Pengarah, saya ingin mengambil peluang ini untuk menyatakan setinggi-tinggi penghargaan kepada semua pemegang kepentingan atas sokongan mereka. Saya juga ingin menyampaikan ucapan terima kasih dengan penuh keikhlasan kepada para pemegang saham atas keyakinan yang tinggi terhadap Glomac untuk sekian lamanya. Kami juga terhutang budi kepada

GROUP EXECUTIVE CHAIRMAN'S STATEMENT
PENYATA PENGERUSI EKSEKUTIF KUMPULAN

In May 2018, Datuk Seri Panglima Hj Abdul Azeez Bin Hj Abdul Rahim resigned from the Board as our non-independent non-executive director. Consequently, Datuk Seri Johan Bin Abdullah, his alternate director, has also resigned accordingly. On behalf of the Board, I wish to take this opportunity to extend my warmest appreciation to the two gentlemen and their respective contributions as our Board members.

I would also like to thank my fellow Directors for their counsel, wisdom and friendship throughout the year. I look forward to their continued guidance and support in the years ahead as the Company continues its journey in fulfilling its full potential as a significant property developer in Malaysia.

Thank you.

Tan Sri Dato' FD Mansor
Group Executive Chairman

kakitangan kami, pelanggan, bank-bank dan pembiaya, badan-badan berkanun, sekutu perniagaan dan rakan kongsi atas sokongan dan sumbangan yang diberikan terhadap pertumbuhan dan pembangunan syarikat kami.

Pada Mei 2018, Datuk Seri Panglima Haji Abdul Azeez Bin Haji Abdul Rahim meletak jawatan sebagai pengarah bukan eksekutif bukan bebas kami. Berikutan itu, Datuk Seri Johan Bin Abdullah, pengarah alternatifnya, juga meletak jawatan. Bagi pihak Lembaga Pengarah, saya ingin mengambil kesempatan ini untuk menyatakan setinggi-tinggi penghargaan kepada kedua-dua mereka atas sumbangan yang diberikan ketika menjadi ahli Lembaga Pengarah kami.

Akhir sekali dan tidak dilupakan, saya juga ingin mengucapkan terima kasih kepada Lembaga Pengarah dan rakan-rakan Pengarah atas nasihat, kebijaksanaan dan persahabatan yang terjalin sepanjang tahun kewangan. Saya berharap mereka akan terus memberikan panduan dan sokongan dalam tahun-tahun yang mendatang supaya Syarikat meneruskan usahanya untuk menjadi pemaju hartanah terkemuka di Malaysia.

Terima kasih.

Tan Sri Dato' FD Mansor
Pengerusi Eksekutif Kumpulan

MANAGEMENT DISCUSSION & ANALYSIS

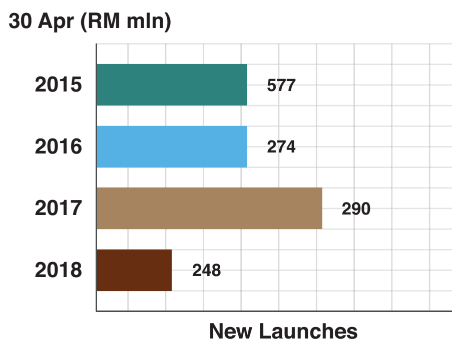
Dear Valued Shareholders,

This Management's Discussion and Analysis ("MD&A") elaborates on the financial and operational performance of Glomac Berhad over the 12-month period ended 30 April 2018. It also provides guidance on upcoming launches and Management's expectations of the Group's prospects in the current financial year. We remain steadfast in pursuing our long-term vision to be recognised by stakeholders as a world-class developer, and for the Glomac brand to be synonymous with outstanding services, value and quality products.

Financial Performance

FYE 30 Apr (RM mln)	2018	2017	% change
Revenue	405.9	584.1	-31%
Gross profit	97.0	235.5	-59%
Pre-tax profit	56.3	169.7	-67%
PATMI	31.3	108.2	-71%
Net EPS (sen)^	3.9	13.6	-71%
Gross margin	23.9%	40.3%	-
Pre-tax margin	13.9%	29.1%	-

Historical Trend in New Launches



On balance, Glomac's financial performance for the year was satisfactory. Revenue recognition throughout the four quarters was fairly consistent, reflecting smooth construction progress across our key ongoing projects namely Saujana KLIA and Saujana Perdana. In comparison, we achieved higher turnover of RM584.1 million in the previous financial year but that included a RM145.6 million entry arising from the sale of development land in Cheras. Adjusting for that, FY18 revenue would have declined a lesser 7% year-on-year.

The subdued topline performance is a consequence of our cautious stance towards new launches over the past 3 years. In view of the expected consolidation in the marketplace, we had deliberately restrained our launches from FY16 onwards. Coming from a high of RM577 million new projects launched in FY15, launches reduced to RM274 million in the following year and has stayed below the RM300 million mark since then.

In addition, given the challenging marketplace, we focused our development strategy on launching mainly affordable landed products in our townships. We continuously innovated on layout and design to achieve competitive pricing, and kept our Klang Valley launches largely within the RM500,000 per unit psychological mark. We are happy to report that this strategy has served us well. Today, the take-up rates at all our ongoing projects are at 90% or better. Inevitably, profit delivery has also slowed, but to a level which we deem to be satisfactory when measured against the pace of our launches.

We continue to believe that this strategy, which we embarked on at the onset of the current market consolidation, is correct. A contrasting strategy of continuing to drive launches would likely have drained our working capital and placed our financial position under stress. Ultimately, Glomac would have been considerably less well-positioned to capitalise on the next market upswing had we adopted a more aggressive development strategy over the past 3 years.

MANAGEMENT DISCUSSION & ANALYSIS

As highlighted above, profit performance has also slowed in tandem with the lower level of development activities. Group pre-tax earnings declined 67% year-on-year to RM56.3 million, while net profit attributable to owners of the Company fell 71% to RM31.3 million from a year ago. The decline can also be partially explained by the high base effect, where FY17 earnings was bolstered by profit from the disposal of development land. Our reported net profit attributable to owners of RM31.3 million, when measured against our relatively modest pace of launches and also development mix in favour of affordable landed township developments, is considered satisfactory. In this context, our achieved pre-tax margin of 14% in FY18 is also within expectations, given that our fixed overheads are being absorbed by a lower level of turnover. To sustain profitability, we are continuously reviewing our cost base. To this end, I am encouraged to report that on a year-on-year basis, our administration expenses has declined 25% to RM31.2 million.

Landed residential developments in our Klang Valley townships remained the mainstay of the Group's development activities and also financial performance. Notable contribution came from Saujana KLIA, our ongoing affordable township project and Saujana Perdana, an extension of our highly successful and matured Bandar Saujana Utama township. Both have enjoyed healthy response to the various phases launched over the past 2 years, and will continue to feature in our planned launches in the current financial year.

During the year under review, we have successfully completed 904 units of properties with total Gross Development Value ("GDV") of RM542 million.

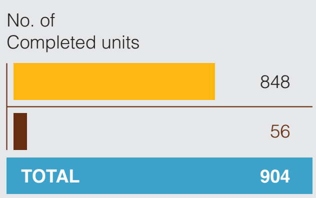
FY2018 Revenue Contribution by Region

Klang Valley	95%	RM385.8 mln
Johor	5%	RM20.1 mln
TOTAL	**100%**	**RM405.9 mln**

FY2018 Completed Properties' GDV

Klang Valley	96%	RM519 mln
Johor	4%	RM23 mln
TOTAL	**100%**	**RM542 mln**

FY2018 Completed Units



Our balance sheet remains in a healthy state. Our current ratio as at 30 April 2018 is at 1.36x. Cash, fixed deposits and short term placements totalled RM176.1 million at the balance sheet date. On a net basis, our gearing stood at 0.3x shareholders' funds. This has risen from 0.2x a year ago, but remains very manageable, in our opinion. The higher gearing is attributed to a negative change in working capital of RM84.3 million for the period under review. The additional working capital has been deployed mainly into our various projects in preparation of launches to be executed in the coming months.

On balance, our financial position remains healthy and we will be able to fund our planned development activities comfortably in the coming year. At the same time, if suitable landbank becomes available in the market, we are in a position to gear further to capitalise on such opportunities.

Given our continued profitability, Glomac's net assets attributable to shareholders has improved further to RM1.39 per share. For comparison purposes, we ended the previous financial year at RM1.35 per share, after adjusting for the 1 : 10 Bonus Issue involving the issuance of 72.3 million new shares completed in January 2018.

Dividends

In sustaining our uninterrupted dividend track record since listing and in appreciation of the loyal support of shareholders, the Board has proposed the payment of a final single-tier dividend of 1.5 sen per share in respect of the financial year ended 30 April 2018. This, if approved, is to be paid on our enlarged share base of 790.7 million shares following the completion of our bonus issue in January 2018. This translates to a dividend yield of 3.1% based on Glomac's closing share price of RM0.49 as of 30 April 2018. The proposed final single-tier dividend is subject to Glomac shareholders' approval at the upcoming 34th Annual General Meeting.

Property Development

Launches in FY18 comprised terrace houses, with a substantial portion converging on Saujana Perdana as we continued to feed on the robust momentum from that township. Adjacent to our matured and highly successful Bandar Saujana Utama in Sg. Buloh, Saujana Perdana made an impactful debut in FY17 where our initial phases of terrace houses are fully sold. Capitalising on this strong demand, we launched new phases of terrace houses at the township with GDV of RM173 million in FY18. Response for the new phases has been just as positive.

In the year, new terrace homes were also launched at Saujana Utama 5 and Saujana Rawang. This would be the first launch at Saujana Utama 5, which is an extension to our Bandar Utama Saujana township in Sungai Buloh. The entire development at Saujana Utama has an estimated GDV of RM300 million.

FY2018 Launches

Saujana Perdana	70%	RM173 mln
Saujana Utama 5	10%	RM24 mln
Saujana Rawang	20%	RM51 mln
TOTAL	**100%**	**RM248 mln**

Overall, we achieved new sales of RM214 million in FY18, a modest delivery reflecting our decision to pace new launches over the recent years. New sales were mainly derived from Bandar Saujana Utama, primarily from the healthy demand at Saujana Perdana and Saujana Utama 5. New phases of terrace houses at Saujana Perdana launched in FY18 were more than 80% sold.

Other ongoing developments contributing to new sales were Lakeside Residences in Puchong, as well as ongoing townships such as Saujana KLIA, Saujana Rawang as well as Sri Saujana in Johor.

FY2018 Sales

Lakeside Residences	10%	RM22 mln
Saujana KLIA	3%	RM6 mln
Bandar Saujana Utama	66%	RM142 mln
Sri Saujana	10%	RM21 mln
Saujana Rawang	6%	RM12 mln
Others	5%	RM11 mln
TOTAL	**100%**	**RM214 mln**

Unbilled sales as at end-FY18 stood at RM410 million, very much reflecting the composition of new sales generated in the year, where ongoing phases at Saujana Perdana accounted for a substantial portion of future billings. We expect our unbilled sales to improve as sales momentum picks up with an estimated RM1.09 billion new launches planned for FY19.

MANAGEMENT DISCUSSION & ANALYSIS

Review Of Property Projects

Saujana KLIA, Sepang

Launched	**: 2015**	**Take-Up Rate**	**: 99%**
Total GDV	**: RM2.5 billion**	**FY2018 sales**	**: RM6 million**
Launched GDV	**: RM517 million**	**Unbilled sales**	**: RM54 million**

Saujana KLIA is strategically located in Sepang and poised to be yet another showcase of Glomac's ability to provide quality housing at affordable prices. The 231-acre affordable township, with a total estimated GDV of RM2.5 billion, is well located within close proximity to the Federal administrative centre Putrajaya, Cyberjaya, Dengkil as well as Nilai. It is also highly accessible via major highways including Maju Expressway (MEX), Damansara-Puchong Highway (LDP) and the North South Expressway Central Link (ELITE). It is also surrounded by world class amenities including Kuala Lumpur International Airport (KLIA & KLIA 2), Sepang International Circuit, KL International Outlet and several universities, colleges and international schools.

The landed properties at Saujana KLIA comes with spacious layouts and modern contemporary designs enveloped in lush greenery. Initially launched in 2015, existing phases of terrace houses and shop offices with a total GDV of RM517 million have been fully sold.

Lakeside Residences, Puchong

Launched	**: 2012**	**Take-Up Rate**	**: 98%**
Total GDV	**: RM4.2 billion**	**FY2018 sales**	**: RM22 million**
Launched GDV	**: RM495 million**	**Unbilled sales**	**: RM15 million**

Lakeside Residences is Glomac's highly successful flagship integrated residential project located in Puchong, Selangor. The 200-acre development has an estimated total GDV of RM4.2 billion, and is maturing well with a growing vibrant residential community.

Lakeside Residences is strategically located within the proximity to Puchong's thriving commercial hub, with easy access via major highways such as KESAS, LDP, Bukit Jalil Highway and the North South Expressway. It is also surrounded by established amenities such as Tesco Puchong, IOI Mall, Binary University College, Sunway University, Columbia Asia Medical Centre and many more. Connectivity is further enhanced with the Ampang LRT line extension, which was completed in early 2016.

Previous phases of terrace houses are fully sold. This year we plan to introduce the first commercial phase into the development. Known as Lakeside Boulevard, initial launch will include shop offices with GDV of RM61 million.

MANAGEMENT
DISCUSSION & ANALYSIS

Bandar Saujana Utama,
Sungai Buloh

Launched	**:**	**1997**	**Take-Up Rate**	**:**	**96%**
GDV	**:**	**RM2.8 billion**	**FY2018 sales**	**:**	**RM142 million**
Launched GDV	**:**	**RM2.0 billion**	**Unbilled sales**	**:**	**RM298 million**

Glomac's established Bandar Saujana Utama township was launched two decades ago. Located on 1,000 acres in Sungai Buloh the population of this vibrant township has grown to 65,000, with mostly young and growing families seeking a healthy environment to live in.

Bandar Saujana Utama's sizeable residential enclave has been planned to be a self-contained township, supported by the many commercial hubs within, and surrounded by its own residents' clubhouse, parks, schools and hypermarkets. Connectivity continues to improve with the completion of the KL-Kuala Selangor Expressway and the Sungai Buloh – Kajang MRT line.

With previous phases fully sold, and with Bandar Saujana Utama coming to the tail-end of its development, Glomac has commenced launches in two adjacent townships, namely Saujana Perdana and Saujana Utama 5 to further expand its presence in Sungai Buloh. Saujana Perdana and Saujana Utama 5 have total estimated GDV of RM896 million and RM300 million respectively.

Launches at Saujana Perdana have met with resounding success. To-date, close to 1,000 terrace houses have been launched through several phases at Saujana Perdana with an estimated GDV of RM376 million, achieving 86% sales. New phases of terrace houses are expected for launch this year to further fuel demand at this new township.

Saujana Rawang, Rawang

Launched	**: 2006**	**Take-Up Rate**	**: 90%**
GDV	**: RM1.2 billion**	**FY2018 sales**	**: RM12 million**
Launched GDV	**: RM757 million**	**Unbilled sales**	**: RM12 million**

Residing within a self-contained 345 acres fringed by a pristine forest, Saujana Rawang has emerged as a thoughtfully planned, affordable development offering contemporary homes and a commercial hub amidst a tranquil and idyllic themed setting. The RM1.2 billion affordable township is strategically location within the Northern Growth Corridor, just 10 minutes off the Rawang Interchange from the North-South Expressway.

Crowned with striking landscaping that includes recreational lakes, pavilions and meandering walkways, the township, offering a healthy blend of apartments, terrace houses, semi-Ds and zero lot bungalows, is envisioned to provide comfortable and affordable homes for young families looking for a peaceful and verdant community in which to plant their roots. Launched in 2006, Saujana Rawang has become a fast growing township with a steadily rising population.

Most of the previous product launches have been sold. Latest launch in FY18 comprising terrace houses with GDV of RM51 million, have also enjoyed healthy response.

MANAGEMENT DISCUSSION & ANALYSIS

Sri Saujana, Johor

Launched	**:**	**1999**	**Take-Up Rate**	**:**	**97%**
GDV	**:**	**RM780 million**	**FY2018 sales**	**:**	**RM21 million**
Launched GDV	**:**	**RM564 million**	**Unbilled sales**	**:**	**RM31 million**

Sited on 450 acres, Sri Saujana is a modern township unveiled back in 1999. This affordable township is strategically located just 10 minute-drive from Ulu Tiram and Kota Tinggi, surrounded by amenities such as secondary and religious schools, supermarkets and shops, a multi-purpose hall, petrol station, health clinic, surau and mosque. The self-contained township features a 20-acre Recreation Park which serves as the green lung in this township. It offers a wide range of residential and commercial units, catering to different buyers' needs and budget.

Sri Saujana enjoys superb access through Jalan Johor Bahru-Kota Tinggi Road to main destinations in Johor Bahru such as Senai International Airport Johor. It also offers a comfortable 30-minute drive to Johor Bahru via the Eastern Dispersal Link Highway (EDL) and easy access to the North–South Expressway (PLUS) via the Senai-Desaru Expressway.

Previous property phases are almost all sold. This year, new phases of terrace houses with total GDV of RM30 million is earmarked for launch.

Glomac Centro, Petaling Jaya

Launched	**: 2012**	**Launched GDV**	**: RM374 million**
Completed	**: 2016**	**Take-Up Rate**	**: 95%**

Centro V, Petaling Jaya

GDV: RM280 million
To-be-launched

Glomac Centro resides on 7.62 acres as a mixed residential development designed to offer an inclusive urban lifestyle within the prime location of Bandar Utama. Completed in 2016, Glomac Centro comprises a contemporary 29-storey serviced apartment block and modern double storey shop offices, where a mix of established medical, recreational and shopping amenities is within easy reach. It is surrounded by excellent amenities with a short drive away to higher education institutions such as KDU, KBU and Segi College. It is also extremely well-connected with easy access to major highways such as SPRINT, NKVE and LDP.

Glomac Centro sits in the midst of lively and well established areas, such as Bandar Utama, Damansara Utama, Taman Tun Dr. Ismail, Mutiara Damansara and Mont Kiara. The Bandar Utama MRT station, which is part of the Sungai-Buloh – Kajang MRT line and the new LRT3 line are just 1.5 km and 1km away respectively and has further improved connectivity.

Centro V, phase 2 of the development, is slated for launch towards the end of this financial year. The project will comprise of serviced apartments and SoHo suites with a total estimated GDV of RM280 million.

MANAGEMENT DISCUSSION & ANALYSIS

Glomac Damansara, Kuala Lumpur

Launched	**: 2009**	**Launched GDV**	**: RM513 million**
Completion	**: 2016**	**Take-Up Rate**	**: 98%**

Investment Properties Component:

Menara Glomac

Completion: 2012
Book Value: RM76 million

Glo Damansara Mall

Completion: 2016
Book Value: RM318 million

Glomac Damansara is an integrated freehold business hub with a residential component in a prime Kuala Lumpur address. The entire development was fully completed in 2016. It comprises a 25-storey corporate tower, a 16-storey office building, surrounded by 12 units of five and eight-storey of shop offices, 356-unit twin serviced apartment towers, the Glomac Damansara Residences and a retail mall, called GLO Damansara.

The development sits on a prime 6.8-acre plot on Jalan Damansara, alongside the Taman Tun Dr. Ismail MRT station with easy access via the Sprint, LDP, NKVE, Penchala Link as well as inter-town roads within Petaling Jaya.

GLO Damansara, our retail mall, has a net lettable area of 368,000 sq ft including concourse area. It is positioned as a premier lifestyle and neighbourhood mall, drawing in professionals placed in the various offices within Glomac Damansara as well as the surrounding neighbourhood. The mall is connected with a covered link bridge to the Taman Tun Dr Ismail MRT Station which is just a 3-minute walk away. The 6-storey mall has over 200 retail lots and 4-storey carparks of 755 parking bays. Opened in April 2016, key tenants now include Ben's Independent Grocer, Ben's General Food Store, Bank Rakyat, TM Point, WORQ, NEM Blockchain, Cycology and myNews.com as well as various F&B outlets including Extra Super Tanker, Canton Kitchen, Ultraheroes, Vacas Glo and Teratak.

Risk Management

Risk Management forms an important part of the integral process in achieving the Group's business objectives. Key risks for the Group and the Group's risk management approach is provided in more detail in the Statement of Risk Management and Internal Control on pages 57 to 62 of the Annual Report.

Prospects and Outlook

The domestic real estate market remains in consolidation mode. The stringent guidelines for mortgage financing has shifted the landscape to that of a buyer's market. Competition amongst property developers targeting eligible buyers with access to financing continues to intensify, and new launches coming into the marketplace now are not only competitively priced, but come with a host of incentives to lock-in sales.

It is against this backdrop that we will continue to be operating in the foreseeable future. Our belief is that with a relatively young and growing population, the property development business in Malaysia continues to present tremendous potential in the longer term. However, near term conditions dictate that we must be highly sensitive to consumer demands and continuously innovate to at least meet, if not exceed the expectations of buyers.

Accordingly, we will continue with launches of new phases of landed properties across our townships in Klang Valley and Johor. These are essentially our 'bread and butter' products, and sales momentum continues to be satisfactory. Instead of hitting our desired take-up rates in one quarter, as was the case in the past under more buoyant market conditions, these launches are now being taken up substantially over two to three quarters. I am confident that these products will continue to contribute meaningfully to our new sales, and provide Glomac with a sustainable level of billings and turnover.

FY2019 Planned Launches

By Project	Project Type	
Lakeside Residences	: Shop Offices & Affordable Homes	RM129 mln
Saujana KLIA	: Affordable Homes	RM43 mln
Saujana Perdana	: Terrace Houses & Affordable Homes	RM206 mln
Sri Saujana	: Terrace Houses	RM30 mln
Saujana Jaya	: Terrace Houses & Affordable Homes	RM49 mln
Plaza@Kelana Jaya	: Serviced Apartments & Shop Offices	RM363 mln
Centro V	: SoHo & Serviced Apartments	RM266 mln
TOTAL		**RM1,086 mln**

Within our planned launches this financial year are 2 high-rise residential developments. Plaza@Kelana Jaya has already been unveiled, while Centro V is in the pipeline for early-2019.

Plaza@Kelana Jaya is an integrated freehold residential development comprising serviced apartments and shop offices with a total estimated GDV of RM363 million. The project is strategically located within bustling Petaling Jaya along the Damansara-Puchong Highway ("LDP"). It is surrounded by matured neighbourhoods, with proximity to shopping malls and universities / colleges.

MANAGEMENT DISCUSSION & ANALYSIS

While we remain cautious of this segment as a whole, we believe that suitably-priced developments located in populous urban areas with comprehensive connectivity will do well. To this end, we have fine-tuned our design and layout for these 2 developments to achieve a desired level of pricing which we believe will be exciting for buyers. We have every confidence that these projects will do well, and add to our earnings visibility for the next 3 financial years.

Future GDV by Product Type

Landed Residential	40%	RM3,547 mln
High-rise	40%	RM3,467 mln
Retail	20%	RM1,730 mln
TOTAL	**100%**	**RM8,744 mln**

Future GDV by Region

Klang Valley	90%	RM7,828 mln
Johor	10%	RM916 mln
TOTAL	**100%**	**RM8,744 mln**

Glomac will continue to adopt a responsive approach in pacing its FY19 new launches. Going forward we have amassed a strong property portfolio that commands a total available GDV of RM9 billion, offering a healthy mix of high rise and landed residential products and complemented by commercial shop offices. With this on hand, Glomac is well placed to accelerate new launches to further drive sales and revenue should market conditions improve.

Datuk Seri FD Iskandar
Group Managing Director/Chief Executive Officer

CORPORATE GOVERNANCE OVERVIEW STATEMENT

This Corporate Governance Overview Statement (the "Statement") outlines the corporate governance framework of Glomac Berhad ("Glomac" or the "Company") and its subsidiaries (collectively referred to as the "Group"), including a summary of its corporate governance practices with reference to the Malaysian Code on Corporate Governance ("MCCG"), key focus areas and future priorities. The Board of Directors (the "Board") endeavours to provide stakeholders with forthcoming and detailed disclosure of the Group's corporate governance practices during the financial year under review under the leadership of the Board.

This Statement should be read in conjunction with the Corporate Governance Report ("CG Report") which provides stakeholders with a comprehensive articulation of the Group's corporate governance practices vis-à-vis the MCCG. The CG Report, which is prepared in the format prescribed by Bursa Malaysia Securities Berhad, is made available on the Company's website (https://glomac.com.my/) and via an announcement made on the website of Bursa Malaysia Berhad.

The aforementioned disclosures are made in accordance to paragraph 15.25 of Main Market Listing Requirements ("MMLR") of Bursa Malaysia Securities Berhad ("Bursa Securities"). In preparing the Statement and the CG Report, guidance was derived from Practice Note 9 of MMLR and the Corporate Governance Guide (3rd Edition) published by Bursa Malaysia Berhad.

This Statement should also be read in tandem with the other statements in this Annual Report, namely the Audit Committee Report, Statement on Risk Management and Internal Control and Sustainability Statement, for a more holistic and granular understanding of the Group's corporate governance framework and practices.

Our Corporate Governance Approach

The Board acknowledges the paramount importance of a healthy corporate governance culture in driving the long-term success and sustainability of Glomac. Premised on the Group's vision, passion and determination to enrich lives through value, quality and service, the Board strives to ensure that high standards of corporate governance practices are embedded throughout the Group. This commitment is in line with the Group's objective of delivering sustainable growth and value creation for its stakeholders.

The Group's overall approach to corporate governance is to:

- Apply good governance practices in conjunction with the Group's value creation process;
- Align values, vision and mission with governance practices; and
- Incorporate economic, social and environmental matters into operations and strategies to enhance the long-term sustainability of the Group.

Given its pivotal role in promoting a healthy corporate culture, the Board periodically reviews the Group's prevailing corporate governance policies and procedures to ensure they reflect the evolving expectations of stakeholders, market dynamics and globally-recognised higher order practices whilst simultaneously addressing the needs of the Group.

Summary of Corporate Governance Practices

Glomac has benchmarked its practices against the relevant promulgations and higher order practices, across the three principles of MCCG, namely Principle A: Board Leadership and Effectiveness, Principle B: Effective Audit and Risk Management and Principle C: Integrity in Corporate Reporting and Meaningful Relationship with Stakeholders. Glomac has consistently applied all the Practices espoused by the MCCG, except for the following:

- Practice 4.2 (Tenure of independent directors);
- Practice 4.5 (Gender diversity on the Board and Senior Management);
- Practice 4.6 (Use of various methods to source for candidatures in relation to directorships);
- Practice 7.2 (Disclosure on a named basis the Company's top five senior management's remuneration in bands of RM50,000)
- Practice 8.2 (Adoption of a policy that requires former key audit partners to observe a cooling-off period before being appointed as a member of the Audit Committee)
- Practice 11.2 (Adoption of integrated reporting); and
- Practice 12.3 (Use of technology to facilitate remote shareholders participation during general meetings)

Amongst the four Step-Ups advocated by the MCCG, the Board has adopted Step Up 8.4 which calls for the Audit Committee to comprise exclusively of Independent Directors. Step Ups are aspirational practices to facilitate companies in achieving greater excellence in corporate governance. Accordingly, the adoption of Step Ups is voluntary and in the enlightened self-interest of Glomac. The relevant explanations for the deviations are further disclosed in the appropriate sections below.

CORPORATE GOVERNANCE OVERVIEW STATEMENT

In line with the latitude accorded in the application mechanism of MCCG and the widely held notion that there is no "one-size fits all" modality in applying corporate governance practices, the Group has provided clear and forthcoming explanations for departures from the Practices in the MCCG. In regard to the departed Practices, the Board has provided disclosures on the alternative measures put in place which would to a large extent attain the similar outcomes to that of the Intended Outcomes envisioned by the MCCG. The explanations on the departures, supplemented with disclosure on the alternative practices are contained in the CG Report.

Principle A: Board Leadership and Effectiveness

Roles and Responsibilities of the Board

The Board is accountable to the stakeholders of the Group for the overall performance of the Group. The Board's primary role is to provide strategic leadership to the Group and ensure that the Group operates within a framework of prudent and effective controls which enables risks to be appropriately identified, assessed and managed. The Board sets the strategic direction for the Group and ensures that the necessary resources are in place for the Group to deliver its objectives and create sustainable value for its stakeholders.

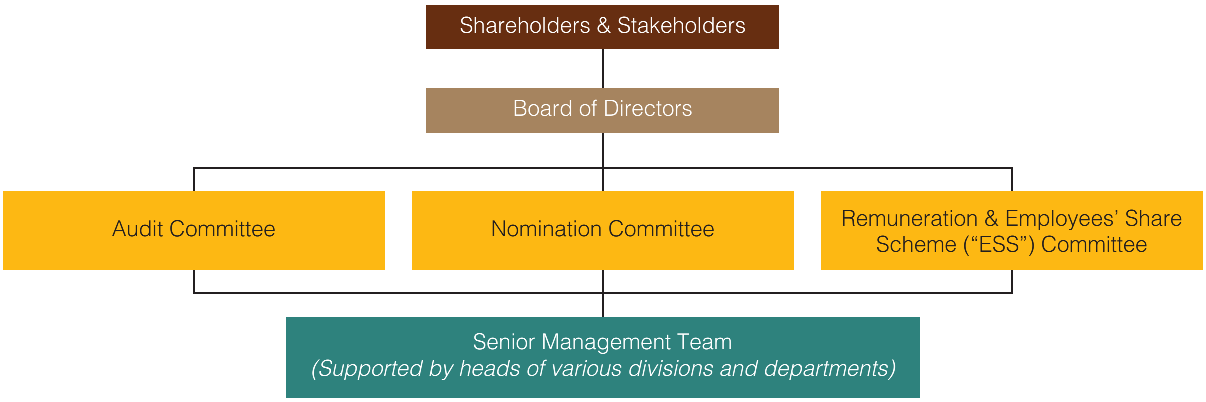


Diagram 1: Group Governance Structure

As depicted in ***Diagram 1***, the Board has established three Board Committees to assist in its oversight function on specific responsibility areas. The Board nevertheless adheres to dictum "delegate, but not abdicate" and thus, retains collective oversight of the Board Committees and the authority to make decision. Guided by their respective Terms of References, the Board Committees are conferred the authority to examine issues under their purview and make subsequent recommendations to the Board.

The Board has formalised a Board Charter which serves as a reference and guiding literature for Directors in the discharge of their fiduciary duties. The Board Charter incorporates provisions that provide for the clear demarcation of the respective roles and responsibilities of the Board and Senior Management and includes "Reserved Matters" for the Board. The Board Charter can be assessed via the Company's website at www.glomac.com.my.

There is a clear distinction of roles between the Group Executive Chairman ("Chairman") and Group Managing Director/Chief Executive Officer ("MD/CEO"). The Chairman is responsible for providing leadership to the Board, including ensuring that the Board fulfils its fiduciary obligations, leading the Board in the oversight of Management, and acting as the spokesperson for the Group. Meanwhile, the Group MD/CEO is primarily responsible for managing the Group's day-to-day operations and implementing policies, strategies and decisions adopted by the Board.

In fulfilling its duties and responsibilities as stewards of the Company, the Board maintains a direct line of communication with Senior Management and has unrestricted access to information pertaining to the Group's business affairs. The Board is supported by three suitably qualified Company Secretaries who serve as corporate governance counsels to the Board. The Company Secretaries assist the Board in adhering to the relevant corporate governance legislative promulgations and internal policies and procedures and apprise the Board on the latest statutory and regulatory requirements relating to corporate governance.

During the financial year under review, all Directors have dedicated adequate time and effort to attend Board and Board Committee meetings held to deliberate on matters under their purview. Matters deliberated during the year include strategic planning, significant business and operational issues, significant financial and investment decisions, relevant business policies and procedures, regulatory compliance matters, key performance indicators, significant corporate exercises as well as financial performance of the Group as a whole.

All Directors have complied with the 50% attendance requirement in respect of Board meetings for the financial year ended 30 April 2018 as stipulated under Paragraph 15.05 of the MMLR.

The meeting attendance of Directors are furnished in ***Diagram 2***.

Name	Meeting Attendance
Board Of Directors	
Tan Sri Dato' Mohamed Mansor bin Fateh Din *Group Executive Chairman*	5/5 meetings
Datuk Richard Fong Loong Tuck *Group Executive Vice-Chairman*	5/5 meetings
Datuk Seri Fateh Iskandar bin Tan Sri Dato' Mohamed Mansor *Group Managing Director/ Chief Executive Officer*	5/5 meetings
Dato' Ikhwan Salim bin Dato' Hj Sujak *Senior Independent Director*	5/5 meetings
Datuk Ali bin Abdul Kadir *Independent Non-Executive Director*	5/5 meetings
Shan Choo^ *Independent Non-Executive Director*	4/4 meetings
YB Datuk Seri Panglima Hj Abdul Azeez bin Hj Abdul Rahim* *Non-Independent Non-Executive Director*	4/5 meetings
Datuk Seri Johan bin Abdullah# *Alternate Director to YB Datuk Seri Panglima Hj Abdul Azeez bin Hj Abdul Rahim*	1/5 meetings

Audit Committee

Chairman	
Datuk Ali bin Abdul Kadir	5/5 meetings
Member	
Dato' Ikhwan Salim bin Dato' Hj Sujak	5/5 meetings
Shan Choo^	4/4 meetings

Roles & responsibilities
To oversee the financial reporting process and ensuring that it is in compliance with the legal and regulatory requirements and applicable accounting standards.To assess the adequacy and effectiveness of the Group's internal control framework as well as provide oversight of internal and external auditors.

Nomination Committee

Chairman	
Dato' Ikhwan Salim bin Dato' Hj Sujak	3/3 meetings
Member	
Datuk Ali bin Abdul Kadir	3/3 meetings
Shan Choo^	2/2 meetings

Roles & responsibilities
To identify and recommend candidates for directorships and committee memberships to the Board and Board Committees, as well as facilitating the annual assessment of Board effectiveness.

Remuneration & ESS Committee

Chairman	
Dato' Ikhwan Salim bin Dato' Hj Sujak	1/1 meeting
Member	
Datuk Ali bin Abdul Kadir	1/1 meeting
Datuk Seri Fateh Iskandar bin Tan Sri Dato' Mohamed Mansor	1/1 meeting
Shan Choo**	n/a

Roles & responsibilities
To review Directors and Senior Management's remuneration and make recommendations to the Board to facilitate the development of remuneration related policies and procedures.

Notes:-

* *Director resigned in 23 May 2018*

\# *Following the resignation of Datuk Seri Panglima Hj Abdul Azeez Bin Hj Abdul Rahim, Datuk Seri Johan Bin Abdullah ceased to be his Alternate Director*

^ *Shan Choo was appointed as a member of the Audit Committee and Nomination Committee on 3 July 2017.*

** *Shan Choo did not attend any meetings during the financial year ended 30 April 2018 as she was only appointed as a member of the Remuneration & ESS Committee on 6 June 2018.*

Diagram 2: Directors' attendance in the Board and Board Committee meetings

CORPORATE GOVERNANCE OVERVIEW STATEMENT

As the Board is the epitome of good governance culture, it continuously strives to set the "tone at the top" and cascade ethical values and standards across every level of the Group. In this regard, the Board has adopted a Code of Ethics and Conduct ("Code") which serves as an authoritative document that governs the conduct of Directors and employees of the Group and can be referred to at www.glomac.com.my. The Code is communicated to employees via the Employee Handbook. As an additional measure to promote ethical conduct, the Board has formalised Whistleblowing Policy and Procedures to enable stakeholders to escalate legitimate ethical concerns without fear and risk of reprisal.

Board Composition

Presently, the Board comprises three Executive Directors and three Non-Executive Directors, three of whom are Independent Directors. The appointment of Ms Shan Choo, who is the sole female Director on the Board, on 3 July 2017 demonstrates the Board's commitment in taking incremental yet concerted steps towards constituting a diverse Board on the facet of gender.

In driving the long-term vision of the Group, it is imperative for the Board to possess an optimum mix of skills, qualifications and experiences that can support the Group in responding to changing market dynamics, evolving business models and emergence of novel risks. The combination of the skills, experience and expertise of the incumbent Directors allow the Board to apply a breadth and depth of perspectives when deliberating on contentious issues.

In recommending the appointment of potential Directors, the Nomination Committee assesses the candidate's skills, expertise and experience and balances these traits against the existing composition of the Board to determine his or her suitability for the position and overall cultural fit within the Board.

A detailed view of the current Board composition is illustrated in ***Diagram 3*** below.

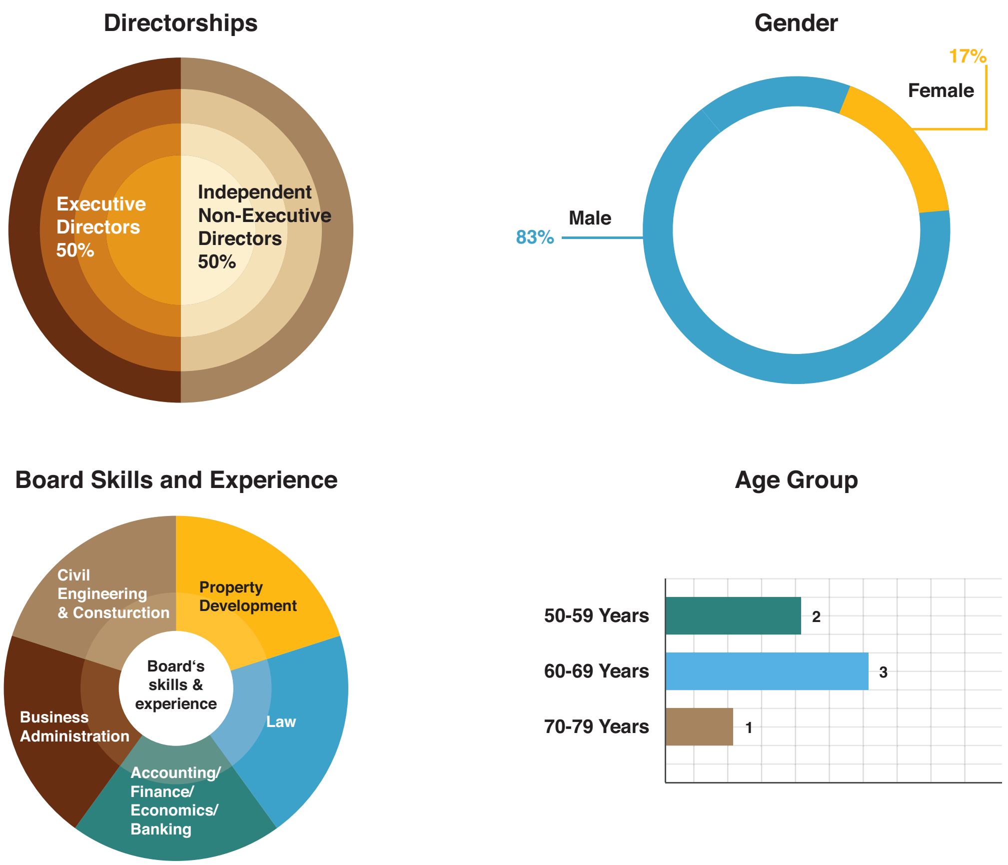


Diagram 3: Board Composition - Directorships, age group, gender, skills & experience

Nomination Committee

The Nomination Committee comprises of three directors, whom are all Non-Executive Directors. The members of the Nomination Committee are as follows:-

- Dato' Ikhwan Salim bin Dato' Hj Sujak (Chairman)
- Datuk Ali bin Abdul Kadir
- Shan Choo

The Board has stipulated specific terms of reference for the Nomination Committee, which is made publicly available on the Company's website at www.glomac.com.my.

During the financial year ended 30 April 2018, the activities carried out by the Nomination Committee were as follows:-

- Considered the nomination of a new Independent Non-Executive Director.
- Performed an assessment on the Board, Board Committees and individual Directors.
- Reviewed and recommended the re-appointment and/or re-election of Directors pursuant to the Companies Act 2016 and the Company's Constitution.
- Assessed the independence of the Company's Independent Non-Executive Directors.
- Recommended the continuance of Independent Non-Executive Directors who had exceeded the 9 year and 12 year tenure limit, and to be approved by the shareholders at the forthcoming Annual General Meeting.
- Considered the training needs of the Board.

The Board has in place an annual performance evaluation exercise to assess the effectiveness of the Board, Board Committees and individual Directors including Independent Directors. The evaluation exercise serves as a constructive platform for the Board to address areas for improvement in the functioning of the Board and formulate corrective measures where required. During the financial year under review, the assessment was conducted internally under the purview of the Nomination Committee and facilitated by the Company Secretaries. The Board studies the results of the annual performance evaluation and is generally satisfied with the performance and effectiveness of the Board and Board Committees, the size and composition of the Board as well as the mix of skill sets, competency and the independence of its Independent Non-Executive Directors.

Board Remuneration

The Board has instituted a set of policies and procedures to govern the remuneration of Directors and Senior Management. The policies and procedures serve as guidelines for the Board in remunerating Directors and Senior Management with a view to attract, retain and motivate talented and high-calibre individuals. The Board has established a Remuneration & ESS Committee to assist the Board in its oversight function on matters pertaining to Directors and Senior Management remuneration. The Remuneration & ESS Committee, which is chaired by the Senior Independent Director, comprises a majority of Independent Directors.

In determining the level and component parts of Directors' remuneration, the Remuneration & ESS Committee takes into consideration the demands, complexities and performance of the Group as well as the skills and experience that are required of Directors. The detailed disclosure of Directors' remuneration is shown in the Table 1 on the following page :-

CORPORATE GOVERNANCE OVERVIEW STATEMENT

Directors	Fees & Allowances RM '000 Company	Salaries RM '000 Group	Bonuses RM '000 Group	Share Based Payments RM '000 Group	Statutory Contribution RM '000 Group	Benefits-in-kind RM '000 Group	Total RM '000
Executive Directors							
Tan Sri Dato' Mohamed Mansor bin Fateh Din	10.0	1,380.0	235.0	214.2	179.4	32.2	2,050.8
Datuk Richard Fong Loong Tuck	5.0	1,320.0	221.5	214.2	178.3	32.2	1,971.2
Datuk Seri Fateh Iskandar bin Tan Sri Dato' Mohamed Mansor	5.5	1,320.0	221.5	276.3	299.4	32.2	2,154.9
Non-Executive Directors							
Datuk Ali bin Abdul Kadir	74.0	-	-	-	-	-	74.0
Dato' Ikhwan Salim bin Dato' Hj Sujak	71.8	-	-	-	-	-	71.8
Shan Choo*	57.2	-	-	-	-	-	57.2
Datuk Seri Panglima Hj Abdul Azeez bin Hj Abdul Rahim**	64.0	-	-	-	-	-	64.0
Datuk Seri Johan Abdullah (alternate to Datuk Seri Panglima Hj Abdul Azeez bin Hj Abdul Rahim)***	1.0	-	-	-	-	-	1.0
Total	**288.5**	**4,020.0**	**678.0**	**704.7**	**657.1**	**96.6**	**6,444.9**

Notes:
* Appointed on 3 July 2017
** Resigned on 23 May 2018
*** Cessation of office as an alternate director on 23 May 2018 due to resignation of the principal director

Table 1: Directors' remuneration

The Board has decided that the remuneration of Key Senior Management personnel is not being disclosed on a named basis in order to allay valid concerns on invasion of staff confidentiality and that such disclosure may be detrimental to its business interest given the highly competitive human resource environment for personnel with the requisite knowledge, expertise and experience in the property development industry. In addition, the Company is of the view that the interest of the shareholders will not be prejudiced as a result of the non-disclosure of the Company's Key Senior Management Personnel who are not directors of the Company.

Principle B: Effective Audit and Risk Management

Audit Committee

As part of the Board's commitment to provide stakeholders with a clear, balanced and comprehensive assessment of the Group's financial performance, the Board has established an Audit Committee ("AC"), comprising of three members, all of whom are independent, to assist in safeguarding the integrity of the Group's financial statements. The AC, as the Board's delegate, provides a robust and critical oversight on the financial reporting, internal and external audit and risk management and internal control processes. Recognising that independence is the cornerstone of a well-performing audit committee, the Company has attained the higher order practice of having an AC that comprises solely of Independent Directors.

The vast experience of the AC members in the areas of accounting, finance and auditing allows the AC to collectively possess the requisite financial literacy to have a sound understanding of the financial matters of the Group. The AC has unrestricted access to both the internal and external auditor, who in turn reports directly to the AC. The AC has established formal and transparent arrangements to maintain an appropriate relationship with the external auditor. This includes undertaking an annual assessment to ascertain the suitability, objectivity and independence of the external auditor.

The AC Report, which provides detailed articulation on the composition of the AC, its responsibilities and main activities during the year, is set out on pages 63 and 64 of the Annual Report.

Risk Management and Internal Controls

In an increasingly complex and ever-evolving marketplace, it has become imperative for the Group to have a robust yet dynamic risk management and internal control framework that allows the Group to stay ahead of disruptive forces. Towards this end, the Board has instituted an Enterprise Risk Management ("ERM") framework that incorporates procedures to identify, assess and monitor operational, financial and compliances risks facing the Group.

The Board has delegated the tasks of operationalising and implementing the risk management and internal control framework to the Risk Management Committee ("RMC"). The RMC, which is chaired by an Independent Non-Executive Director and includes the membership of the Senior Independent Director, Group MD/CEO and other Management level personnel, meets periodically to deliberate on the prevailing and emerging risks surrounding the Group. Matters deliberated during the RMC meetings are escalated to the AC and subsequent recommendations are reported to the Board for the Board's decision.

The Statement on Risk Management and Internal Control furnished on pages 57 to 62 of the Annual Report provides an overview of the Group's risk management and internal control framework and findings during the financial year under review.

Principle C: Integrity in corporate reporting and meaningful relationship with stakeholders

Communication with Stakeholders

As dedicated stewards of the Company, the Board endeavours to promote a candid and transparent relationship with shareholders as well as other stakeholders of the Company. Towards this end, the Board has formalised a set of corporate disclosure policies and procedures to facilitate timely and quality dissemination of information to stakeholders. The Company leverages on various channels of communication to ensure stakeholders receive relevant and material information on the latest developments on the Group. This includes the Company's website, announcements to Bursa Malaysia Securities Berhad, analyst briefing sessions as well as investors' roadshows and conferences.

The Board is cognisant that a proactive approach towards stakeholder engagement will enhance the ability for stakeholders to make informed investment decisions that are based not only on the Group's retrospective performance but also on its business proposition and future outlook.

CORPORATE GOVERNANCE OVERVIEW STATEMENT

Conduct of General Meetings

The Annual General Meeting ("AGM") serves as the principal avenue for shareholders to engage the Board and Senior Management in a constructive two-way dialogue. Shareholders are encouraged to actively participate during AGMs by raising questions and providing feedback to the Board and Senior Management. As it is customarily practised, all Directors, including the respective Chairmen of the Board Committees, were present during the previous AGM to facilitate shareholder engagement and provide clear and meaningful responses to shareholders' concerns. Feedback gathered during the AGM are evaluated and considered for further action by the Board and Senior Management.

The notice of the upcoming AGM, which is scheduled to be held on 24 October 2018, has been made available to shareholders more than 28 days prior to the meeting in order to accord shareholders with sufficient time to review the Group's financial and operational performance as well as the resolutions that are to be tabled during the AGM. The extended notice period is also intended to enable shareholders to make the necessary arrangements to attend the AGM. The venue of the upcoming AGM, which is in a central location within the Klang Valley area, was a conscious choice by the Company so as to ensure that the venue is easy to reach and easily accessible for shareholders.

Sustainability Reporting

The topic of sustainability has gained notable traction amongst industry players and the wider corporate sector. Taking cue from this, the Board has expended efforts in ensuring that the Company meets the reporting expectation with regards to the Group's sustainability activities and performance. During the financial year under review, the Company has reached a milestone in its sustainability journey with the successful publication of its inaugural Sustainability Statement in this Annual Report. The disclosure, which is made pursuant to the enumerations in MMLR. The Sustainability Statement is an enhancement to the Company's previous Corporate Social Responsibility Statement.

The Board is confident that the publication of the Sustainability Statement is a positive step forward that will allow stakeholders to better appreciate the efforts and initiatives undertaken by the Group in the realm of sustainability.

Boardroom Professional Development

During the financial year under review, the Nomination Committee has reviewed the training needs of individual Directors based on the findings arising from Directors' annual performance evaluation. Accordingly, the Group has organised in-house briefing sessions facilitated by third party experts to keep Directors apprised on the latest market and regulatory developments that may have a bearing on the Group. Directors have also optimised opportunities to further develop and enhance their skills sets and business acumen by attending external training programmes, seminars and conferences on topics relevant to the Company. The training programmes attended by Directors are outlined in the table below:

Director	Training programmes	Organiser
Tan Sri Dato' Mohamed Mansor bin Fateh Din	Majlis Khasihku Zakat Selangor SDG Business Summit 2017 Business Leaders Roundtable Meeting	Lembaga Zakat Selangor SIDC 30% Club / Securities Commission
Datuk Richard Fong Loong Tuck	Sabah Property Market Updates Investment in Residential Properties in London, UK Delivering Happiness as Objective in Business Income Tax and GST Challenges in Real Estate Perspective Updates on Acts Related to Real Estate Industry The Impact of Budget 2018 in Real Estate Industry The Retail Market - Its Impact in Mixed Use Urban Development Malaysia Economic Outlook 2018 Merdeka PNB 118	FIABCI Malaysia FIABCI Malaysia FIABCI Malaysia FIABCI Malaysia FIABCI Malaysia FIABCI Malaysia FIABCI Malaysia FIABCI Malaysia FIABCI Malaysia

Director	Training programmes	Organiser
Datuk Seri Fateh Iskandar bin Tan Sri Dato' Mohamed Mansor	NCCIM Economic Forum 2017 Bumi Mapex Malaysia Real Estate Summit 2017 Focus Group Budget 2018 Meeting - Meeting the Housing Needs Public Talk on Housing "Housing as Habitat: A Case of Market Failure of Institutional Limitations" Credit Suisse Malaysia Property Day 20th National Housing & Property Summit Ministry Industry Dialogue 2017 IHA Tokyo Interim Meeting	National Chamber of Commerce and Industry of Malaysia (NCCIM) Property Guru Property Guru Ministry of Finance Khazanah Research Institute Credit Suisse Malaysia ASLI KETTHA Ministry Japan Federation of Housing Organisation
Dato' Ikhwan Salim bin Dato' Hj Sujak	Boardroom Dynamics - Shaping High Performance Transformation	Terus Mesra Sdn Bhd
Datuk Ali bin Abdul Kadir	Briefing on the impact of mandatory adoption of Malaysian Financial Reporting Standards on Financial Reporting Malaysian Code on Corporate Governance 2017 vs Malaysian Code on Corporate Governance 2012 Business Foresight Forum 2017 Sustainability Reporting New Frontiers: Blockchain & Cryptocurrencies FY2018 ENRA Group Directors and Management Conference. • Companies Act 2016 - Highlights of Directors' and Officers' duties and liabilities • Managing your tax affairs in the current economic environment (including updates on Transfer Pricing Rules) • Malaysian Code on Corporate Governance and the CG Guides 3rd Edition: Key changes and their implications to the Board, Board Committees and Management World Capital Markets Symposium 2018 MCCG Compliance Expectations	ENRA Group Sdn Bhd ENRA Group Sdn Bhd SIDC Board Room Smart Business Solution ICO ENRA Group Sdn Bhd Capital Market Malaysia Privasia Technology Berhad
Shan Choo	Mandatory Accreditation Programme Capital Markets Course for Director Women's Summit Conference Fintech: Opportunities for Financial Services Industry	The ICLIF Leadership and Governance Centre Securities Commission EcoWorld FIDE
Datuk Seri Panglima Hj Abdul Azeez bin Hj Abdul Rahim*	Seminar on Companies Act 2016	Suruhanjaya Syarikat Malaysia

Notes:
* Resigned in 23 May 2018

Table 2: Directors' Professional Development

CORPORATE GOVERNANCE OVERVIEW STATEMENT

Boardroom Independence

The Board has not developed a policy which limits the tenure of its Independent Directors to nine years as yet. Nonetheless, the Board is mindful of the prescribed Practice of the MCCG pertaining to Board independence. The Board further recognizes that tenure of directorship is not an absolute indicator of a Director's independence and objectivity wherein the spirit, intention, purpose and attitude should also be considered.

The tenures of Dato' Ikhwan Salim bin Dato' Hj Sujak and Datuk Ali bin Abdul Kadir as Independent Directors have exceeded the prescribed tenure limit of nine years, as advocated by the MCCG. Thus, shareholders' approval will be sought to retain them as Independent Directors of the Company. The Nomination Committee has performed an assessment on the independence of its Independent Directors based on criteria approved by the Board. Upon the Nomination Committee's recommendation, the Board is recommending for shareholders' approval with regards to the retention of both Dato' Ikhwan Salim bin Dato' Hj Sujak and Datuk Ali bin Abdul Kadir as Independent Non-Executive Directors. The approval sought for Dato' Ikhwan Salim bin Dato' Hj Sujak shall be sought via the single-tier voting process instead of the two-tier voting process.

Both Dato' Ikhwan and Datuk Ali remain valuable members of the Board as they are able to bring thoughtful insights and impartial judgment to the Group's business affairs and operations. The Board is of the collective view that the Group stands to gain considerable benefits in term of strategic planning and decision-making by retaining both Dato' Ikhwan and Datuk Ali as Independent Directors.

Boardroom Diversity and Independence

The Board intends to dedicate its efforts to promote diversity in the boardroom and in the Company's top leadership. As an initial step, the Board will undertake to formulate policies on gender diversity, along with specific targets and measures to attain those targets. The targets would incorporate specific quantitative benchmarks that can be monitored for effectiveness. The Board endeavours to leverage on diversified outlets such as directors' registry and industry and professional associations to identify talented and qualified female candidates for directorships. Complementary to these efforts, the Board will also seek to implement talent development programmes at Management level to prime high-calibre female individuals for potential directorship or Senior Management positions in the future.

As at the date of the publication of this Annual Report, 50% of the Board comprises Independent Directors, thus meeting the prescribed Practice of having at least half of the Board comprise of Independent Directors, as stipulated in the MCCG. This allows the Board to deliberate and make decisions objectively and in the best interest of the Group, taking into account diverse perspectives and insights.

Succession Planning

A seamless succession plan is a crucial component in safeguarding the vitality of the business and retaining the confidence of stakeholders. This is especially imperative for companies in the property and construction sector where the development and execution of business strategy are carried out with a long-term horizon in view. In tandem with the strategic trajectory of the Company, the Board will seek to identify emerging talent and potential successors, from both within and outside of the Company, for Board and key Senior Management positions.

Enhancement of Corporate Governance Policies and Procedures

The domestic corporate governance ecosystem witnessed a plethora of reform measures in the past year, including the operationalisation of Companies Act 2016, the issuance of the latest iteration of MCCG, amendments to MMLR and the release of the Corporate Governance Guide (3rd Edition) by Bursa Malaysia Berhad. In response to these developments, the Board will initiate a review of the Company's corporate governance policies and procedures to identify any prevailing gaps in the current framework and subsequently undertake corrective measures as necessary. As these documents serve as the primary reference point and guiding literature for Directors, the Board is committed to ensuring that they reflect the latest regulatory developments, expectations of stakeholders and the evolving demands and circumstances of the Group.

This CG Overview Statement was approved by the Board on 8 August 2018.

STATEMENT ON RISK MANAGEMENT AND INTERNAL CONTROL

The Board of Directors (the "Board") of Glomac Berhad ("Glomac" or the "Company") is highly committed to maintain a sound system of risk management and internal control in the Company and its subsidiaries (collectively referred to as the "Group"). The Board is pleased to provide the following Statement on Risk Management and Internal Control (the "Statement"), which outlines the nature and scope of risk management and internal control of the Group for the financial year ended 30 April 2018.

For the purpose of disclosure, the Board has taken into consideration the enumerations encapsulated in the "Statement on Risk Management and Internal Control: Guidelines for Directors of Listed Issuers" (the "Guidelines"), a publication endorsed by Bursa Malaysia Securities Berhad pursuant to paragraph 15.26(b) of the Main Market Listing Requirements of Bursa Malaysia Securities Berhad. This Statement however does not cover joint ventures whereby risk management and internal controls are overseen by the respective governing bodies.

Responsibility and Accountability

Board

The Board is responsible and accountable for maintaining sound processes of risk management and internal control practices to safeguard shareholders' investments and other stakeholders' interests. Accordingly, the Board affirms its overall responsibility for the Group's system of risk management and internal control, and for reviewing the adequacy and operating effectiveness of the said system. Such system covers not only financial control but also operational and compliance controls. In view of the inherent limitations in any system of the risk management and internal control processes, the said system, therefore, is put in place to provide reasonable, but not absolute assurance, against material misstatements, financial losses, defalcations or fraud.

In evaluating the adequacy of the Group's system of risk management and internal control, the Board is assisted by the Audit Committee ("AC") which comprises exclusively of Independent Non-Executive Directors. Notwithstanding the delegated responsibilities, the Board acknowledges its overall responsibility in the establishment and oversight of the Group's risk management and internal control system.

Management

The Management is responsible for implementing the processes of identifying, evaluating, monitoring and reporting of risks and the effectiveness of internal control systems, taking appropriate and timely corrective actions as required. A Risk Management Committee ("RMC"), chaired by an Independent Non-Executive Director, Shan Choo and comprising of Management personnel has been established to assist the AC by overseeing the operationalisation of the risk management and internal control framework. The Senior Independent Non-Executive Director, Dato' Ikhwan Salim bin Dato' Hj Sujak and the Group Managing Director/ Chief Executive Officer ("Group MD/CEO"), Datuk Seri Fateh Iskandar bin Tan Sri Dato' Mohamed Mansor, also participate in the meetings of the RMC. The Management, through the RMC, is entrusted with the responsibility of implementing and maintaining the risk management and internal control system by:

- communicating the Board's vision, strategy, policy, responsibilities and reporting lines to personnel across the Group with the aim of engendering a healthy risk culture;
- identifying and communicating to the AC and Board, critical risks that the Group faces and Management's action plans to manage the risks;
- performing risk oversight activities and reviewing the risk profile of the Group;
- aggregating the Group's risk position and performing half-yearly reporting to the Board on the risk situation and status;
- establishing performance measures for the Group; and
- providing guidance to the business divisions on the Group's risk appetite and capacity, and other criteria which, when exceeded, trigger an obligation to report upwards to the AC and Board.

STATEMENT ON RISK MANAGEMENT AND INTERNAL CONTROL

Risk Management

The Board firmly believes that risk management is critical to the Group's continued business sustainability and the accretion of value creation. Accordingly, the Board has formalised a methodical Enterprise Risk Management ("ERM") Framework to guide the delicate balance of risks and rewards in business decision making. ***Diagram 1*** below illustrates the Group's ERM Framework.

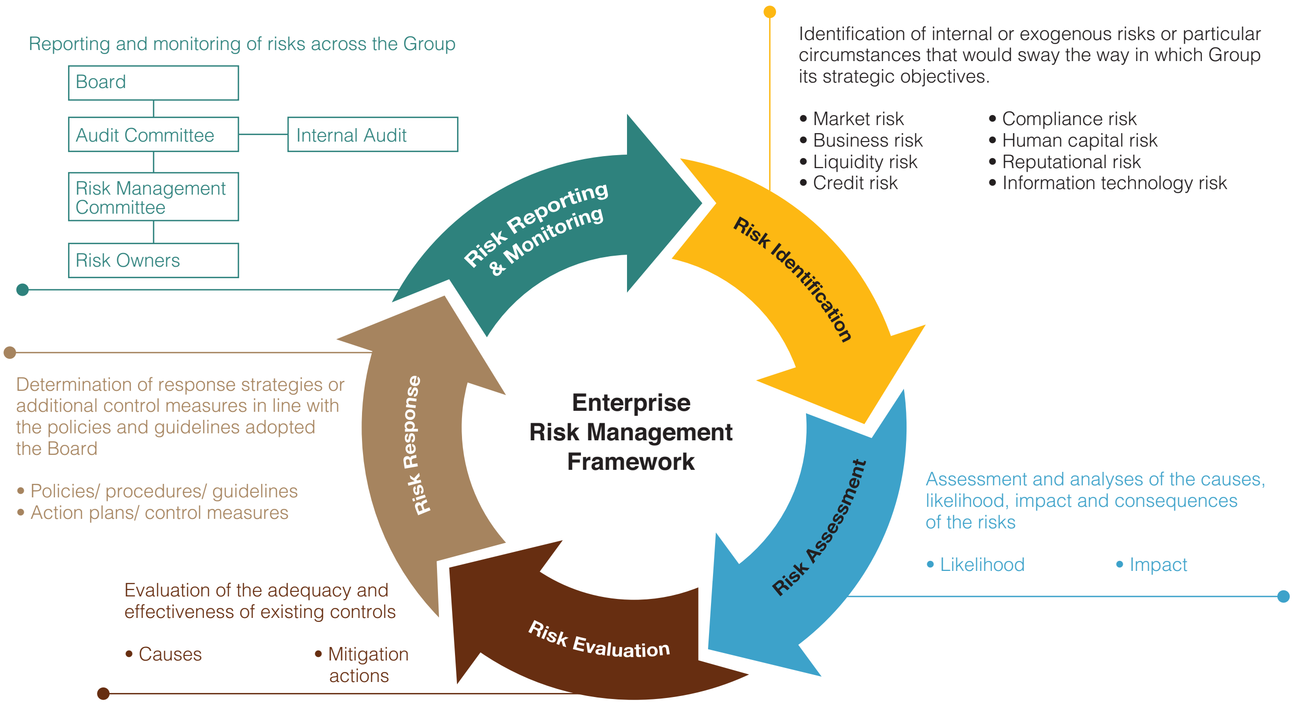


Diagram 1: Enterprise Risk Management Framework

In respect of risk management, an appropriate organisation structure with clear reporting lines and defined lines of responsibilities from various business units up to the Board level is defined in ***Diagram 2*** below:

	Board of Directors The Group's ultimate governing body with overall risk oversight responsibility including defining the appropriate governance structure and risk appetite	
3rd Line of Defence Ensuring the adequacy and effectiveness of the risk management and control system	**Audit Committee** Board Committee level oversight on the effectiveness of implementation of internal control, risk management strategies, frameworks and policies	**Internal Auditor** Assess the adequacy and effectiveness of the Group's risk management and internal control system
2nd Line of Defence Overseeing the operationalisation of internal control and risk management system	**Risk Management Committee** Oversees the operationalisation of risk management strategies as well as frameworks and policies	
1st Line of Defence Monitoring day-to-day risks at business units	**Risk owners across various business units** Manage day-to-day risks inherent in business activities as guided by the established risk strategies, frameworks and policies	

Diagram 2: Risk Management Governance Structure

During the financial year under review, the results of risk updates were presented by the relevant process owners at the RMC meetings. The significant risk issues were further deliberated at the AC and/or Board meeting on a half-yearly basis. The risk profile of the Group was prioritised and addressed through the annual risk-based internal audit plan for the conduct of internal audit assessments.

Significant Risk Factors

Glomac's significant risks identified for the financial year under review and the attendant risk management approaches are outlined as follows:

Risk category	Nature of risks	Description	Risk management approach
Strategic risk	Softening demand for properties	The properties sales are projected to soften, driven by weak buyers' sentiments, stricter bank lending and oversupply in selected segment. This has resulted in an overhang in the residential property market, especially at the higher end market, increase in end-financing rejection rate and lower margin of financing.	In order to cushion the impact of softening market demand, the Group has developed its mitigation plans, with a focus on affordable housing segments which cater to a wider target catchment and the promotion of integrated township development.
Strategic risk	Ineffective sales and marketing plans	Ineffective sales and marketing plans can lead to slow take-ups rates, pull back of launches and high balance stock. This is primarily due to inflexible marketing strategies, hiring of non-performing marketing agencies and thus, resulting in low product awareness.	The Group recognises that an agile marketing plan which takes into account the changing consumer sentiment, is a key determinant to sustain the business. An in-house Group Corporate Communications & Corporate Marketing Department is established to enhance brand awareness, while the Sales and Marketing Departments perform market research, refinement of marketing and sales plans, as well as to conduct pre-qualification checks on sales agencies and consultants to improve the effectiveness of marketing activities.
Strategic risk	Non-performing consultants/ contractors	In the course of business, the Group relies on third party contractors and consultants in many aspects of its development. As such, the Group's operations may be affected by the non-performance of these contractors.	In view of the Group's reliance on third party contractors/consultants and considering the impact of non-performing contractor/consultant may bring, the Group has formalised a structured process to continuously assess and monitor the performance of an approved panel of contractors/consultants.
Operational risk	Poor workmanship quality	The poor quality of workmanship may be affected by inferior materials used by contractors, inadequate supervision by consultants/project personnel and poor project management. Such risk could result in additional cost and time incurred for rectification as well as negative press coverage.	Recognising the deleterious effects of poor workmanship quality, the Group has put in place an independent quality assessment and strengthened its project management capabilities by developing a realistic project milestones and conducting regular audits for continuous improvement. A Steering Committee is established to assess the quality of workmanship of completed properties vis-à-vis the set quality.
Operational risk	Cybersecurity risk (loss of critical information leakage of confidential information)	This risk relates to the ability of the Group in recovering and restoring critical information, in the event of a critical event. This risk, if left unattended, could result in the unauthorised disclosure of sensitive business information. Such breaches could result in financial and reputational loss, as well as in the disruption of critical business processes.	Mindful of the risk and repercussions, various policies, resources, processes and systems have been developed and deployed. In addition, continuous initiatives are in place to enhance cyber defense capabilities and information technology resilience of the Group.

STATEMENT ON RISK MANAGEMENT AND INTERNAL CONTROL

Internal Control Framework

The Board acknowledges that sound system of internal control reduces the risks that will impede the Group from achieving its goals and strategic objectives. The salient elements of the Group's internal control framework are described below:

1 Integrity and ethical values

The Board acknowledges that tone at the top is a prerequisite for an ethical corporate culture that aligns with the Company's values and forms the foundation for a sustainable growth of the business.

- Code of Ethics and Conduct
  The Code of Ethics and Conduct (the "Code") is a vital and an integral part of Glomac's governance framework as it defines the core principles and ethical standards in conducting business and engagement with all stakeholders besides reinforcing the need for compliance with relevant laws and regulations. All employees of the Group are called upon to adhere to the Code in guiding them to observe high standards of personal and corporate integrity in their dealings with internal and external stakeholders.

- Whistleblowing Policy and Procedures
  The Group has put in place Whistleblowing Policy and Procedures that enable individuals to raise genuine concerns to designated recipients within the Group on potential breaches of business conduct, non-compliance with legal and regulatory requirements as well as other malpractices without fear of retaliation. The Code is communicated to employees via the Employee Handbook. A salient description of the Whistleblowing Policy and Procedures is made available on the Corporate Governance Report.

2 Limits of authority and responsibility

Clearly defined and documented lines and limits of authority, responsibility and accountability have been established through the relevant terms of references, organisational structures and appropriate authority limits, including matters requiring the Board's approval. The corporate structure further enhances the ability of each subsidiary or division, as the case may be, to focus on its assigned core or support functions within the Group. In designing and implementing these policies, structures and systems, the Group is guided by the dictum that no single individual should be accorded with unfettered powers.

3 Planning, monitoring and reporting

The following internal control processes have been deployed by the Group:

- Strategic Business Planning Processes
  Appropriate business plans are established in which the Group's business objectives, strategies and targets are articulated. Business planning and budgeting are undertaken annually to establish plans and targets against which performance is monitored on an ongoing basis;

- ISO 9001:2015 Accreditation
  The Construction Division of the Group has been accorded with full ISO 9001:2015 accreditation, i.e. an international standard that specifies requirements for a quality management system. This underscores Group's drive to consistently improve the strength of its internal control system;

- Approved Annual Internal Audit Plan
  During the year under review, a risk-based Internal Audit plan covering areas such as project management and information systems was reviewed and approved by the AC;

- Documented Policies and Procedures
  Internal policies and procedures, which are set out in a series of clearly documented standard operating manuals covering a majority of areas within the Group, are maintained and reviewed as considered necessary;

- Performance Monitoring and Reporting
  The Group's Management team monitors and reviews financial and operational results, including monitoring and reporting of performance against the operating plans. The Management team formulates and communicates action plans to address areas of concern;

- Financial Performance Review
  The preparation of periodic and annual results and the state of affairs of the Group are reviewed and approved by the Board before a release of the same to the stakeholders and regulators whilst the full year financial statements are audited by the external auditor before their issuance to regulators and stakeholders;

- Quality Control
  The Group takes continuous efforts in maintaining the quality of its products and services. Accordingly, the Group has processes to enable timely adherence to safety and health regulations, environmental requirements and relevant legislations affecting the Group's operations; and

- Coverage and Safeguarding of Major Assets
  Sufficient insurance coverage is in place to enable major assets to be adequately covered against mishaps, calamities and theft that may result in material losses to the Group. The insurance coverage is reviewed at regular intervals to ensure its adequacy vis-à-vis the Group's risk appetite. At the same time, physical security measures are taken to safeguard these major assets.

This internal control framework has been in place for the financial year under review and up to the date of approval of this Statement for inclusion in the Annual Report of the Company.

Internal Audit Function

The Group outsourced its internal audit function to an independent professional firm, KPMG Management and Risk Consulting Sdn Bhd ("KPMG") to assess the adequacy and integrity of the Group's internal control systems. The internal audit function reports directly and provides assurance to the AC through the execution of internal audit work based on a risk-based internal audit plan approved by the AC before commencement of work. In carrying out its activities, the internal audit function has unrestricted access to the relevant records, personnel and physical properties of the Group. The internal audit work is carried out based on KPMG Internal Audit Methodology, which is closely aligned with the International Professional Practices Framework ("IPPF") of the Institute of Internal Auditors, of which final communication of internal audit plan, processes and results of the internal audit assessment are supported by sufficient, reliable and relevant information which signifies a satisfactory conclusion of the internal audit work.

For the financial year ended 30 April 2018, the internal audit function assessed the adequacy and operating effectiveness of internal controls deployed by Management for the following key processes, covering project management and information system.

Business Process	**Key risks**
Project Management	• Project cost overrun • Non-performing consultants/ contractors • Poor workmanship quality
Information Systems	• Loss of critical information • Leakage of confidential information

The internal audit engagement by KPMG is headed by an Executive Director, namely, Mr. Khaidzir Shahari. He is a professional member of the Institute of Internal Auditors, Malaysia and a Chartered Accountant (Malaysian Institute of Accountants). Mr. Khaidzir has accumulated over 20 years of experience in a wide range of governance advisory, risk management and internal audit work. The internal audit work was carried out with six personnel being deployed. All the personnel deployed by KPMG are free from any relationships or conflicts of interest, which could impair their objectivity and independence during the course of the work. During the financial year ended 30 April 2018, the total cost incurred for internal audit activities amounted to RM75,000, excluding ancillary expenses (financial year ended 30 April 2017: RM 75,000, excluding ancillary expenses).

Following the completion of its work, the internal audit function reported directly to the AC on improvement measures pertaining to internal controls, including a follow-up on the status of Management's implementation of recommendations raised in previous reports. Internal audit reports were submitted to the AC, for review of the observations with Management, including Management's action plans to address the concerns raised. In addition, the external auditor's Management Letters and Management's responses to the control recommendations on deficiencies noted during financial audits provided added assurance that control procedures on matters of finance and financial reporting were in place, and were being followed.

STATEMENT ON RISK MANAGEMENT AND INTERNAL CONTROL

Review by the External Auditor

In accordance to paragraph 15.23 of the Main Market Listing Requirements of Bursa Malaysia Securities Berhad, the external auditor, Deloitte PLT has reviewed this Statement for inclusion in this Annual Report of the Group for the financial year ended 30 April 2018.

The review of this Statement by the external auditors was performed in accordance with the scope set out in Audit and Assurance Practice Guide 3, Guidance for Auditors on Engagements to Report on the Statement on Risk Management and Internal Control included in the Annual Report ("AAPG 3"), issued by the Malaysian Institute of Accountants in February 2018.

The external auditor reported that nothing has come to their attention that caused them to believe that the Statement intended to be included in the Annual Report of the Company was not prepared, in all material respects, in accordance with the disclosures required by Paragraphs 41 and 42 of the Guidelines, nor was it factually inaccurate.

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

For the financial year under review and up to the date of this Statement for inclusion in this Annual Report, the Board is of the view that the Group's risk management and internal control system is adequate and effective to safeguard the interests of stakeholder and the Group's assets. There were no material weaknesses or deficiencies in the system of internal controls that have directly resulted in any material loss to the Group.

The Group MD/CEO and the Chief Operating Officer, who also heads the Finance function for the financial year under review, have also provided documented assurance to the Board that the Group's risk management and internal control system, in all material aspects, are operating adequately and effectively based on the risk management and internal control framework of the Group.

This Statement on Risk Management and Internal Control was approved by the Board on 8 August 2018.

AUDIT COMMITTEE REPORT

The Audit Committee with delegated oversight responsibilities assists the Board in ensuring that the paramount interest of the shareholders and other stakeholders of the Group are well protected.

(A) Members

The Audit Committee of the Company consists of three (3) members, all of whom are Independent Non-Executive Directors. For the financial year ended 30 April 2018, the Audit Committee comprised the following:-

- Datuk Ali bin Abdul Kadir (Chairman/Independent Non-Executive Director)
- Dato' Ikhwan Salim bin Dato' Hj Sujak (Member/Senior Independent Non-Executive Director)
- Shan Choo (Member/Independent Non-Executive Director)

The Chairman of the Audit Committee, Datuk Ali bin Abdul Kadir, is a Fellow of the Institute of Chartered Accountants in England and Wales as well as a member of the Malaysian Institute of Certified Public Accountants and Malaysian Institute of Accountants. All members of the Audit Committee are financially literate and are able to analyse and interpret financial statements in order to effectively discharge their duties and responsibilities as members of the Audit Committee.

(B) Meetings

During the financial year ended 30 April 2018, the Committee held five (5) meetings. The details of the attendance of each Committee member are as follows:

Name of Audit Committee Member	Total meetings attended
Datuk Ali bin Abdul Kadir	5/5
Dato' Ikhwan Salim bin Dato' Hj Sujak	5/5
Shan Choo (Appointed on 3 July 2017)	4/4

The Company Secretary shall be the secretary of the Committee and shall be responsible, in conjunction with the Chairman, for drawing up the agenda and circulating it, supported by explanatory documentation to the Committee members prior to each meeting.

The secretary shall also be responsible for keeping the minutes of meetings of the Audit Committee and circulating them to the Audit Committee members and to the other members of the Board. The Chairman of the Audit Committee shall report key issues discussed at each meeting to the Board.

(C) Summary of Work of the Audit Committee and how it has met its responsibilities

During the financial year ended 30 April 2018, the Committee had worked closely with the external auditors, Internal Auditors and Management to monitor, oversee, review and evaluate the effectiveness and adequacy of the Group's risk management and internal control, financial management and reporting.

The Committee had in the discharge of its duties during the financial year ended 30 April 2018, carried out the following:

1. Risk Management and Internal Controls:-

- Via the representation of two Audit Committee Members, attended and observed the Risk Management Committee meeting.
- Reviewed the Risk Management report on the risk profile of the Group and the adequacy and integrity of internal control systems to manage these risks.
- Reviewed and recommended the Audit Committee Report and Statement on Risk Management and Internal Control for disclosure in the Company's annual report for the Board approval.

AUDIT COMMITTEE REPORT

2. **Financial Reporting**

- Reviewed the audited financial statements for financial year ended 30 April 2018.
- Reviewed the unaudited quarterly financial results announcements of the Group prior to the Board of Directors' approval with particular focus on:
  - compliance with financial reporting standards in Malaysia and provisions of the Companies Act, 2016; and
  - the Group's accounting policies and practice.
- Reviewed the Recurrent Related Party Transactions of a revenue or trading nature ("RRPT") entered into by the Company and the Group quarterly.
- Reviewed the draft proposal to seek shareholders' mandate for the Company and the Group to enter into RRPT.

3. **Internal Audit**

- Reviewed the scope of work and audit plan of the Company and of the Group for the financial year ended 30 April 2018.
- Reviewed the significant issues and concerns arising from the audit.
- Reviewed and accessed the internal auditor's findings and the Management's responses thereto and thereafter, making the necessary recommendations or changes to the Board of Directors.
- Assessed the adequacy of scope, functions, competency and resources of the Internal Audit function.
- Considered the proposed internal audit plan for the financial years ending 30 April 2019 and 2020 respectively.
- Considered and recommended to the Board for approval the audit fees payable to the internal auditors.

4. **External Auditor**

- Reviewed the external audit terms of engagement, proposed audit remuneration and audit plan of the Company and of the Group for the financial year ended 30 April 2018.
- Reviewed the significant issues and concerns arising from the audit.
- Considered the feedback regarding problems and reservations arising from the interim and final audits.
- Assessed and be satisfied with the written independent assurance given by the External Auditors.
- Considered and recommended to the Board for approval the audit fees payable to the external auditors.

5. **Others**

- Received an overview of the Group's projects.
- Reviewed and considered the quantum, timing and cash flow of dividend payments, and recommended the same to the Board and shareholders for approval.
- Received and noted the impact of changes to laws and regulations impacting the Group's business operations, including the Companies Act 2016, Malaysian Code of Corporate Governance and Bursa Malaysia Securities Berhad's Main Market Listing Requirements.

(D) Summary of the work of Internal Auditors

The Internal Audit ("IA") function is considered an integral part of the assurance framework within the Group. IA function plays an intermediary role in that it assists in the discharge of the oversight function which is delegated by the Board to the Audit Committee. It serves as a means of obtaining sufficient assurance of regular review and/or appraisal of the adequacy and effectiveness of the system of internal controls from the perspective of governance, risks and control.

The Group outsources its IA function to KPMG Management & Risk Consulting Sdn Bhd ("KPMG"), which has adequate resources and appropriate standing to undertake its work independently and objectively to provide reasonable assurance to the Audit Committee regarding the adequacy and effectiveness of risk management, internal control and governance systems.

The personnel conducting carrying out the internal audit function are free from any relationship or conflict of interest or undue influence of others which could impair their independence. KPMG reports directly to the Audit Committee.

The total cost incurred for the IA function of the Group in respect of the financial year ended 30 April 2018 amounted to RM75,000.The summary of the works undertaken by the internal auditors during the period under review may be referred to the Statement on Risk Management & Internal Control on pages 57 to 62 of the Annual Report.

This Audit Committee Report was approved by the Audit Committee on 8 August 2018.

FINANCIAL STATEMENTS

REPORT OF THE DIRECTORS

REPORT OF THE DIRECTORS

The Directors of GLOMAC BERHAD have pleasure in submitting their report and the audited financial statements of the Group and of the Company for the financial year ended 30 April 2018.

PRINCIPAL ACTIVITIES

The principal activities of the Company are property development and investment holding.

The principal activities of the subsidiary and associated companies are disclosed in Note 42 to the Financial Statements.

RESULT OF OPERATIONS

The results of operations of the Group and of the Company for the financial year are as follows:

	The Group RM	The Company RM
Profit before tax	56,281,031	60,402,280
Income tax expense	(22,619,366)	(8,402,354)
Profit for the year	33,661,665	51,999,926
Profit attributable to:		
Owners of the Company	31,293,252	51,999,926
Non-controlling interests	2,368,413	-
	33,661,665	51,999,926

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

DIVIDENDS

The amounts of dividends paid or declared by the Company since the end of the previous financial year were as follows:

	RM
In respect of the financial year ended 30 April 2017 as reported in the directors' report of that year:	
Final single tier dividend of RM0.015 per share on 720,169,306 ordinary shares, paid on 8 December 2017	10,802,539

The Directors propose a final single tier dividend of RM0.015 per share on 790,703,645 ordinary shares, totalling approximately RM11,860,555 in respect of the current financial year. This dividend is subject to the approval of the shareholders at the forthcoming Annual General Meeting of the Company, and has not been included as a liability in the financial statements. Upon approval by the shareholders, the proposed dividend for 2018 will be paid on 28 December 2018 to all outstanding ordinary shares in issue. The cash dividend payment will be accounted for in equity as an appropriation of retained earnings during the financial year ending 30 April 2019.

RESERVES AND PROVISIONS

There were no material transfers to or from reserves or provisions during the financial year other than those disclosed in the financial statements.

ISSUE OF SHARES AND DEBENTURES

During the financial year, the Company issued 72,268,057 new ordinary shares arising from the bonus issue on the basis of 1 bonus share for every 10 existing shares held. The new ordinary shares issued ranked pari-passu with the existing ordinary shares of the Company.

The Company has not issued any new debentures during the financial year.

SHARE OPTIONS

The Employees' Share Scheme ("ESS") of the Company is governed by the by-laws approved by the shareholders at an Extraordinary General Meeting held on 24 October 2013. The ESS was implemented on 31 March 2014 and will be in force for a maximum period of 7 years from the effective date.

The ESS comprises 2 schemes, i.e. Employees' Share Option Scheme ("ESOS") and Performance-based Restricted Share Grant ("RSG").

The salient features of the ESS are disclosed in Note 39 to the Financial Statements.

Movements in the Company's ESOS during the financial year are as follows:

	Number of options to subscribe for ordinary shares						
Date of grant	**Balance at 1.5.2017**	**Granted**	**Effect of modification[1]**	**Exercised**	**Cancelled**	**Balance at 30.4.2018**	**Exercise price per share (RM)[2]**
2.5.2014	8,611,000	-	814,200	-	(664,800)	8,760,400	0.91
2.1.2015	4,531,000	-	423,000	-	(398,900)	4,555,100	0.83
4.1.2016	7,212,000	-	670,900	-	(728,500)	7,154,400	0.72

Movements in the Company's RSG during the financial year are as follows:

	Number of grants in respect of ordinary shares					
Date of grant	**Balance at 1.5.2017**	**Granted**	**Effect of modification[1]**	**Exercised**	**Cancelled**	**Balance at 30.4.2018**
4.1.2016	4,298,000	-	-	(2,438,250)	(1,859,750)	-
3.1.2017	3,693,000	-	345,300	-	(312,600)	3,725,700

1 Number of options/grants have been modified following the 1:10 bonus issue during the year.
2 ESOS exercise price has been modified following the 1:10 bonus issue during the year.

TREASURY SHARES

During the financial year, the Company purchased 2,066,300 units of its own shares through purchases on Bursa Malaysia Securities Berhad. The total amount paid for acquisition of the shares was RM1,076,491 and it has been deducted from equity. The share transactions were financed by internally generated funds and the average price paid for the shares was RM0.52 per share. The repurchased shares are held as treasury shares in accordance with Section 127(4)(b) of the Companies Act, 2016.

REPORT OF THE DIRECTORS

TREASURY SHARES (Cont'd)

As at 30 April 2018, the Company held a total of 6,914,300 ordinary shares as treasury shares out of its issued and paid-up share capital of 800,089,370 ordinary shares. Such treasury shares are held at carrying amount of RM5,349,087. Further details are disclosed in Note 29 to the Financial Statements.

RESTRICTED SHARES GRANT RESERVE

As of 30 April 2018, the Company has repurchased a total of 14,993,000 of its issued ordinary shares from the open market at an average price of RM0.90 per share. These shares are being held in trust by the Company and recorded as restricted shares grant ("RSG") reserve for the purpose of granting restricted shares to eligible employees in future. The first, second and third tranches of RSG under ESS scheme totalling 12,746,250 shares have been vested and awarded to a selected group of eligible employees as of 30 April 2018. A total of 224,675 shares are being granted under bonus issue during the year. The balance shares held in trust by the Company as at 30 April 2018 is 2,471,425 shares at an average price of RM0.56 per share. Further details are disclosed in Note 39 to the Financial Statements.

OTHER STATUTORY INFORMATION

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

(a) to ascertain that proper action had been taken in relation to the writing off of bad debts and the making of allowance for doubtful debts, and had satisfied themselves that no known bad debts needs to be written off and that adequate allowance had been made for doubtful debts; and

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

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

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

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

(c) 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; or

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

At the date of this report, there does not exist:

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

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

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

In the opinion of the Directors, 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 operations of the Group and of the Company for the financial year in which this report is made.

DIRECTORS

The Directors of the Company during the financial year and during the period from the end of the financial year to the date of this report are:

Tan Sri Dato' Mohamed Mansor bin Fateh Din
Datuk Fong Loong Tuck
Datuk Seri Fateh Iskandar bin Tan Sri Dato' Mohamed Mansor
Dato' Ikhwan Salim bin Dato' Hj Sujak
Datuk Ali bin Tan Sri Abdul Kadir
Ms. Choo Shan
YB Datuk Seri Panglima Hj Abdul Azeez bin Hj Abdul Rahim (Resigned on 23 May 2018)
Datuk Seri Johan Bin Abdullah (Alternate director to YB Datuk Seri Panglima Hj Abdul Azeez bin Hj Abdul Rahim, resigned on 23 May 2018)

The Directors of the subsidiary companies in office during the financial year and during the period from the end of the financial year to the date of this report are:

Tan Sri Dato' Mohamed Mansor bin Fateh Din
Datuk Fong Loong Tuck
Datuk Seri Fateh Iskandar bin Tan Sri Dato' Mohamed Mansor
Carrie Fong Kah Wai (Alternate director to Datuk Fong Loong Tuck)
Dato' Choong Moh Kheng
Fara Eliza binti Tan Sri Dato' Mohamed Mansor (Alternate director to Tan Sri Dato' Mohamed Mansor bin Fateh Din)
Hiew Chee Peng
Ishaque Noor
Koh Tse Ming
Kwok Khuen Phun
Mohd Yasin Loh bin Abdullah
Sheikh Sallem Mohamed S Alqasemmi

DIRECTORS' INTERESTS

The shareholdings in the Company and in related companies of those who were Directors at the end of the financial year, as recorded in the Register of Directors' Shareholdings kept by the Company under Section 59 of the Companies Act, 2016, are as follows:

Shares in the Company:

	Number of ordinary shares				
	Balance as of 1.5.2017	**Bought**	**Effect of bonus issue**	**Sold**	**Balance as of 30.4.2018**
Registered in the name of Directors					
Tan Sri Dato' Mohamed Mansor bin Fateh Din	146,267,198	354,000	14,662,119	-	161,283,317
Datuk Fong Loong Tuck	118,123,096	1,354,000	11,947,709	-	131,424,805
Datuk Seri Fateh Iskandar bin Tan Sri Dato' Mohamed Mansor	116,010,600	6,311,450	11,646,734	-	133,968,784
Dato' Ikhwan Salim bin Dato' Hj Sujak	20,800	-	2,080	-	22,880
Datuk Ali bin Tan Sri Abdul Kadir	1,830,000	-	183,000	-	2,013,000

REPORT OF THE DIRECTORS

DIRECTORS' INTERESTS (Cont'd)

Options pursuant to the ESOS of the Company:

	Number of options over ordinary shares				
	Balance as of 1.5.2017	Granted	Effect of modification	Exercised	Balance as of 30.4.2018
Registered in the name of Directors					
Tan Sri Dato' Mohamed Mansor bin Fateh Din	1,333,000	-	133,300	-	1,466,300
Datuk Fong Loong Tuck	1,333,000	-	133,300	-	1,466,300
Datuk Seri Fateh Iskandar bin Tan Sri Dato' Mohamed Mansor	1,719,000	-	171,900	-	1,890,900

Shares grant pursuant to the RSG of the Company:

	Number of grants in respect of ordinary shares					
	Balance as of 1.5.2017	Granted	Effect of modification	Cancelled	Vested	Balance as of 30.4.2018
Registered in the name of Directors						
Tan Sri Dato' Mohamed Mansor bin Fateh Din	944,000	-	47,200	(118,000)	(354,000)	519,200
Datuk Fong Loong Tuck	944,000	-	47,200	(118,000)	(354,000)	519,200
Datuk Seri Fateh Iskandar bin Tan Sri Dato' Mohamed Mansor	1,218,000	-	60,900	(152,250)	(456,750)	669,900

By virtue of all the above Directors having interest in shares of the Company, they are deemed to have an interest in the shares of all the subsidiary companies of the Company to the extent the Company has an interest.

Shares in the subsidiary companies:

	Number of ordinary shares			
	Balance as of 1.5.2017	Bought	Sold	Balance as of 30.4.2018
Shares in Glomac Bina Sdn. Bhd.				
Registered in the name of Director				
Tan Sri Dato' Mohamed Mansor bin Fateh Din	1,092,000	-	-	1,092,000
Shares in FDA Sdn. Bhd.				
Registered in the name of Director				
Datuk Seri Fateh Iskandar bin Tan Sri Dato' Mohamed Mansor	75,000	-	-	75,000

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

DIRECTORS' BENEFITS

Since the end of the previous financial year, none of the Directors of the Company has received or become entitled to receive any benefit (other than those disclosed as Directors' remuneration in the financial statements) by reason of a contract made by the Company or a related corporation with the Director or with a firm of which the Director is a member, or with a company in which the Director has a substantial financial interest other than any benefit which may be deemed to have arisen by virtue of the transactions as disclosed in Note 38 to the Financial Statements.

During and at the end of the financial year, no arrangement subsisted to which the Company was a party whereby directors of the Company might acquire benefits by means of the acquisition of shares in, or debentures of, the Company or any other body corporate except for the options and shares granted to certain Directors pursuant to the Company's Employees' Share Scheme as disclosed under "Directors' Interests".

INDEMNITY AND INSURANCE FOR DIRECTORS AND OFFICERS

The Company maintains Directors' liability insurance for purposes of Section 289 of the Companies Act, 2016 throughout the year, which provides appropriate insurance cover for the Directors of the Company. The amount of insurance premium paid during the year amounted to RM19,090.

AUDITORS' REMUNERATION

The amount paid as remuneration of the auditors for the financial year ended 30 April 2018 is as disclosed in Note 9(a) to the Financial Statements.

AUDITORS

The auditors, Deloitte PLT, have indicated their willingness to continue in office.

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

TAN SRI DATO' MOHAMED MANSOR BIN FATEH DIN

DATUK SERI FATEH ISKANDAR BIN TAN SRI DATO' MOHAMED MANSOR

Kuala Lumpur
8 August 2018

INDEPENDENT AUDITORS' REPORT

TO THE MEMBERS OF GLOMAC BERHAD
(Incorporated in Malaysia)

Report on Audit of the Financial Statements

Opinion

We have audited the financial statements of GLOMAC BERHAD, which comprise the statements of financial position as of 30 April 2018 of the Group and of the Company, and the statements of profit or loss and other comprehensive income, statements of changes in equity and statements of cash flows of the Group and of the Company for the year then ended, and notes to the financial statements, including a summary of significant accounting policies, as set out on pages 76 to 149.

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 of 30 April 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 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.

Revenue of property development activities recognised on percentage of completion method

Key audit matter

The Group recognises revenue from its property development activities using the percentage of completion method. Estimated losses are recognised in full when determined. Property development projects and expense estimates are reviewed and revised periodically as work progresses and as variation orders are approved.

Significant judgement is required in determining the stage of completion, the extent of the property development projects incurred, the estimated total property development revenue and costs as well as the recoverability of the project undertaken. In making the judgement, the Group made reference to past experience and by relying on the work of specialists.

Our audit response

We obtained an understanding of the relevant controls put in place by the Group in respect of revenue recognition for property development activities and performed procedures to evaluate the design and implementation and operating effectiveness of such controls.

We evaluated the percentage of completion used by management in revenue recognition, determined on a costs-to-costs basis, by independently recomputing the said percentage of completion. We also performed site-visits for individually significant ongoing projects to arrive at an overall assessment as to whether information provided by management was reasonable.

Revenue of property development activities recognised on percentage of completion method **(Cont'd)**

Our audit response (Cont'd)

We assessed the reasonableness of management-prepared budgets for property development projects against letters of award issued to contractors, challenged management assumptions used in the preparation of the respective budgets and performed retrospective review to establish the reliability of management-prepared budgets. We verified gross development value therein against signed sale and purchase agreements and estimated selling price of unsold development to the latest transacted selling price.

We considered the stage of completion of individually significant ongoing development projects to the expected handover date to determine the adequacy of any provision for liquidated ascertained damages.

We checked the mathematical accuracy of the revenue and profit based on percentage of completion calculations and considered the implications of any changes in estimates.

Fair value of investment properties

Key audit matter

As of 30 April 2018, investment properties of the Group consisted mainly of a retail mall with a fair value of RM318 million. The Group has determined the fair value of this investment property to be RM318 million based on a valuation carried out by an independent firm of professional valuers. Fair value information, valuation techniques applied and significant unobservable inputs relating to the valuation of this investment property are disclosed in Note 15 to the Financial Statements.

Our audit response

We assessed the appropriateness of the independent valuer's scope of work, evaluated the independence and qualification of the independent valuer.

We held a meeting with the independent valuer to develop an understanding of the methodologies used in performing the valuation, considered the appropriateness of the valuation techniques and challenged the basis and assumptions used. We obtained and verified the property related data used as input to the valuation model as provided by management and the valuer.

We also assessed the adequacy and appropriateness of the disclosures relating to the valuation methodologies in the financial statements.

Net realisable value of completed property units

Key audit matter

As of 30 April 2018, the carrying amount of the Group's completed property units, which are stated at the lower of cost and net realisable value, amounted to RM139,689,678 and represented 21% of the Group's total current assets. The Group determines the net realisable value of these inventories based on historical trends and management estimates of future products demand and related pricing.

Our audit response

We compared management's assessment of net realisable value by reference to recent transacted prices of comparable completed property units, taking into consideration the estimated selling costs.

We also physically sighted individual significant completed property units, focusing on long-aged property units, to ascertain if any write-down was warranted due to physical obsolescence and deterioration of the units.

We have determined that there are no key audit matters in the audit of the separate financial statements of the Company to communicate in our auditors' report.

INDEPENDENT AUDITORS' REPORT

TO THE MEMBERS OF GLOMAC BERHAD
(Incorporated in Malaysia)

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 information included in the annual report of the Group, 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 on the other information that we obtained prior to the date of this auditors' report, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

Responsibilities of the Directors for the Financial Statements

The Directors of the Company are responsible for the preparation of financial statements of the Group and of the Company that give a true and fair view in accordance with 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.

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

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

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

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

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

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

Report on Other Legal and Regulatory Requirements

In accordance with the requirements of the Companies Act, 2016 in Malaysia, we report that the subsidiaries of which we have not acted as auditors, are as disclosed in Note 42 to the Financial Statements.

Other Matter

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 contents of this report.

DELOITTE PLT (LLP0010145-LCA)
Chartered Accountants (AF 0080)

LAI CAN YIEW
Partner - 02179/11/2018 J
Chartered Accountant

8 August 2018

STATEMENTS OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME

FOR THE YEAR ENDED 30 APRIL 2018

	Note	The Group 2018 RM	The Group 2017 RM	The Company 2018 RM	The Company 2017 RM
Revenue	5	405,927,377	584,081,058	55,760,000	108,361,466
Cost of sales	6	(308,971,467)	(348,581,596)	-	-
Gross profit		96,955,910	235,499,462	55,760,000	108,361,466
Investment income	7	8,409,462	9,309,558	29,244,558	23,764,789
Other operating income		27,930,256	30,058,292	1,045,211	975,907
Share of (loss)/profit of associated companies	18	(751,959)	1,824,541	-	-
Marketing expenses		(13,596,688)	(17,460,045)	-	-
Administration expenses		(31,172,554)	(41,784,650)	(5,812,714)	(6,886,669)
Other operating expenses		(8,649,512)	(27,459,283)	(1,151,000)	-
Finance costs	8	(22,843,884)	(20,243,505)	(18,683,775)	(16,038,153)
Profit before tax	9	56,281,031	169,744,370	60,402,280	110,177,340
Income tax expense	10	(22,619,366)	(60,535,115)	(8,402,354)	(4,030,613)
Profit for the year		33,661,665	109,209,255	51,999,926	106,146,727
Other comprehensive (loss)/income					
Item that may be reclassified subsequently to profit or loss					
Exchange differences on translation of foreign operations		(134,439)	130,036	-	-
Total comprehensive income for the year		33,527,226	109,339,291	51,999,926	106,146,727
Profit attributable to:					
Owners of the Company		31,293,252	108,193,469	51,999,926	106,146,727
Non-controlling interests		2,368,413	1,015,786	-	-
		33,661,665	109,209,255	51,999,926	106,146,727
Total comprehensive income attributable to:					
Owners of the Company		31,158,813	108,323,505	51,999,926	106,146,727
Non-controlling interests		2,368,413	1,015,786	-	-
		33,527,226	109,339,291	51,999,926	106,146,727
Basic earnings per share (sen)	11	3.95	13.65*		

* In accordance with FRS 133 *Earnings Per Share*, the comparative has been restated to account for the effects of the bonus issue.

STATEMENTS OF FINANCIAL POSITION

AS OF 30 APRIL 2018

	Note	The Group 2018 RM	The Group 2017 RM	The Company 2018 RM	The Company 2017 RM
ASSETS					
Non-current Assets					
Property, plant and equipment	13	50,829,732	51,002,034	405,917	738,664
Prepaid lease payments on leasehold land	14	52,587	56,632	-	-
Investment properties	15	349,613,378	349,184,378	-	-
Land held for property development	16	794,700,125	740,029,247	-	-
Subsidiary companies	17	-	-	540,312,066	541,463,066
Associated companies	18	30,700,294	33,762,253	-	-
Other investments	19	4,000,000	4,000,000	-	-
Goodwill on consolidation	20	395,165	395,165	-	-
Deferred tax assets	21	31,301,491	24,042,189	1,331,128	4,181,708
Total Non-current Assets		1,261,592,772	1,202,471,898	542,049,111	546,383,438
Current Assets					
Inventories	22	139,689,678	143,725,670	1,295,942	1,295,942
Property development costs	23	66,342,548	35,115,968	-	-
Accrued billings	24	84,815,509	75,264,429	-	-
Trade receivables	25	136,969,588	150,107,754	-	-
Other receivables	26	29,371,945	32,433,661	4,725,353	4,750,116
Amount due from subsidiary companies	27	-	-	624,981,945	526,152,696
Tax recoverable		21,486,175	18,956,756	-	-
Deposits, cash and bank balances	28	176,074,120	307,751,466	5,998,352	43,021,808
Total Current Assets		654,749,563	763,355,704	637,001,592	575,220,562
TOTAL ASSETS		1,916,342,335	1,965,827,602	1,179,050,703	1,121,604,000

STATEMENTS OF FINANCIAL POSITION

AS OF 30 APRIL 2018

	Note	The Group 2018 RM	The Group 2017 RM	The Company 2018 RM	The Company 2017 RM
EQUITY AND LIABILITIES					
Capital and Reserves					
Issued capital	29	418,631,554	418,631,554	418,631,554	418,631,554
Capital reserve	29	300,000	300,000	-	-
Equity-settled employee benefits reserve	29	6,027,275	6,648,587	6,027,275	6,648,587
Foreign currency translation reserve		738,400	872,839	-	-
Treasury shares	29	(5,349,087)	(4,272,596)	(5,349,087)	(4,272,596)
Restricted shares grant reserve	29	(1,387,207)	(238,430)	(1,387,207)	(238,430)
Retained earnings	30	676,275,286	655,520,393	355,763,992	314,302,425
Equity attributable to owners of the Company		1,095,236,221	1,077,462,347	773,686,527	735,071,540
Non-controlling interests		37,155,342	47,526,929	-	-
Total Equity		1,132,391,563	1,124,989,276	773,686,527	735,071,540
Non-current Liabilities					
Long term liabilities	31	301,153,942	239,930,961	128,387,500	133,550,000
Deferred tax liabilities	21	1,399,380	2,283,538	-	-
Total Non-current Liabilities		302,553,322	242,214,499	128,387,500	133,550,000
Current Liabilities					
Trade payables	32	137,122,995	126,212,459	-	-
Other payables and accrued expenses	33	48,423,980	114,813,548	2,453,258	1,731,778
Provisions	33	72,373,284	43,458,738	-	-
Advance billings	24	4,069,759	11,327,368	-	-
Amount due to subsidiary companies	27	-	-	94,630,918	91,208,372
Hire-purchase and lease payables	31	529,588	401,229	-	-
Borrowings	34	213,304,490	290,019,111	178,162,500	148,950,000
Tax liabilities		5,573,354	1,546,777	1,730,000	247,713
Dividend payable		-	10,844,597	-	10,844,597
Total Current Liabilities		481,397,450	598,623,827	276,976,676	252,982,460
Total Liabilities		783,950,772	840,838,326	405,364,176	386,532,460
TOTAL EQUITY AND LIABILITIES		1,916,342,335	1,965,827,602	1,179,050,703	1,121,604,000

The accompanying Notes form an integral part of the Financial Statements.

STATEMENTS OF CHANGES IN EQUITY

FOR THE YEAR ENDED 30 APRIL 2018

The Group

		Non-distributable reserves						Distributable reserve			
	Issued capital RM	Share premium RM	Capital reserve RM	Equity-settled employee benefits reserve RM	Foreign currency translation reserve RM	Treasury shares RM	Restricted shares grant reserve RM	Retained earnings RM	Attributable to owners of the Company RM	Non-controlling interest RM	Total equity RM
As of 1 May 2016	363,910,657	54,720,897	300,000	6,209,805	742,803	(3,509,514)	(3,110,234)	572,673,427	991,937,841	59,325,854	1,051,263,695
Transfer arising from "no-par-value" regime (Note 29)	54,720,897	(54,720,897)	-	-	-	-	-	-	-	-	-
Profit for the year	-	-	-	-	-	-	-	108,193,469	108,193,469	1,015,786	109,209,255
Other comprehensive income for the year	-	-	-	-	130,036	-	-	-	130,036	-	130,036
Total comprehensive income for the year	-	-	-	-	130,036	-	-	108,193,469	108,323,505	1,015,786	109,339,291
Dividend to non-controlling shareholders of subsidiary companies	-	-	-	-	-	-	-	-	-	(12,814,711)	(12,814,711)
Dividend to owners of the Company (Note 12)	-	-	-	-	-	-	-	(25,161,291)	(25,161,291)	-	(25,161,291)
Effect of vesting of RSG shares (Note 29)	-	-	-	(3,242,145)	-	-	3,427,357	(185,212)	-	-	-
Recognition of share-based payments (Note 29)	-	-	-	3,680,927	-	-	-	-	3,680,927	-	3,680,927
Repurchase of treasury shares (Note 29)	-	-	-	-	-	(763,082)	-	-	(763,082)	-	(763,082)
Repurchase of RSG shares (Note 29)	-	-	-	-	-	-	(555,553)	-	(555,553)	-	(555,553)
As of 30 April 2017	418,631,554	-	300,000	6,648,587	872,839	(4,272,596)	(238,430)	655,520,393	1,077,462,347	47,526,929	1,124,989,276
As of 1 May 2017	418,631,554	-	300,000	6,648,587	872,839	(4,272,596)	(238,430)	655,520,393	1,077,462,347	47,526,929	1,124,989,276
Profit for the year	-	-	-	-	-	-	-	31,293,252	31,293,252	2,368,413	33,661,665
Other comprehensive loss for the year	-	-	-	-	(134,439)	-	-	-	(134,439)	-	(134,439)
Total comprehensive income for the year	-	-	-	-	(134,439)	-	-	31,293,252	31,158,813	2,368,413	33,527,226
Dividend to non-controlling shareholders of subsidiary companies	-	-	-	-	-	-	-	-	-	(12,740,000)	(12,740,000)
Dividend to owners of the Company (Note 12)	-	-	-	-	-	-	-	(10,802,539)	(10,802,539)	-	(10,802,539)
Effect of vesting of RSG shares (Note 29)	-	-	-	(1,912,563)	-	-	1,648,383	264,180	-	-	-
Recognition of share-based payments (Note 29)	-	-	-	1,291,251	-	-	-	-	1,291,251	-	1,291,251
Repurchase of treasury shares (Note 29)	-	-	-	-	-	(1,076,491)	-	-	(1,076,491)	-	(1,076,491)
Repurchase of RSG shares (Note 29)	-	-	-	-	-	-	(2,797,160)	-	(2,797,160)	-	(2,797,160)
As of 30 April 2018	418,631,554	-	300,000	6,027,275	738,400	(5,349,087)	(1,387,207)	676,275,286	1,095,236,221	37,155,342	1,132,391,563

STATEMENTS OF CHANGES IN EQUITY

FOR THE YEAR ENDED 30 APRIL 2018

The Company

		Non-distributable reserves				Distributable reserve	
	Issued capital RM	Share premium RM	Equity-settled employee benefits reserve RM	Treasury shares RM	Restricted shares grant reserve RM	Retained earnings RM	Total RM
As of 1 May 2016	363,910,657	54,720,897	6,209,805	(3,509,514)	(3,110,234)	233,502,201	651,723,812
Transfer arising from "no-par-value" regime (Note 29)	54,720,897	(54,720,897)	-	-	-	-	-
Total comprehensive income for the year	-	-	-	-	-	106,146,727	106,146,727
Dividends (Note 12)	-	-	-	-	-	(25,161,291)	(25,161,291)
Recognition of share-based payments (Note 29)	-	-	3,680,927	-	-	-	3,680,927
Repurchase of treasury shares (Note 29)	-	-	-	(763,082)	-	-	(763,082)
Repurchase of RSG shares (Note 29)	-	-	-	-	(555,553)	-	(555,553)
Effect of vesting of RSG shares (Note 29)	-	-	(3,242,145)	-	3,427,357	(185,212)	-
As of 30 April 2017	418,631,554	-	6,648,587	(4,272,596)	(238,430)	314,302,425	735,071,540
As of 1 May 2017	418,631,554	-	6,648,587	(4,272,596)	(238,430)	314,302,425	735,071,540
Total comprehensive income for the year	-	-	-	-	-	51,999,926	51,999,926
Dividends (Note 12)	-	-	-	-	-	(10,802,539)	(10,802,539)
Recognition of share-based payments (Note 29)	-	-	1,291,251	-	-	-	1,291,251
Repurchase of treasury shares (Note 29)	-	-	-	(1,076,491)	-	-	(1,076,491)
Repurchase of RSG shares (Note 29)	-	-	-	-	(2,797,160)	-	(2,797,160)
Effect of vesting of RSG shares (Note 29)	-	-	(1,912,563)	-	1,648,383	264,180	-
As of 30 April 2018	418,631,554	-	6,027,275	(5,349,087)	(1,387,207)	355,763,992	773,686,527

The accompanying Notes form an integral part of the Financial Statements.

STATEMENTS OF CASH FLOWS

FOR THE YEAR ENDED 30 APRIL 2018

	The Group		The Company	
	2018 RM	2017 RM	2018 RM	2017 RM
CASH FLOWS FROM/(USED IN) OPERATING ACTIVITIES				
Profit before tax	56,281,031	169,744,370	60,402,280	110,177,340
Adjustments for:				
Finance costs	22,843,884	20,243,505	18,683,775	16,038,153
Depreciation of property, plant and equipment	3,801,486	3,646,323	369,466	366,088
Share-based payment expenses	1,291,251	3,680,927	1,291,251	3,680,927
Inventories written off	1,261,528	-	-	-
Share of loss/(profit) of associated companies	751,959	(1,824,541)	-	-
Allowance for doubtful debts	626,620	148,233	-	-
Property, plant and equipment written off	153,080	38	-	-
Write down of liquidated ascertained damages not recoverable	85,200	2,683,600	-	-
Provision for liquidated ascertained damages to purchasers	43,769	1,311,613	-	-
Amortisation of prepaid lease payments on leasehold land	4,045	4,045	-	-
Provision for release of bumiputera quota	-	17,796,007	-	-
Impairment loss on investment in subsidiary company	-	-	1,151,000	-
Unrealised foreign exchange (gain)/loss	-	-	(75,720)	63,392
Allowance for foreseeable losses on property development no longer required	(15,696,333)	(2,516,271)	-	-
Write-back of accrued construction cost no longer required	(9,708,743)	-	-	-
Interest income	(8,409,462)	(9,309,558)	(29,244,558)	(23,764,789)
Fair value gain on investment properties	(429,000)	(276,400)	-	-
Allowance for doubtful debts no longer required (Note 25)	(285,526)	-	-	-
Dividend income	-	-	(55,760,000)	(108,361,466)
Operating Profit/(Loss) Before Working Capital Changes	52,614,789	205,331,891	(3,182,506)	(1,800,355)
(Increase)/Decrease in:				
Land held for property development	(51,984,770)	(164,942,037)	-	-
Inventories	2,774,464	3,025,746	-	-
Property development costs	(2,323,371)	104,736,900	-	-
Accrued billings	(9,551,080)	114,626,996	-	-
Receivables	14,587,443	(40,227,957)	24,763	1,422,137
(Decrease)/Increase in:				
Payables	(30,534,952)	(84,670,079)	343,020	80,303
Advance billings	(7,257,609)	10,381,924	-	-
Cash Generated From/(Used In) Operations	(31,675,086)	148,263,384	(2,814,723)	(297,915)
Income tax paid	(29,265,668)	(42,257,026)	(4,343,218)	(3,567,500)
Finance costs paid	(24,924,963)	(26,602,944)	(14,717,762)	(16,038,153)
Net Cash (Used In)/From Operating Activities	(85,865,717)	79,403,414	(21,875,703)	(19,903,568)

STATEMENTS OF CASH FLOWS

FOR THE YEAR ENDED 30 APRIL 2018

	Note	The Group		The Company	
		2018 RM	2017 RM	2018 RM	2017 RM
CASH FLOWS FROM/(USED IN) INVESTING ACTIVITIES					
Interest received		6,833,798	9,172,431	442,865	23,764,789
Dividend received from investment in associated companies		2,310,000	-	-	-
Distribution of fund upon termination of associate company		-	126,591	-	-
Dividends received from subsidiary companies		-	-	55,760,000	108,361,466
Purchase of property, plant and equipment (Note i)		(1,201,477)	(1,270,714)	(36,719)	(39,161)
Advances made to subsidiary companies		-	-	(70,027,556)	(84,521,789)
Net Cash From/(Used In) Investing Activities		7,942,321	8,028,308	(13,861,410)	47,565,305
CASH FLOWS (USED IN)/FROM FINANCING ACTIVITIES					
Drawdown/(Repayment) of term loans		4,499,425	(57,862,204)	8,000,000	30,800,000
Drawdown/(Repayment) of hire-purchase and lease payables		157,709	(468,000)	-	-
Increase/(Decrease) in amount due to subsidiary companies		-	-	184,444	(47,898,732)
Dividends paid		(21,642,579)	(28,801,251)	(21,647,136)	(28,801,251)
(Repayment)/Drawdown of revolving credits		(20,020,415)	57,811,492	16,050,000	52,500,000
Dividends paid to non-controlling shareholders of subsidiary companies		(12,740,000)	(12,814,711)	-	-
Repurchase of shares under Employees' Share Scheme		(2,797,160)	(555,553)	(2,797,160)	(555,553)
Placement of deposits with maturity in excess of 90 days and deposits pledged		(1,327,784)	(21,988,420)	-	-
Shares buy back		(1,076,491)	(763,082)	(1,076,491)	(763,082)
Net Cash (Used in)/From Financing Activities		(54,947,295)	(65,441,729)	(1,286,343)	5,281,382
NET (DECREASE)/INCREASE IN CASH AND CASH EQUIVALENTS		(132,870,691)	21,989,993	(37,023,456)	32,943,119
CASH AND CASH EQUIVALENTS AT BEGINNING OF YEAR		279,558,742	257,565,304	43,021,808	10,078,689
Effect of currency translation		(134,439)	3,445	-	-
CASH AND CASH EQUIVALENTS AT END OF YEAR	28	146,553,612	279,558,742	5,998,352	43,021,808

Note i

Cash outflow on acquisition of property, plant and equipment is as follows:

	The Group		The Company	
	2018 RM	2017 RM	2018 RM	2017 RM
Additions during the year (Note 13)	3,782,264	1,270,714	36,719	39,161
Less: Reclassification from other receivables	(2,580,787)	-	-	-
Cash outflow	1,201,477	1,270,714	36,719	39,161

The accompanying Notes form an integral part of the Financial Statements.

NOTES TO THE FINANCIAL STATEMENTS

1. GENERAL INFORMATION

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

The Company is principally involved in property development and investment holding.

The principal activities of the subsidiary and associated companies are disclosed in Note 42.

The financial statements of the Group and of the Company are presented in Ringgit Malaysia ("RM").

The registered office and principal place of business of the Company is located at Level 15, Menara Glomac, Glomac Damansara, Jalan Damansara, 60000 Kuala Lumpur.

The financial statements of the Group and of the Company were authorised for issue by the Board of Directors in accordance with a resolution of the Directors on 8 August 2018.

2. BASIS OF PREPARATION OF THE FINANCIAL STATEMENTS

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

Adoption of New and Revised Financial Reporting Standards

In the current financial year, the Group adopted all the amendments to FRSs issued by the Malaysian Accounting Standards Board ("MASB") that are relevant to its operations and effective for annual financial periods beginning on or after 1 May 2017.

Amendments to FRS 107 Disclosure Initiative
Amendments to FRS 112 Recognition of Deferred Tax Assets for Unrealised Losses
Amendments to FRSs contained in the document entitled Annual Improvements to FRSs 2014-2016 Cycle

The adoption of these amendments to FRSs did not result in significant changes in the accounting policies of the Group and has no significant effect on the financial performance or position of the Group.

Malaysian Financial Reporting Standards Framework ("MFRS Framework")

On 19 November 2011, the MASB issued a new MASB approved accounting framework, the Malaysian Financial Reporting Standards Framework ("MFRS Framework"), a fully-IFRS compliant framework. Entities other than private entities should apply the MFRS Framework for annual periods beginning on or after 1 January 2012, with the exception of Transitioning Entities.

Transitioning Entities, being entities within the scope of MFRS 141 Agriculture and/or IC Interpretation 15: *Agreements for the Construction of Real Estate*, including its parents, significant investors and venturers were allowed to defer the adoption of the MFRS Framework until such time as mandated by the MASB. On 2 September 2014, with the issuance of MFRS 15 *Revenue from Contracts with Customers* and Amendments to MFRS 116 and MFRS 141 *Agriculture: Bearer Plants*, the MASB announced that Transitioning Entities which have chosen to continue with the FRS Framework are now required to adopt the MFRS Framework latest by 1 January 2017.

On 8 September 2015, the MASB confirmed that the effective date of MFRS 15 will be deferred to annual periods beginning on or after 1 January 2018. However, early application of MFRS 15 is still permitted.

The Group falls within the scope definition of Transitioning Entities and has availed itself of this transitional arrangement and will continue to apply FRSs in the preparation of its financial statements. Accordingly, the Group will be required to apply MFRS 1 *First-time Adoption of Malaysian Financial Reporting Standards* in its financial statements for the financial year ending 30 April 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. Adjustments required on transition, if any, will be made retrospectively against opening retained earnings.

NOTES TO THE FINANCIAL STATEMENTS

2. BASIS OF PREPARATION OF THE FINANCIAL STATEMENTS (Cont'd)

Standards, Amendments and IC Interpretations in issue but not yet effective

In addition to the adoption of the MFRS Framework, the new and revised standards and IC Interpretations which are in issue but not yet effective and not early adopted by the Group are listed below:

MFRS 9	Financial Instruments (IFRS 9 as issued by IASB in July 2014)[1]
MFRS 15	Revenue from Contracts with Customers and related clarifications[1]
MFRS 16	Leases[2]
MFRS 17	Insurance Contracts[3]
Amendments to MFRS 2	Classification and Measurement of Share-based Payment Transactions[1]
Amendments to MFRS 4	Applying MFRS 9 Financial Instruments with MFRS 4 Insurance Contracts[1]
Amendments to MFRS 9	Prepayment Features with Negative Compensation[2]
Amendments to MFRS 10 and MFRS 128	Sale or Contribution of Assets between an Investor and its Associate or Joint Venture[4]
Amendments to MFRS 119	Plan Amendment, Curtailment or Settlement[2]
Amendments to MFRS 128	Long-term Interests in Associates and Joint Ventures[2]
Amendments to MFRS 140	Transfer of Investment Property[1]
IC interpretation 22	Foreign Currency Transactions and Advance Consideration[1]
IC Interpretation 23	Uncertainty over Income Tax Treatments[2]

Amendments to MFRSs contained in the document entitled Annual Improvements to MFRSs 2014-2016 Cycle[1]
Amendments to MFRSs contained in the document entitled Annual Improvements to MFRSs 2015-2017 Cycle[2]

[1] Effective for annual periods beginning on or after 1 January 2018, with earlier application permitted.
[2] Effective for annual periods beginning on or after 1 January 2019, with earlier application permitted.
[3] Effective for annual periods beginning on or after 1 January 2021, with earlier application permitted.
[4] Effective date deferred to a date to be determined and announced, with earlier application still permitted.

The Directors anticipate that the abovementioned MFRSs, amendments to MFRS and IC Interpretations will be adopted in the annual financial statements of the Group when they become effective and the adoption of these MFRSs, amendments to MFRS and IC Interpretations will have no material impact on the financial statements of the Group in the period of initial application, except as disclosed below.

<u>MFRS 15 Revenue from Contracts with Customers</u>

MFRS 15 establishes a single comprehensive model for entities to use in accounting for revenue arising from contracts with customers. Subsequently, amendments to MFRS 15 were issued in April 2016 which provide clarifications on certain requirements of MFRS 15 and provide additional transitional relief upon implementing MFRS 15. MFRS 15 will supersede the current revenue recognition guidance including MFRS 118 *Revenue*, MFRS 111 *Construction Contracts* and the related interpretation when it becomes effective.

The core principle of MFRS 15 is that an entity should recognise revenue to depict the transfer of promised goods or services to customers in an amount that reflects the consideration to which the entity expects to be entitled in exchange for those goods or services. Specifically, the standard introduces a 5-step approach to revenue recognition:

Step 1: Identify the contract(s) with a customer
Step 2: Identify the performance obligations in the contract
Step 3: Determine the transaction price
Step 4: Allocate the transaction price to the performance obligations in the contract
Step 5: Recognise revenue when (or as) the entity satisfies a performance obligation

Under MFRS 15, an entity recognises revenue when (or as) a performance obligations is satisfied, i.e. when 'control' of the goods or services underlying the particular performance obligation is transferred to the customer. Far more prescriptive guidance has been added in MFRS 15 to deal with specific scenarios. Furthermore, extensive disclosures are required by MFRS 15.

3. SIGNIFICANT ACCOUNTING POLICIES

Basis of Accounting

The financial statements of the Group and of the Company have been prepared under the historical cost convention unless otherwise indicated in the accounting policies stated below. Historical cost is generally based on the fair value of the consideration given in exchange for assets.

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, regardless of whether that price is directly observable or estimated using another valuation technique. In estimating the fair value of an asset or a liability, the Group takes into account the characteristics of the asset or liability if market participants would take those characteristics into account when pricing the asset or liability at the measurement date. Fair value for measurement and/or disclosure purposes in these consolidated financial statements is determined on such a basis, except for share-based payment transactions that are within the scope of FRS 2, leasing transactions that are within the scope of FRS 117, and measurements that have some similarities to fair value but are not fair value, such as net realisable value in FRS 102 or value in use in FRS 136.

In addition, for financial reporting purposes, fair value measurements are categorised into Level 1, 2 or 3 based on the degree to which the inputs to the fair value measurements are observable and the significance of the inputs to the fair value measurement in its entirety, which are described as follows:

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

The principal accounting policies are set out below.

(a) Revenue Recognition

Revenue is recognised when it is probable that the economic benefits associated with the transaction will flow to the Group and the Company and the amount of the revenue can be measured reliably.

Revenue is measured at the fair value of the consideration received or receivable and represents amounts receivable for goods and services provided in the normal course of business.

(i) Sale of development properties

Revenue from sale of residential and commercial properties are accounted for by the stage of completion method as described in Note 3(m).

Sale of vacant land and completed property units is recognised when the risks and rewards associated with ownership transfers to the property purchasers.

(ii) Construction contracts

Revenue from construction contracts is accounted for by the stage of completion method as described in Note 3(n).

(iii) Project management fee

Project management fee is recognised when such service is rendered.

(iv) Dividend income

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

3. SIGNIFICANT ACCOUNTING POLICIES (Cont'd)

(a) Revenue Recognition (Cont'd)

(v) Rental income

Rental income is recognised over the tenure of the rental period of properties.

(vi) Interest income

Interest income is accrued on a time basis, by reference to the principal outstanding and at the effective interest rate applicable, which is the rate that exactly discounts estimated future cash receipts through the expected life of the financial asset to that asset's net carrying amount on initial recognition.

(vii) Government grant income

Government grant income is recognised in the profit or loss when there is reasonable assurance that the Group will comply with the conditions attached to the grant, if any, and that the grant will be received.

(b) Employee Benefits

(i) Short-term benefits

Wages, salaries, bonuses and social security contributions are recognised as an expense in the year in which the associated services are rendered by employees of the Group and of the Company. Short-term accumulating compensated absences such as paid annual leave are recognised when services are rendered by employees that increase their entitlement to future compensated absences and short-term non-accumulating compensated absences such as sick leave are recognised when the absences occur.

(ii) Defined contribution plan

As required by law, companies in Malaysia make contributions to the Employees Provident Fund ("EPF"), a statutory defined contribution plan for all their eligible employees based on certain prescribed rates of the employees' salaries. Such contributions are recognised as an expense in profit or loss as incurred. Once the contributions have been paid, the Group and the Company have no further payment obligations.

(iii) Share-based payments

Equity-settled share-based payments to employees and others providing similar services are measured at the fair value of the equity instruments at the grant date. Details regarding the determination of the fair value of equity-settled share-based transactions are set out in Note 39.

The fair value determined at the grant date of the equity-settled share-based payments is expensed on a straight-line basis over the vesting period, based on the Group's estimate of equity instruments that will eventually vest with a corresponding increase in equity. At the end of each reporting period, the Group revises its estimate of the number of equity instruments expected to vest. The impact of the revision of the original estimates, if any, is recognised in profit or loss such that the cumulative expense reflects the revised estimate, with a corresponding adjustment to the equity-settled employee benefits reserve.

(c) Foreign currency

The individual financial statements of each group entity are presented in the currency of the primary economic environment in which the entity operates (its functional currency). For the purpose of the financial statements of the Group, the results and financial position of each entity are expressed in RM, which is the functional currency of the Company and the presentation currency for the financial statements of the Group.

3. **SIGNIFICANT ACCOUNTING POLICIES (Cont'd)**

(c) Foreign currency (Cont'd)

In preparing the financial statements of the individual entities, transactions in currencies other than the entity's functional currency (foreign currencies) are recognised at the rates of exchange prevailing at the dates of the transactions. At the end of each reporting period, monetary items denominated in foreign currencies are retranslated at the rates prevailing at that date. Non-monetary items carried at fair value that are denominated in foreign currencies are retranslated at the rates prevailing at the date when the fair value was determined. Non-monetary items that are measured in terms of historical cost in a foreign currency are not retranslated.

For the purpose of presenting financial statements of the Group, the assets and liabilities of the Group's foreign operations are expressed in RM using exchange rates prevailing at the end of the reporting period. Income and expense items are translated at the average exchange rates for the period, unless exchange rates fluctuated significantly during the period, in which case the exchange rates prevailing on the dates of the transactions are used. Exchange differences arising, if any, are recognised in other comprehensive income and accumulated in equity (attributed to non-controlling interests as appropriate).

On the disposal of a foreign operation (i.e. a disposal of the Group's entire interest in a foreign operation, or a disposal involving loss of control over a subsidiary that includes a foreign operation, loss of joint control over a jointly controlled entity that includes a foreign operation, or loss of significant influence over an associate that includes a foreign operation), all of the accumulated exchange differences in respect of that operation attributable to the Group are reclassified to profit or loss. Any exchange differences that have previously been attributed to non-controlling interests are derecognised, but they are not reclassified to profit or loss.

(d) Income Taxes

Income tax in profit or loss for the year comprises current and deferred tax. Current tax is the expected amount of income taxes payable in respect of the taxable profit for the year and is measured using the tax rates that have been enacted or substantively enacted by the end of the reporting period.

Deferred tax is recognised on temporary differences as of the end of the reporting period between the tax bases of assets and liabilities and their carrying amounts in the financial statements. Deferred tax liabilities are recognised for all taxable temporary differences while deferred tax assets are recognised for all deductible temporary differences, unused tax losses and unused tax credits to the extent that it is probable that future taxable profits will be available against which the deductible temporary differences, unused tax losses and unused tax credits can be utilised. Deferred tax is not recognised if the temporary difference arises from goodwill or negative goodwill or from the initial recognition of an asset or liability in a transaction which is not a business combination and at the time of the transaction, affects neither the accounting profit nor taxable profit.

Deferred tax is measured at the tax rates that are expected to apply in the period when the asset is realised or the liability settled, based on tax rates that have been enacted or substantively enacted by the end of the reporting period. Deferred tax is recognised in profit or loss except when it arises from a transaction which is recognised directly in equity, in which case the deferred tax is also charged or credited directly in equity, or when it arises from a business combination that is an acquisition, in which case the deferred tax is included in the resulting goodwill.

For the purposes of measuring deferred tax liabilities and deferred tax assets for investment properties that are measured using the fair value model, the carrying amounts of such properties are presumed to be recovered entirely through sale, unless the presumption is rebutted. The presumption is rebutted when the investment property is depreciable and is held within a business model whose objective is to consume substantially all of the economic benefits embodied in the investment property over time, rather than through sale. The Directors of the Group reviewed the Group's investment properties and concluded that they are not held under a business model whose objective is to consume substantially all of the economic benefits embodied in the investment property over time, rather than through sale. Therefore, the Directors have determined that the 'sale' presumption set out in the amendments to FRS 112 is not rebutted. As a result, the Group has recognised deferred taxes on changes in fair value of the investment properties based on the expected rate that would apply on disposal of the investment properties.

The carrying amount of deferred tax assets is reviewed at the end of each reporting period and reduced to the extent that it is no longer probable that sufficient future taxable profits will be available to allow all or part of the asset to be recovered.

Deferred tax assets and liabilities are offset when there is a legally enforceable right to set off current tax assets against current tax liabilities and when they relate to income taxes levied by the same taxation authority and the Group and the Company intend to settle their current tax assets and liabilities on a net basis.

NOTES TO THE FINANCIAL STATEMENTS

3. SIGNIFICANT ACCOUNTING POLICIES (Cont'd)

(e) Subsidiary Companies and Basis of Consolidation

The consolidated financial statements incorporate the financial statements of the Company and entities (including structured entities) controlled by the Company and its subsidiary companies. Control is achieved when the Company:

- has power over the investee;
- is exposed, or has rights, to variable returns from its involvement with the investee; and
- has the ability to use its power to affect its returns.

The Company reassesses whether or not it controls an investee if facts and circumstances indicate that there are changes to one or more of the three elements of control listed above.

When the Company has less than a majority of the voting rights of an investee, it has power over the investee when the voting rights are sufficient to give it the practical ability to direct the relevant activities of the investee unilaterally. The Company considers all relevant facts and circumstances in assessing whether or not the Company's voting rights in an investee are sufficient to give it power, including:

- 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.

Consolidation of a subsidiary company begins when the Company obtains control over the subsidiary company and ceases when the Company loses control of the subsidiary company. Specifically, income and expenses of a subsidiary company acquired or disposed of during the year are included in the consolidated statement of profit or loss and other comprehensive income from the date the Company gains control until the date when the Company ceases to control the subsidiary company.

All intra-group transactions, balances, income and expenses are eliminated in full on consolidation.

Non-controlling interests in subsidiary companies are identified separately from the Group's equity therein. The interests of non-controlling shareholders may be initially measured either at fair value or at the non-controlling interests' proportionate share of the fair value of the acquiree's identifiable net assets. The choice of measurement basis is made on an acquisition-by-acquisition basis. Subsequent to acquisition, the carrying amount of non-controlling interests is the amount of those interests at initial recognition plus the non-controlling interests' share of subsequent changes in equity. Total comprehensive income is attributed to non-controlling interests even if this results in the non-controlling interests having a deficit balance.

Changes in the Group's interests in subsidiary companies that do not result in a loss of control 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 subsidiary companies. Any difference between the amount by which the non-controlling interests are adjusted at the fair value of the consideration paid or received is recognised directly in equity and attributed to owners of the Company.

Where the Group loses control of a subsidiary company, the profit or loss on disposal is 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 (including goodwill), and liabilities of the subsidiary company and any non-controlling interests. Amounts previously recognised in other comprehensive income in relation to the subsidiary company are accounted for in the same manner as would be required if the relevant assets or liabilities were disposed of. The fair value of any investment retained in the former subsidiary at the date when control is lost is regarded as the fair value on initial recognition for subsequent accounting under FRS 139 *Financial Instruments: Recognition and Measurement* or, when applicable, the cost on initial recognition of an investment in an associate or a joint venture.

3. SIGNIFICANT ACCOUNTING POLICIES (Cont'd)

(f) Business Combinations

Acquisitions of subsidiary companies and businesses are accounted for using the acquisition method. The consideration for each acquisition is measured at the aggregate of the fair values (at the date of exchange) of assets given, liabilities incurred or assumed, and equity instruments issued by the Group in exchange for control of the acquiree. Acquisition-related costs are recognised in profit or loss as incurred.

Where applicable, the consideration for the acquisition includes any asset or liability resulting from a contingent consideration arrangement, measured at its acquisition-date fair value. Subsequent changes in such fair values are adjusted against the cost of acquisition where they qualify as measurement period adjustments. All other subsequent changes in the fair value of contingent consideration classified as an asset or liability are accounted for in accordance with relevant FRSs. Changes in the fair value of contingent consideration classified as equity are not recognised.

Where a business combination is achieved in stages, the Group's previously held interests in the acquired entity are remeasured to fair value at the acquisition date and the resulting gain or loss, if any, is recognised in profit or loss. Amounts arising from interests in the acquiree prior to the acquisition date that have previously been recognised in other comprehensive income are reclassified to profit or loss, where such treatment would be appropriate if that interest were disposed of.

The acquiree's identifiable assets, liabilities and contingent liabilities that meet the conditions for recognition under FRS 3 (revised) are recognised at their fair value at the acquisition date, except that:

- deferred tax assets or liabilities and assets or liabilities related to employee benefit arrangements are recognised and measured in accordance with FRS 112 *Income Taxes* and FRS 119 *Employee Benefits*, respectively;
- liabilities or equity instruments related to the replacement by the Group of an acquiree's share-based payment awards are measured in accordance with FRS 2 *Share-based Payment*; and
- assets (or disposal groups) that are classified as held for sale in accordance with FRS 5 *Non-current Assets Held for Sale and Discontinued Operations* are measured in accordance with that Standard.

If the initial accounting for a business combination is incomplete by end of the reporting period in which the combination occurs, the Group reports provisional amounts for the items of which the accounting is incomplete. Those provisional amounts are adjusted during the measurement period, or additional assets or liabilities are recognised, to reflect new information obtained about facts and circumstances that existed as of the acquisition date that, if known, would have affected the amounts recognised as of that date.

The measurement period is the period from the date of acquisition to the date the Group obtains complete information about facts and circumstances that existed as of the acquisition date, and is subject to a maximum of one year.

(g) Investments in Subsidiary Companies

Investments in unquoted shares of subsidiary companies, which are eliminated on consolidation, are stated at cost less any accumulated impairment losses. On disposal of such investments, the difference between net disposal proceeds and their carrying amounts is included in profit or loss.

(h) Investments in Associated Company

An associate is an entity over which the Group has significant influence. Significant influence is the power to participate in the financial and operating policy decisions of the investee but is not control or joint control over those policies.

The results and assets and liabilities of an associate are incorporated in these consolidated financial statements using the equity method of accounting, except when the investment, or a portion thereof, is classified as held for sale, in which case it is accounted for in accordance with FRS 5. Under the equity method, an investment in an associate is initially recognised in the consolidated statement of financial position at cost and adjusted thereafter to recognise the Group's share of the profit or loss and other comprehensive income of the associate. When the Group's share of losses of an associate exceeds the Group's interest in that associate (which includes any long-term interests that, in substance, form part of the Group's net investment in the associate), the Group discontinues recognising its share of further losses. Additional losses are recognised only to the extent that the Group has incurred legal or constructive obligations or made payments on behalf of the associate.

NOTES TO THE FINANCIAL STATEMENTS

3. SIGNIFICANT ACCOUNTING POLICIES (Cont'd)

(h) Investments in Associated Company (Cont'd)

An investment in an associate is accounted for using the equity method from the date on which the investee becomes an associate. On acquisition of the investment in an associate, any excess of the cost of the investment over the Group's share of the net fair value of the identifiable assets and liabilities of the investee is recognised as goodwill, which is included within the carrying amount of the investment. Any excess of the Group's share of the net fair value of the identifiable assets and liabilities over the cost of the investment, after reassessment, is recognised immediately in profit or loss in the period in which the investment is acquired.

The requirements of FRS 139 are applied to determine whether it is necessary to recognise any impairment loss with respect to the Group's investment in an associate. When necessary, the entire carrying amount of the investment (including goodwill) 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 recognised forms part of the carrying amount of the investment. Any reversal of that impairment loss is recognised in accordance with FRS 136 to the extent that the recoverable amount of the investment subsequently increases.

The Group discontinues the use of the equity method from the date when the investment ceases to be an associate, or when the investment is classified as held for sale. When the Group retains an interest in the former associate and the retained interest is a financial asset, the Group measures the retained interest at fair value at that date and the fair value is regarded as its fair value on initial recognition in accordance with FRS 139. The difference between the carrying amount of the associate at the date the equity method was discontinued, and the fair value of any retained interest and any proceeds from disposing of a part interest in the associate is included in the determination of the gain or loss on disposal of the associate. In addition, the Group accounts for all amounts previously recognised in other comprehensive income in relation to that associate on the same basis as would be required if that associate had directly disposed of the related assets or liabilities. Therefore, if a gain or loss previously recognised in other comprehensive income by that associate would be reclassified to profit or loss on the disposal of the related assets or liabilities, the Group reclassifies the gain or loss from equity to profit or loss (as a reclassification adjustment) when the equity method is discontinued.

The Group continues to use the equity method when an investment in an associate becomes an investment in a joint venture. There is no remeasurement to fair value upon such changes in ownership interests.

When the Group reduces its ownership interest in an associate but the Group continues to use the equity method, the Group reclassifies to profit or loss the proportion of the gain or loss that had previously been recognised in other comprehensive income relating to that reduction in ownership interest if that gain or loss would be reclassified to profit or loss on the disposal of the related assets or liabilities.

When a group entity transacts with an associate of the Group, profits and losses resulting from the transactions with the associate are recognised in the Group's consolidated financial statements only to the extent of the Group's interest in the associate that are not related to the Group.

(i) Goodwill

Goodwill arising on the acquisition of subsidiary company represents the excess of cost of the acquisition over the Group's interest in the fair value of the acquiree's identifiable assets, liabilities and contingent liabilities, and is initially recognised as an asset at cost and subsequently measured at cost less any accumulated impairment losses.

For the purpose of impairment testing, goodwill is allocated to each of the Group's cash-generating units ("CGU") expected to benefit from the synergies of the combination. CGUs to which goodwill has been allocated are tested for impairment annually, or more frequently when there is an indication that the unit may be impaired.

If the recoverable amount of the CGU is less than the carrying amount of the unit, the impairment loss is allocated first to reduce the carrying amount of any goodwill allocated to the unit and then to the other assets of the unit on a pro-rata basis of the carrying amount of each asset in the unit. An impairment loss recognised for goodwill is not reversed in a subsequent period.

On disposal of a subsidiary company, the attributable amount of goodwill is included in the determination of the gain or loss on disposal.

3. SIGNIFICANT ACCOUNTING POLICIES (Cont'd)

(j) Impairment of Assets Excluding Goodwill

At the end of each reporting period, the Group reviews the carrying amounts of its assets to determine whether there is any indication that these assets have suffered an impairment loss. If any such indication exists, the recoverable amount of the asset is estimated in order to determine the extent of the impairment loss (if any). Where it is not possible to estimate the recoverable amount of an individual asset, the Group estimates the recoverable amount of the cash-generating unit to which the asset belongs.

Recoverable amount is the higher of fair value less costs to sell and value in use. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects the current market assessments of the time value of money and the risks specific to the asset for which the estimates of future cash flows have not been adjusted.

If the recoverable amount of an asset (or cash-generating unit) is estimated to be less than its carrying amount, the carrying amount of the asset (or cash-generating unit) is reduced to its recoverable amount. An impairment loss is recognised immediately in profit or loss.

Where an impairment loss subsequently reverses, the carrying amount of the asset (or cash-generating unit) is increased to the revised estimate of its recoverable amount, but so that the increased carrying amount does not exceed the carrying amount that would have been determined had no impairment loss been recognised for the asset (or cash-generating unit) in prior years. A reversal of an impairment loss is recognised immediately in profit or loss.

(k) Property, Plant and Equipment

Property, plant and equipment are stated at cost less accumulated depreciation and impairment losses. The policy for the recognition and measurement of impairment losses is in accordance with Note 3(j).

Depreciation of property, plant and equipment is computed on a straight-line basis to write off the cost of the property, plant and equipment over their estimated useful lives.

The principal annual rates used are as follows:

Building and improvements	6 years to 30 years
Furniture and fittings	10% - 20%
Office equipment	10% - 30%
Computers	15% - 33 1/3%
Plant and machinery	15% - 20%
Motor vehicles	20% - 33%

At the end of each reporting period, the residual values, useful lives and depreciation method of the property, plant and equipment are reviewed, and the effects of any changes are recognised prospectively.

Gain or loss arising on the disposal or retirement of an asset is determined as the difference between the estimated net disposal proceeds and the carrying amount of the asset, and is recognised in profit or loss.

(l) Investment Properties

<u>Investment properties carried at fair value</u>

Investment properties are properties which are owned to earn rental income or for capital appreciation or for both, but not for sale in the ordinary course of business, use in the production or supply of goods or services or for administrative purposes. Investment properties are measured initially at cost and subsequently at fair value with any change therein recognised in profit or loss for the period in which they arise.

Cost includes expenditure that is directly attributable to the acquisition of the investment property.

NOTES TO THE FINANCIAL STATEMENTS

3. SIGNIFICANT ACCOUNTING POLICIES (Cont'd)

(l) Investment Properties (Cont'd)

Investment properties carried at fair value (Cont'd)

An investment property is derecognised on its disposal, or when it is permanently withdrawn from use and no future economic benefits are expected from its disposal. The difference between the net disposal proceeds and the carrying amount is recognised in profit or loss in the period in which the item is derecognised.

Reclassification to/from investment property

When an item of property, plant and equipment is transferred to investment property following a change in its use, any difference arising at the date of transfer between the carrying amount of the item immediately prior to transfer and its fair value is recognised in other comprehensive income and accumulated in equity as revaluation reserve. However, if a fair value gain reverses a previous impairment loss, the gain is recognised in profit or loss. Upon disposal of an investment property, any surplus previously recorded in equity is transferred to retained earnings; the transfer is not made through profit or loss.

When the use of a property changes such that it is reclassified as property, plant and equipment or inventories, its fair value at the date of reclassification becomes its deemed cost for subsequent accounting.

Determination of fair value

Fair value of investment properties are determined based on annual valuation carried out by an external, independent valuation firm, having appropriate recognised professional qualifications and recent experience in the location and category of properties being valued or, based on past transacted prices of the same properties and in the absence of past transacted prices, on the basis of the Directors' best estimates.

The fair values are based on market values, being the estimated amount for which a property could be exchanged on the date of the valuation between a willing buyer and a willing seller in an arm's length transaction after proper marketing wherein the parties had each acted knowledgeably, prudently and without compulsion.

(m) Land Held for Property Development and Property Development Costs

Land and development expenditure are classified as property development costs under current assets when significant development work has been undertaken and is expected to be completed within the normal operating cycle.

Property development revenue are recognised for all units sold using the percentage of completion method, by reference to the stage of completion of the property development projects at the end of the reporting period as measured by the proportion that development costs incurred for work performed to-date bear to the estimated total property development costs on completion.

When the outcome of a property development activity cannot be estimated reliably, property development revenue is recognised to the extent of property development costs incurred that are probable of recovery.

Any anticipated loss on property development project (including costs to be incurred over the defects liability period) is recognised as an expense immediately as foreseeable losses.

Accrued billings represent the excess of property development revenue recognised in profit or loss over the billings to purchasers while advance billings represent the excess of billings to purchasers over property development revenue recognised in profit or loss.

Land held for property development and costs attributable to the development activities which are held for future development where no significant development has been undertaken is stated at cost less impairment costs (if any). Such assets are transferred to property development activities when significant development has been undertaken and the development is expected to be completed within the normal operating cycle.

3. SIGNIFICANT ACCOUNTING POLICIES (Cont'd)

(n) Construction Contracts

Where the outcome of a construction contract can be estimated reliably, revenue and costs are recognised by reference to the stage of completion of the contract activity at the end of the reporting period, measured as the physical proportion that contract costs incurred for work performed to date bear to the estimated total contract costs, except where this would not be representative of the stage of completion. Variations in contract work, claims and incentive payments are included to the extent that they have been agreed with the customer.

Where the outcome of a construction contract cannot be estimated reliably, contract revenue is recognised to the extent of contract costs incurred that are probable of recovery. Contract costs are recognised as expenses in the period in which they are incurred.

When it is probable that total contract costs will exceed total contract revenue, the expected loss is recognised as an expense immediately as allowance for foreseeable loss.

When costs incurred on construction contracts plus recognised profits (less recognised losses) exceeds billings to contract customers, the balance is shown as amount due from contract customers. When billings to contract customers exceed costs incurred plus recognised profits (less recognised losses), the balance is shown as amount due to contract customers.

(o) Borrowing Costs

Interest incurred on borrowings related to property development activities or construction of assets are capitalised as part of the cost of the asset during the period of time required to complete and prepare the asset for its intended use. Capitalisation of borrowing costs ceases when the assets are ready for their intended use or sale.

All other borrowing costs are recognised as an expense in profit or loss in the period in which they are incurred.

(p) Inventories

Inventories comprise completed property units and vacant land for sale and are valued at the lower of cost (determined on the specific identification basis) and net realisable value.

(q) Property, Plant and Equipment Under Hire-Purchase Arrangements

Property, plant and equipment acquired under hire-purchase arrangements are recognised in the financial statements and the corresponding obligations treated as liabilities. Finance charges are allocated to profit or loss to give a constant periodic rate of interest on the remaining hire-purchase liabilities.

(r) Leases

(i) Finance Lease

Assets acquired under leases which transfer substantially all of the risks and rewards incident to ownership of the assets are capitalised under property, plant and equipment. The assets and the corresponding lease obligations are recorded at their fair values or, if lower, at the present value of the minimum lease payments of the leased assets at the inception of the respective leases.

In calculating the present value of the minimum lease payments, the discount factor used is the interest rate implicit in the lease, when it is practicable to determine; otherwise, the Group's incremental borrowing rate is used.

Lease payments are apportioned between the finance costs and the reduction of the outstanding liability. Finance costs, which represent the difference between the total leasing commitments and the fair value of the assets acquired, are recognised as an expense in profit or loss over the term of the relevant lease period so as to produce a constant periodic rate of charge on the remaining balance of the obligations for each accounting period.

The depreciation policy for leased assets and assets under hire-purchase is consistent with that for depreciable property, plant and equipment as described in Note 3(k).

NOTES TO THE FINANCIAL STATEMENTS

3. SIGNIFICANT ACCOUNTING POLICIES (Cont'd)

(r) Leases (Cont'd)

(ii) Operating Lease

Leases of assets where a significant portion of the risks and rewards of ownership are retained by the lessor are classified as operating leases. Payments made under operating lease are charged to profit or loss over the lease period.

(s) Prepaid Lease Payments on Leasehold Land

Lease of land with title not expected to pass to the lessee by the end of the lease term is treated as operating lease as land normally has an indefinite economic life. The up-front payments made on entering into a lease or acquiring a leasehold land that is accounted for as an operating lease are accounted for as prepaid lease payments that are amortised over the lease term on a straight line basis except for leasehold land classified as investment property.

(t) Provisions

Provisions are made when the Group and the Company have a present legal or constructive obligation as a result of past events, when it is probable that an outflow of resources will be required to settle the obligation and when a reliable estimate of the amount can be made.

The amount recognised as a provision is the best estimate of the consideration required to settle the present obligation at the end of the reporting period, taking into account the risks and uncertainties surrounding the obligation. Where a provision is measured using the cash flows estimated to settle the present obligation, its carrying amount is the present value of those cash flows.

When some or all of the economic benefits required to settle a provision are expected to be recovered from a third party, the receivable is recognised as an asset if it is virtually certain that reimbursement will be received and the amount of the receivable can be measured reliably.

(u) Shares Bought Back

Shares bought back held as treasury shares are accounted for on the cost method and presented as a deduction from equity. Should such shares be cancelled, their nominal amounts will be eliminated, and the differences between their cost and nominal amounts will be taken to reserves as appropriate. When such shares are subsequently sold or reissued, any consideration received, net of any directly attributable incremental external cost and the deferred tax effects, is recognised in equity.

(v) Cash and Cash Equivalents

The Group and the Company adopt the indirect method in the preparation of statements of cash flows.

For the purposes of the statements of cash flows, cash and cash equivalents include cash on hand and at bank and short-term highly liquid investments which have an insignificant risk of changes in value, net of outstanding bank overdrafts.

(w) Contingent Liabilities

A contingent liability is a possible obligation that arises from past events whose existence will be confirmed by the occurrence or non-occurrence of one or more uncertain future events beyond the control of the Group or a present obligation that is not recognised because it is not probable that an outflow of resources will be required to settle the obligation. A contingent liability also arises in the extremely rare circumstance where there is a liability that cannot be recognised because it cannot be measured reliably.

(x) Segment Reporting

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

3. SIGNIFICANT ACCOUNTING POLICIES (Cont'd)

(y) Financial Instruments

Financial assets and financial liabilities are recognised when, and only when, the Group and the Company become a party to the contractual provisions of the instruments.

Financial assets and financial liabilities are initially measured at fair value. Transaction costs that are directly attributable to the acquisition or issue of the financial assets and financial liabilities (other than financial assets and financial liabilities at fair value through profit or loss) are added to or deducted from the fair value of the financial assets or financial liabilities, as appropriate, on initial recognition. Transaction costs that are directly attributable to the acquisition of financial assets or financial liabilities at fair value through profit or loss are recognised immediately in profit or loss.

Financial Assets

Financial assets of the Group are classified as 'available-for-sale' (AFS) financial assets and 'loans and receivables'. The classification depends on the nature and purpose of the financial assets and is determined at the time of initial recognition.

(i) Effective interest method

The effective interest method is a method of calculating the amortised cost of a financial asset and of allocating interest income over the relevant period. The effective interest rate is the rate that exactly discounts estimated future cash receipts through the expected life of the financial asset, or (where appropriate) a shorter period, to the net carrying amount on initial recognition.

(ii) AFS financial assets

AFS financial assets are non-derivatives that are either designated as available-for-sale or are not classified as loans and receivables, held-to-maturity investments or financial assets at fair value through profit or loss. All AFS assets are measured at fair value at the end of the reporting period. Gains and losses arising from changes in fair value are recognised in other comprehensive income and accumulated in the investments revaluation reserve, with the exception of impairment losses, interest calculated using the effective interest method, and foreign exchange gains and losses on monetary assets, which are recognised in profit or loss. Where the investment is disposed of or is determined to be impaired, the cumulative gain or loss previously accumulated in the investments revaluation reserve is reclassified to profit or loss.

AFS equity investments that do not have a quoted market price in an active market and whose fair value cannot be reliably measured and derivatives that are linked to and must be settled by delivery of such unquoted equity investments are measured at cost less any identified impairment losses at the end of the reporting period.

Dividends on AFS equity instruments are recognised in profit or loss when the Group's right to receive the dividends is established.

The fair value of AFS monetary assets denominated in a foreign currency is determined in that foreign currency and translated at the spot rate at the end of the reporting period. The foreign exchange gains and losses that are recognised in profit or loss are determined based on the amortised cost of the monetary asset. Other foreign exchange gains and losses are recognised in other comprehensive income.

(iii) Loans and receivables

Loans and receivables are non-derivative financial assets with fixed or determinable payments that are not quoted in an active market. Loans and receivables are measured at amortised cost using the effective interest method, less any impairment. Interest income is recognised by applying the effective interest rate, except for short-term receivables when the recognition of interest would be immaterial.

NOTES TO THE FINANCIAL STATEMENTS

3. SIGNIFICANT ACCOUNTING POLICIES (Cont'd)

(y) Financial Instruments (Cont'd)

Financial Assets (Cont'd)

(iv) Impairment of financial assets

Financial assets are assessed for indicators of impairment at the end of each reporting period. Financial assets are considered to be impaired when there is objective evidence that, as a result of one or more events that occurred after the initial recognition of the financial asset, the estimated future cash flows of the investment have been affected.

For equity investments classified as AFS, a significant or prolonged decline in the fair value of the security below its cost is considered to be objective evidence of impairment.

Objective evidence of impairment could include:

- significant financial difficulty of the issuer or counterparty; or
- default or delinquency in interest or principal payments; or
- it becoming probable that the borrower will enter bankruptcy or financial re-organisation; or
- the disappearance of an active market for that financial asset because of financial difficulties.

For certain categories of financial asset, such as trade receivables, assets that are assessed not to be impaired individually are, in addition, assessed for impairment on a collective basis. Objective evidence of impairment for a portfolio of receivables could include the Group's past experience of collecting payments, an increase in the number of delayed payments in the portfolio past the average credit period as well as observable changes in national or local economic conditions that correlate with default on receivables.

For financial assets carried at amortised cost, the amount of the impairment loss recognised is 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 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 is considered uncollectible, it is written off against the allowance account. Subsequent recoveries of amounts previously written off are credited against the allowance account. Changes in the carrying amount of the allowance account are recognised in profit or loss.

When an AFS financial asset is considered to be impaired, cumulative gains or losses previously recognised in other comprehensive income are reclassified to profit or loss in the period.

For financial assets measured at amortised cost, 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 through profit or loss to the extent that the carrying amount of the investment at the date the impairment is reversed does not exceed what the amortised cost would have been had the impairment not been recognised.

In respect of AFS equity securities, impairment losses previously recognised in profit or loss are not reversed through profit or loss. Any increase in fair value subsequent to an impairment loss is recognised in other comprehensive income and accumulated under the heading of investments revaluation reserve. In respect of AFS debt securities, impairment losses are subsequently reversed through 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.

3. SIGNIFICANT ACCOUNTING POLICIES (Cont'd)

(y) Financial Instruments (Cont'd)

(v) Derecognition of financial assets

The Group derecognises a financial asset only when the contractual rights to the cash flows from the asset expire, or when it transfers the financial asset and substantially all the risks and rewards of ownership of the asset to another entity. If the Group neither transfers nor retains substantially all the risks and rewards of ownership and continues to control the transferred asset, the Group recognises its retained interest in the asset and an associated liability for amounts it may have to pay. If the Group retains substantially all the risks and rewards of ownership of a transferred financial asset, the Group continues to recognise the financial asset and also recognises a collateralised borrowing for the proceeds received.

On derecognition of a financial asset in its entirety, the difference between the asset's carrying amount and the sum of the consideration received and receivable and the cumulative gain or loss that had been recognised in other comprehensive income and accumulated in equity is recognised in profit or loss.

Financial liabilities and equity instruments issued by the Group and the Company

(i) Classification as debt or equity

Debt and equity instruments are classified as either financial liabilities or as equity in accordance with the substance of the contractual arrangement.

(ii) Equity instruments

An equity instrument is any contract that evidences a residual interest in the assets of an entity after deducting all of its liabilities. Equity instruments issued by the Group and the Company are recognised at the proceeds received, net of direct issue costs. Ordinary shares are equity instruments.

Ordinary shares are recorded at the proceeds received, net of direct attributable transactions costs. Ordinary shares are classified as equity. Dividends on ordinary shares are recognised in equity in the period in which they are declared.

(iii) Financial liabilities

Financial liabilities of the Group are classified as 'other financial liabilities'.

(a) Other financial liabilities

The Group's and the Company's other financial liabilities, which include trade payables, other payables and accrued expenses, amount due to subsidiary companies, amount due to associated company, hire-purchase and lease payables, borrowings and dividend payable, are initially measured at fair value, net of transaction costs and subsequently measured at amortised cost using the effective interest method, with interest expense recognised on an effective yield basis.

The effective interest method is a method of calculating the amortised cost of a financial liability and of allocating interest expense over the relevant period. The effective interest rate is the rate that exactly discounts estimated future cash payments through the expected life of the financial liability, or (where appropriate) a shorter period, to the net carrying amount on initial recognition.

(b) Derecognition of financial liabilities

The Group derecognises financial liabilities when, and only when, the Group's obligations are discharged, cancelled or they expire. The difference between the carrying amount of the financial liability recognised and the consideration paid or payable is recognised in profit or loss.

NOTES TO THE FINANCIAL STATEMENTS

3. SIGNIFICANT ACCOUNTING POLICIES (Cont'd)

(y) Financial Instruments (Cont'd)

Financial liabilities and equity instruments issued by the Group and the Company (Cont'd)

(iii) Financial liabilities (Cont'd)

(c) Financial guarantee contracts

Financial guarantee contract liabilities are initially measured at their fair values and, if not designated as at FVTPL, are subsequently measured at the higher of:

- the amount of the obligation under the contract, as determined in accordance with FRS 137 *Provisions, Contingent Liabilities and Contingent Assets*; and
- the amount initially recognised less, where appropriate, cumulative amortisation recognised in accordance with the revenue recognition policies set out above.

4. CRITICAL ACCOUNTING JUDGEMENTS AND KEY SOURCES OF ESTIMATION UNCERTAINTY

(a) Critical judgments in applying the Group's accounting policies

In the process of applying the Group's accounting policies, which are described in Note 3 above, management is of the opinion that there are no instances of application of judgment which are expected to have a significant effect on the amounts recognised in the financial statements except as discussed below:

Classification between Investment Properties and Property, Plant and Equipment

Some properties comprise a portion that is held to earn rentals or for capital appreciation and another portion that is held for own use for administrative purposes.

If these portions would be sold separately (or leased out separately under a finance lease), the Group would account for the portions separately. If the portions could not be sold separately, the property is an investment property only if an insignificant portion is held for own use for administrative purposes. Judgement is made on an individual property basis to determine whether ancillary services are so significant that a property does not qualify as an investment property.

(b) Key sources of estimation uncertainty

The following are the key assumptions concerning the future, and other key sources of estimation uncertainty at the end of the reporting period, that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year.

(i) Revenue Recognition on Property Development and Construction Contracts

The Group recognises property development and construction contract revenue in profit or loss by using the percentage-of-completion method.

The stage of completion is determined by the proportion that property development and contract costs incurred for work performed to date bear to the estimated total property development and contract costs. Estimated losses are recognised in full when determined. Property development and contract revenue and expenses estimates are reviewed and revised periodically as work progresses and as variation orders are approved.

Significant judgment is required in determining the stage of completion, the extent of the property development and contract costs incurred, the estimated total property development and contract revenue and costs, as well as the recoverability of the project undertaken. In making the judgment, the Group evaluates based on past experience and by relying on the work of specialists. If the Group is unable to make reasonably dependable estimates, the Group would not recognise any profit before a contract is completed, but would recognise a loss as soon as the loss becomes evident.

4. CRITICAL ACCOUNTING JUDGEMENTS AND KEY SOURCES OF ESTIMATION UNCERTAINTY (Cont'd)

(b) Key sources of estimation uncertainty (Cont'd)

(i) Revenue Recognition on Property Development and Construction Contracts (Cont'd)

Adjustments based on the percentage-of-completion method are reflected in property development and contract revenue in the reporting period. To the extent that these adjustments result in a reduction or elimination of previously reported property development and contract revenue and costs, the Group recognises a charge or credit against current earnings and amounts in prior periods, if any, are not restated.

Note 3(a) describes the Group's policy to recognise revenue from sales of properties using the percentage of completion method. Property development revenue is recognised in respect of all development units that have been sold.

Some portions of the Group's revenue are billed under fixed price contracts. Variation orders are commonly billed to customers in the normal course of business and these are recognised to the extent they have been agreed with the customers and can be reasonably estimated.

Any anticipated loss on property development project is recognised as an expense immediately as foreseeable loss. As of 30 April 2018, the amount of allowance for foreseeable loss is disclosed in Note 23.

Any estimated amount of shortfall relating to affordable housing obligations is recognised as a provision. As of 30 April 2018, the provision for affordable housing obligations is disclosed in Note 33(c).

(ii) Deferred Tax Assets

Deferred tax assets are recognised for all unused tax losses and unabsorbed capital allowances to the extent that it is probable that future taxable profits will be available against which these losses and capital allowances can be utilised. Significant judgement is required to determine the amount of deferred tax assets that can be recognised, based upon the likely timing and level of future taxable profits together with future tax planning strategies. Further details are included in Note 21.

(iii) Fair Value of Investment Properties

The Group determines the fair value of investment properties based on valuation carried out by an independent firm of professional valuers or, based on available past transacted prices of the same properties and in the absence of past transacted prices, on the basis of the Directors' best estimates. The carrying amount of investment properties is disclosed in Note 15.

(iv) Impairment of Non-Current Assets

The Group reviews the carrying amount of its non-current assets, which include property, plant and equipment, land held for property development, investments in associated companies and other investments, to determine whether there is an indication that those assets have suffered an impairment loss. The impairment loss on other investments is disclosed in Note 19.

(v) Net Realisable Value of Completed Property Units

Inventories of completed property units are stated at the lower of cost and net realisable value. The Group determines net realisable value based on historical trends and management estimates of future products demand and related pricing. Possible changes in these estimates could result in revisions to the valuation of inventories. Details are disclosed in Note 22.

(vi) Allowance for Doubtful Debts

The Group makes allowance for doubtful debts based on an assessment of the recoverability of trade receivables. Allowances are applied to trade receivables where events or changes in circumstances indicate that the balances may not be collectible. The identification of doubtful debts requires the use of judgement and estimates. Where the expectation is different from the original estimate, such difference will impact the carrying value of trade receivables and doubtful debts expenses in the period in which such estimate has been changed.

NOTES TO THE FINANCIAL STATEMENTS

4. CRITICAL ACCOUNTING JUDGEMENTS AND KEY SOURCES OF ESTIMATION UNCERTAINTY (Cont'd)

(b) Key sources of estimation uncertainty (Cont'd)

(vii) Provision for Release of Bumiputra Quota

Provision for release of bumiputra quota is recognised for expected bumiputra quota penalties to be imposed by local authorities. Significant judgement is required in determining the amount of provision to be made. The Group evaluates the amount of provision required based on past experience and industry norm. As of 30 April 2018, the amount of provision for release of bumiputra quota is disclosed in Note 33.

(viii) Provision for Liquidated Ascertained Damages

Provision for liquidated ascertained damages ("LAD") is recognised for expected LAD claims based on the terms of the applicable sale and purchase agreements. Significant judgement is required in determining the amount of provision for LAD to be made and in assessing LAD recoverable from the main contractors. The Group evaluates the amount of provision required based on management's best estimate of the anticipated completion date of the project, past experience and the industry norm. As of 30 April 2018, the amount of provision made for LAD payable to purchasers is disclosed in Note 33.

(ix) Material Litigation

The Group assesses the probable outcome of material litigation, which is contingent upon future event beyond the control of the Group, based on available facts and circumstances and in consultation with its legal counsel. Details of a material litigation that has occurred subsequent to the end of the financial year is disclosed in Note 43.

5. REVENUE

	The Group		The Company	
	2018 RM	2017 RM	2018 RM	2017 RM
Property development	368,939,120	399,132,616	-	-
Rental income	20,767,178	19,751,140	-	-
Sale of vacant land and completed properties	13,592,948	162,084,373	-	-
Project management fee	2,314,533	3,112,929	-	-
Construction	313,598	-	-	-
Dividends from subsidiary companies (Note 27)	-	-	55,760,000	108,361,466
	405,927,377	584,081,058	55,760,000	108,361,466

6. COST OF SALES

	The Group		The Company	
	2018 RM	2017 RM	2018 RM	2017 RM
Property development costs (Note 23)	279,660,660	283,396,078	-	-
Rental and related costs	19,003,083	17,167,808	-	-
Cost of vacant land and completed properties sold (Note 22)	10,081,516	48,017,710	-	-
Construction	226,208	-	-	-
	308,971,467	348,581,596	-	-

7. INVESTMENT INCOME

	The Group		The Company	
	2018 RM	2017 RM	2018 RM	2017 RM
Interest income from:				
Deposits with licensed financial institutions	5,098,424	5,261,592	436,319	306,380
Housing development accounts	2,440,732	3,157,102	-	-
Overdue balances of house purchasers	608,640	692,236	-	-
Stakeholders' sum	-	61,501	-	-
Subsidiary companies (Note 27)	-	-	28,808,239	23,458,409
Accretion of interest on trade payables	261,666	137,127	-	-
	8,409,462	9,309,558	29,244,558	23,764,789

The following is an analysis of investment revenue earned on financial assets and financial liabilities by category.

	The Group		The Company	
	2018 RM	2017 RM	2018 RM	2017 RM
Loans and receivables (including deposits, cash and bank balances)	8,147,796	9,172,431	29,244,558	23,764,789
Other financial liabilities	261,666	137,127	-	-
	8,409,462	9,309,558	29,244,558	23,764,789

8. FINANCE COSTS

	The Group		The Company	
	2018 RM	2017 RM	2018 RM	2017 RM
Interest expense on:				
Revolving credit and other borrowings	16,776,934	15,448,766	13,137,226	11,125,527
Term loans	11,028,066	11,470,357	2,232,727	468,842
Hire-purchase and lease	64,966	64,046	-	-
Amount owing to subsidiary companies (Note 27)	-	-	3,313,822	4,443,784
Unwinding of discount on trade payables	1,158,159	1,011,641	-	-
	29,028,125	27,994,810	18,683,775	16,038,153
Less: Finance charges capitalised in:				
Property development costs (Note 23)	(3,498,133)	(1,263,971)	-	-
Land held for property development (Note 16)	(2,686,108)	(6,487,334)	-	-
	22,843,884	20,243,505	18,683,775	16,038,153

9. PROFIT BEFORE TAX

(a) Profit before tax has been arrived at after charging/(crediting):

	The Group		The Company	
	2018 RM	2017 RM	2018 RM	2017 RM
Depreciation of property, plant and equipment (Note 13)	3,801,486	3,646,323	369,466	366,088
Inventories written off (Note 22)	1,261,528	-	-	-
Allowance for doubtful debts (Note 25)	626,620	148,233	-	-
Auditors' remuneration:				
Statutory audit				
Current	511,900	495,400	89,000	84,000
Under/(Over)provision in prior years	6,560	(2,700)	-	-
Other services	41,000	41,000	6,000	6,000
Remuneration of other professional services rendered by affiliates of auditors	103,143	83,900	-	-
Rental of premises paid to:				
Third parties	217,949	63,600	-	-
Subsidiary company (Note 27)	-	-	798,775	786,887
Property, plant and equipment written off	153,080	38	-	-
Write down of liquidated ascertained damages not recoverable	85,200	2,683,600	-	-
Provision for liquidated ascertained damages to purchasers (Note 33)	43,769	1,311,613	-	-
Amortisation of prepaid lease payments on leasehold land (Note 14)	4,045	4,045	-	-
Provision for release of bumiputra quota (Note 33)	-	17,796,007	-	-
Impairment loss on investment in subsidiary company	-	-	1,150,000	-
Allowance for foreseeable losses on property development no longer required (Note 23)	(15,696,333)	(2,516,271)	-	-
Write-back of accrued construction cost no longer required (Note 32)	(9,708,743)	-	-	-
Rental income	(872,791)	(1,053,458)	(45,120)	(45,120)
Fair value gain on investment properties (Note 15)	(429,000)	(276,400)	-	-
Allowance for doubtful debts no longer required (Note 25)	(285,526)	-	-	-
Government grant income (Note 10)	-	(26,280,471)	-	-
Unrealised foreign exchange (gain)/loss on amount due from subsidiary companies	-	-	(75,720)	63,392

(b) Staff costs

	The Group		The Company	
	2018 RM	2017 RM	2018 RM	2017 RM
Wages, salaries and bonuses	18,962,056	17,925,356	463,204	392,526
Pension costs-defined contribution plan	2,387,854	2,322,251	60,472	50,344
Share-based payments (Note 29)	586,577	2,732,887	327,499	1,056,540
Social security contributions	196,563	109,793	3,390	3,086
Others	912,792	295,581	91,148	27,390
	23,045,842	23,385,868	945,713	1,529,886
Less: Amount capitalised in:				
Property development costs (Note 23)	(5,152,831)	(2,731,091)	-	-
Land held for property development (Note 16)	(236,311)	(854,620)	-	-
	17,656,700	19,800,157	945,713	1,529,886

9. PROFIT BEFORE TAX (Cont'd)

(c) Directors' remuneration

	The Group		The Company	
	2018 RM	2017 RM	2018 RM	2017 RM
Directors of the Company				
Executive:				
Salaries	4,020,000	4,020,000	201,000	201,000
Share-based payments (Note 29)	704,674	948,040	704,674	948,040
Other emoluments	698,500	355,000	37,250	-
Pension costs under defined contribution plan	657,070	612,600	31,850	29,400
Benefits-in-kind	96,600	96,600	96,600	96,600
	6,176,844	6,032,240	1,071,374	1,275,040
Non-Executive:				
Fees	229,677	230,000	229,677	230,000
Other emoluments	38,250	-	38,250	-
Total	6,444,771	6,262,240	1,339,301	1,505,040
Directors of the subsidiary companies				
Salaries	489,400	485,832	-	-
Other emoluments	397,517	355,904	-	-
Pension costs under defined contribution plan	105,215	101,840	-	-
	992,132	943,576	-	-
Total	7,436,903	7,205,816	1,339,301	1,505,040

	The Group		The Company	
	2018 RM	2017 RM	2018 RM	2017 RM
Analysis excluding benefits-in-kind:				
Total executive directors' remuneration	6,080,244	5,935,640	974,774	1,178,440
Total non-executive directors' remuneration	267,927	230,000	267,927	230,000
Total directors' remuneration for Directors of subsidiary companies	992,132	943,576	-	-
	7,340,303	7,109,216	1,242,701	1,408,440
Less: Amount capitalised in:				
Property development costs (Note 23)	(3,341,712)	(2,523,019)	-	-
Land held for property development (Note 16)	(503,314)	(774,975)	-	-
	3,495,277	3,811,222	1,242,701	1,408,440

NOTES TO THE FINANCIAL STATEMENTS

9. PROFIT BEFORE TAX (Cont'd)

(c) Directors' remuneration (Cont'd)

The number of directors of the Company whose total remuneration for the year fall within the following bands is as follows:

	Executive Directors		Non-executive Directors	
	2018	2017	2018	2017
Range of remuneration:				
Below RM50,000	-	-	1	1
RM50,001 to RM100,000	-	-	4	3
RM1,900,001 to RM1,950,000	-	1	-	-
RM1,950,001 to RM2,000,000	1	1	-	-
RM2,050,001 to RM2,100,000	1	-	-	-
RM2,100,001 to RM2,150,000	-	1	-	-
RM2,150,001 to RM2,200,000	1	-	-	-

10. INCOME TAX EXPENSE

	The Group		The Company	
	2018 RM	2017 RM	2018 RM	2017 RM
Income tax:				
Current	25,650,334	22,475,904	4,535,000	3,600,000
Under/(Over)provision in prior years	5,112,492	6,489,942	1,016,774	(184,787)
	30,762,826	28,965,846	5,551,774	3,415,213
Deferred tax (Note 21):				
Current	(4,485,956)	29,487,969	38,163	(30,179)
(Over)/Underprovision in prior years	(3,657,504)	2,081,300	2,812,417	645,579
	(8,143,460)	31,569,269	2,850,580	615,400
	22,619,366	60,535,115	8,402,354	4,030,613

During the prior financial year, a subsidiary company applied and received government grant income amounting to RM26,280,471 [Note 9(a)] in respect of public infrastructure costs incurred on a mixed development project which was completed in 2015. While the government grant income is tax exempted, this additional income has warranted a revision of the 2015 tax return of the said subsidiary company and resulted in additional tax payable of RM6,570,118 for the said year of assessment.

During the current financial year, the Malaysian Inland Revenue Board commenced tax investigation on the Company and certain subsidiary companies covering years of assessment 2011 to 2016. No provision for additional tax exposure has been made in the financial statements as the Directors of the Company are of the opinion that the outcome of the investigation is not presently determinable and a reliable estimate of probable unfavourable outcome, if any, cannot be made.

10. INCOME TAX EXPENSE (Cont'd)

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:

	The Group		The Company	
	2018 RM	2017 RM	2018 RM	2017 RM
Profit before tax	56,281,031	169,744,370	60,402,280	110,177,340
Less: Share of loss/(profit) of associated companies	751,959	(1,824,541)	-	-
	57,032,990	167,919,829	60,402,280	110,177,340
Taxation at Malaysian statutory tax rate of 24% (2017: 24%)	13,687,918	40,300,759	14,496,547	26,442,562
Tax effects of income not subject to tax	(732,739)	(7,354,339)	(10,753,359)	(23,424,458)
Tax effects of expenses not deductible for tax purposes	8,055,054	16,217,292	829,975	551,717
Deferred tax assets not recognised	154,145	2,800,161	-	-
Under/(Over)provision of income tax expense in prior years	5,112,492	6,489,942	1,016,774	(184,787)
(Over)/Underprovision of deferred tax in prior years	(3,657,504)	2,081,300	2,812,417	645,579
Tax expense for the year	22,619,366	60,535,115	8,402,354	4,030,613

11. EARNINGS PER SHARE

Basic

Basic earnings per ordinary share of the Group is calculated by dividing the profit attributable to owners of the Company for the financial year by the number of ordinary shares in issue during the financial year as follows:

	The Group	
	2018	2017
Profit attributable to owners of the Company (RM)	31,293,252	108,193,469
Weighted average number of ordinary shares used for the purposes of basic earnings per share	793,148,196	792,832,797*
Basic earnings per share (sen)	3.95	13.65*

* In accordance with FRS 133 *Earnings Per Share*, the comparative has been restated to account for the effects of the bonus issue.

Diluted

The basic and diluted earnings per share are the same as the Group has no dilutive potential ordinary shares.

NOTES TO THE FINANCIAL STATEMENTS

12. DIVIDENDS

	The Group and The Company			
	Amount		Net Dividends per Ordinary Share	
	2018 RM	2017 RM	2018 Sen	2017 Sen
In respect of financial year ended 30 April 2016:				
- Overprovision in prior year	-	(66,485)	-	-
- Final single-tier dividend of RM0.02 per share on 719,386,813 ordinary shares, paid on 8 December 2016	-	14,387,736	-	2.0
In respect of financial year ended 30 April 2017:				
- First single-tier dividend of RM0.015 per share on 722,669,313 ordinary shares, paid on 15 May 2017	-	10,840,040	-	1.5
- Final single-tier dividend of RM0.015 per share on 720,169,306 ordinary shares, paid on 8 December 2017	10,802,539	-	1.5	-
	10,802,539	25,161,291	1.5	3.5

The Directors propose a final single tier dividend of RM0.015 per share on 790,703,645 ordinary shares, totalling approximately RM11,860,555 in respect of the current financial year. This dividend is subject to the approval of the shareholders at the forthcoming Annual General Meeting of the Company, and has not been included as a liability in the financial statements. Upon approval by the shareholders, the proposed dividend for 2018 will be paid on 28 December 2018 to all outstanding ordinary shares in issue. The cash dividend payment will be accounted for in equity as an appropriation of retained earnings during the financial year ending 30 April 2019.

13. PROPERTY, PLANT AND EQUIPMENT

The Group	Building and improvements RM	Furniture and fittings RM	Office equipment RM	Computers RM	Motor vehicles RM	Plant and machinery RM	Total RM
Cost							
As of 1 May 2016	61,907,284	3,223,731	2,521,744	2,159,591	5,111,053	3,582,943	78,506,346
Additions	53,998	38,358	323,461	192,377	-	662,520	1,270,714
Write-offs	-	(1,399)	(250)	(43,854)	-	-	(45,503)
Reclassification	229,224	333,090	(595,044)	32,730	-	-	-
As of 30 April 2017/ 1 May 2017	62,190,506	3,593,780	2,249,911	2,340,844	5,111,053	4,245,463	79,731,557
Additions	2,861,836	72,992	624,984	65,087	103,365	54,000	3,782,264
Write-offs	(151,951)	-	(1,434)	-	-	-	(153,385)
As of 30 April 2018	64,900,391	3,666,772	2,873,461	2,405,931	5,214,418	4,299,463	83,360,436

13. PROPERTY, PLANT AND EQUIPMENT (Cont'd)

The Group	Building and improvements RM	Furniture and fittings RM	Office equipment RM	Computers RM	Motor vehicles RM	Plant and machinery RM	Total RM
Accumulated Depreciation							
As of 1 May 2016	10,915,043	2,380,681	1,664,475	1,828,681	3,331,064	2,616,718	22,736,662
Charge for the year [Note 9(a)]	2,261,858	13,634	350,135	140,135	498,109	382,452	3,646,323
Write-off	-	(1,399)	(213)	(43,853)	-	-	(45,465)
As of 30 April 2017/ 1 May 2017	13,176,901	2,392,916	2,014,397	1,924,963	3,829,173	2,999,170	26,337,520
Charge for the year [Note 9(a)]	2,356,229	213,135	155,858	159,276	474,210	442,778	3,801,486
Write-offs	-	-	(305)	-	-	-	(305)
As of 30 April 2018	15,533,130	2,606,051	2,169,950	2,084,239	4,303,383	3,441,948	30,138,701
Accumulated Impairment Loss							
As of 1 May 2016/ 30 April 2017/ 1 May 2017/ 30 April 2018	2,392,003	-	-	-	-	-	2,392,003
Carrying Amount							
As of 30 April 2017	46,621,602	1,200,864	235,514	415,881	1,281,880	1,246,293	51,002,034
As of 30 April 2018	46,975,258	1,060,721	703,511	321,692	911,035	857,515	50,829,732

The Company	Building and improvements RM	Furniture and fittings RM	Office equipment RM	Computers RM	Motor vehicles RM	Total RM
Cost						
As of 1 May 2016	1,713,301	450,878	213,333	536,092	1,826,984	4,740,588
Additions	-	-	16,601	22,560	-	39,161
As of 30 April 2017/1 May 2017	1,713,301	450,878	229,934	558,652	1,826,984	4,779,749
Additions	-	-	-	36,719	-	36,719
As of 30 April 2018	1,713,301	450,878	229,934	595,371	1,826,984	4,816,468

NOTES TO THE FINANCIAL STATEMENTS

13. PROPERTY, PLANT AND EQUIPMENT (Cont'd)

The Company	Building and improvements RM	Furniture and fittings RM	Office equipment RM	Computers RM	Motor vehicles RM	Total RM
Accumulated Depreciation						
As of 1 May 2016	986,449	349,372	154,514	357,682	1,826,980	3,674,997
Charge for the year [Note 9(a)]	255,692	35,789	22,772	51,835	-	366,088
As of 30 April 2017/1 May 2017	1,242,141	385,161	177,286	409,517	1,826,980	4,041,085
Charge for the year [Note 9(a)]	255,618	35,789	21,843	56,216	-	369,466
As of 30 April 2018	1,497,759	420,950	199,129	465,733	1,826,980	4,410,551
Net Carrying Amount						
As of 30 April 2017	471,160	65,717	52,648	149,135	4	738,664
As of 30 April 2018	215,542	29,928	30,805	129,638	4	405,917

At the end of the reporting period, property, plant and equipment of the Group and of the Company with net carrying amount of RM1,377,172 and RM4 (2017: RM1,565,337 and RM4) respectively were acquired under hire-purchase and lease arrangements.

Building and improvements of the Group with a net carrying amount of RM45,854,822 (2017: RM45,339,244) have been pledged as security for banking facilities granted to the Group as disclosed in Note 31.

14. PREPAID LEASE PAYMENTS ON LEASEHOLD LAND

	The Group Leasehold Land Unexpired period less than 30 years RM
Cost	
As of 1 May 2016/30 April 2017/1 May 2017/30 April 2018	121,353
Accumulated Amortisation	
As of 1 May 2016	60,676
Amortisation for the year [Note 9(a)]	4,045
As of 30 April 2017/1 May 2017	64,721
Amortisation for the year [Note 9(a)]	4,045
As of 30 April 2018	68,766
Net Book Value	
As of 30 April 2017	56,632
As of 30 April 2018	52,587

15. INVESTMENT PROPERTIES

The Group	Freehold land and buildings RM	Leasehold land and buildings RM	Total RM
At fair value:			
As of 1 May 2016	333,815,216	5,588,762	339,403,978
Change in fair value of investment properties [Note 9(a)]	(201,600)	478,000	276,400
Transfer from inventories (Note 22)	9,504,000	-	9,504,000
As of 30 April 2017	343,117,616	6,066,762	349,184,378
As of 1 May 2017	343,117,616	6,066,762	349,184,378
Change in fair value of investment properties [Note 9(a)]	-	429,000	429,000
As of 30 April 2018	343,117,616	6,495,762	349,613,378

During the prior financial year, the Group transferred car parks with carrying value totalling RM9,504,000 from inventories to investment properties following a change in plan to hold the said car parks to earn rentals and for capital appreciation. Based on valuation performed by an independent valuer, the fair value of the said car parks approximates their carrying value as of the date of transfer. As of 30 April 2018 and 2017, the said car parks are managed by a subsidiary company which is principally acting as car park operator and manager.

The property rental income earned by the Group from its investment properties, all of which are leased out under operating leases, amounted to RM4,726,317 (2017: RM4,472,760). Direct operating expenses arising on the investment properties amounted to RM10,187,783 (2017: RM8,743,409).

Investment properties amounting to RM318,000,000 (2017: RM332,510,216) have been pledged as securities for banking facilities granted to the Group as mentioned in Note 31 and Note 34.

Fair value information

The fair value of the Group's investment properties as of 30 April 2018 and 2017 have been arrived at on the basis of the Directors' best estimates, by reference to valuation performed by independent valuer and market evidence of transacted prices for the same or similar properties. Based on this, the Directors are of the opinion that the carrying amount of the investment properties of the Group approximates their fair value.

Retail mall

The fair value of the retail mall as of 30 April 2018 and 2017 has been arrived at on the basis of a valuation carried out by independent valuer. The fair value was determined based on comparison method of valuation, which is regarded by the independent valuer as the more appropriate method of valuation as compared to investment method, owing to a lack of historical data relating to the operations of the retail mall which is in its first two years of operations. In estimating the fair value of the property, the highest and the best use of the property is its current planned use.

Other investment properties

The fair value of the other investment properties of the Group as of 30 April 2018 and 2017 has been arrived at based on available past transacted prices of the same properties and in the absence of past transacted prices, on the basis of the Directors' best estimates.

NOTES TO THE FINANCIAL STATEMENTS

15. INVESTMENT PROPERTIES (Cont'd)

Fair value hierarchy

Details of the Group's investment properties and information about the fair value hierarchy as of 30 April 2018 and 2017 are as follows:

Located in Malaysia:	Level 1 RM	Level 2 RM	Level 3 RM	Total RM
30.4.2018				
Retail mall	-	-	318,000,000	318,000,000
Commercial property units	-	22,310,978	9,302,400	31,613,378
	-	22,310,978	327,302,400	349,613,378
30.4.2017				
Retail mall	-	-	318,000,000	318,000,000
Commercial property units	-	21,881,978	9,302,400	31,184,378
	-	21,881,978	327,302,400	349,184,378

There was no transfer between Level 1 and 2 during the year.

Qualitative information about fair value measurement of investment property using significant unobservable inputs (Level 3) as of 30 April 2018 and 2017:

Valuation Technique	Significant Unobservable Inputs	Range
30.04.2018		
Comparison method of valuation	Difference in occupancy, size, location, amenities/surrounding and timing of transaction.	-15% to 5%
30.04.2017		
Comparison method of valuation	Difference in occupancy, size, location, amenities/surrounding and timing of transaction.	-15% to 5%

16. LAND HELD FOR PROPERTY DEVELOPMENT

	The Group 2018 RM	The Group 2017 RM
At beginning of year:		
Freehold land - at cost	32,820,088	32,163,623
Leasehold land - at cost	277,129,065	267,067,689
Development expenditure	430,080,094	269,368,564
	740,029,247	568,599,876
Reclassification:		
Leasehold land - at cost	6,221,008	-
Development expenditure	(6,221,008)	-
	-	-
Additions:		
Freehold land - at cost	-	656,465
Leasehold land - at cost	24,788,077	10,079,804
Development expenditure	52,505,918	168,765,531
	77,293,995	179,501,800
Transfer to property development costs (Note 23):		
Leasehold land - at cost	(12,152,383)	(18,428)
Development expenditure	(10,470,734)	(8,054,001)
	(22,623,117)	(8,072,429)
At end of year	794,700,125	740,029,247
Comprising:		
Freehold land - at cost	32,820,088	32,820,088
Leasehold land - at cost	295,985,767	277,129,065
Development expenditure	465,894,270	430,080,094
	794,700,125	740,029,247

NOTES TO THE FINANCIAL STATEMENTS

16. LAND HELD FOR PROPERTY DEVELOPMENT (Cont'd)

Current year charges to development expenditure include the following:

	The Group	
	2018 RM	2017 RM
Finance costs (Note 8)	2,686,108	6,487,334
Directors' remuneration [Note 9(c)]	503,314	774,975
Staff costs [Note 9(b)]	236,311	854,620
Land lease extension and conversion premium (Note 33)	-	64,267,100
Less: Amount included in property development costs (Note 23)	-	(13,001,514)
	-	51,265,586

Land held for property development of certain subsidiary companies have been pledged for banking facilities granted to the Group as disclosed in Note 31.

In accordance with the Joint Venture Agreement ("JVA") with Permodalan Negeri Selangor Berhad ("PNSB"), Glomac Rawang Sdn. Bhd., a wholly owned subsidiary company, is obliged to pay PNSB entitlement on the higher of either RM41,400,000 (2017: RM41,400,000) or a sum equal to 30% of the gross profit before tax (as defined in the JVA) to be generated by the development of the parcel of land belonging to PNSB progressively. As of 30 April 2018 and 2017, a total entitlement of RM41,400,000 has been fully paid and included in the land held for property development.

17. SUBSIDIARY COMPANIES

	The Company	
	2018 RM	2017 RM
Unquoted shares, at cost	542,979,803	542,979,803
Less: Accumulated impairment losses	(2,667,737)	(1,516,737)
	540,312,066	541,463,066

Details of the subsidiary companies are set out in Note 42.

Details of non-wholly owned subsidiary companies that have material non-controlling interests to the Group are as follows:

Name of subsidiary companies	Place of incorporation and principal place of business	Proportion of ownership interest and voting rights held by non-controlling interests		Profit/(Loss) allocated to non-controlling interests		Accumulated non-controlling interests	
		2018	2017	2018 RM	2017 RM	2018 RM	2017 RM
Glomac Bina Sdn. Bhd.	Malaysia	49%	49%	2,066,078	1,843,681	16,885,836	14,819,759
Glomac Al-Batha Mutiara Sdn. Bhd.	Malaysia	49%	49%	42,034	(1,493,677)	5,231,225	19,889,192
Glomac Power Sdn. Bhd.	Malaysia	14.3%	14.3%	(109,207)	260,011	4,845,370	4,954,577
Glomac Al-Batha Sdn. Bhd.	Malaysia	49%	49%	(7,088)	28,020	2,017,981	65,068

17. SUBSIDIARY COMPANIES (Cont'd)

Summarised financial information in respect of each of the Group's subsidiary companies that has material non-controlling interests is set out below. The summarised financial information below represents amounts before intragroup eliminations.

	2018 RM	2017 RM
Glomac Bina Sdn. Bhd.		
Statement of financial position		
Current assets	68,786,787	68,716,325
Non-current assets	12,655,519	5,286,604
Current liabilities	(46,981,416)	(43,598,524)
Non-current liabilities	-	(160,000)
Equity attributable to owners of the Company	(17,575,054)	(15,424,646)
Non-controlling interests	(16,885,836)	(14,819,759)
Statement of profit or loss and other comprehensive income		
Revenue	73,523,561	101,577,123
Profit/Total comprehensive income for the year	4,216,485	3,762,614
Profit/Total comprehensive income attributable to:		
Owners of the Company	2,150,407	1,918,933
Non-controlling interests	2,066,078	1,843,681
	4,216,485	3,762,614
Statement of cash flows		
Net cash (outflow)/inflow from operating activities	(7,075,934)	6,447,424
Net cash inflow/(outflow) from investing activities	520,978	(17,980,327)
Net cash outflow from financing activities	(9,995,550)	(973,678)
Net cash outflow	(16,550,506)	(12,506,581)
Glomac Al-Batha Mutiara Sdn. Bhd.		
Statement of financial position		
Current assets	18,890,228	50,913,311
Current liabilities	(8,214,259)	(10,323,125)
Equity attributable to owners of the Company	(5,444,744)	(20,700,994)
Non-controlling interests	(5,231,225)	(19,889,192)
Statement of profit or loss and other comprehensive income		
Revenue	-	24,770,604
Profit/(Loss)/Total comprehensive income/(loss) for the year	85,783	(3,048,321)

NOTES TO THE FINANCIAL STATEMENTS

17. SUBSIDIARY COMPANIES (Cont'd)

	2018 RM	2017 RM
Profit/(Loss)/Total comprehensive income/(loss) attributable to:		
Owners of the Company	43,749	(1,554,644)
Non-controlling interests	42,034	(1,493,677)
	85,783	(3,048,321)
Statement of cash flows		
Dividends paid to non-controlling interests	-	(12,250,000)
Net cash inflow from operating activities	1,147,123	39,838,115
Net cash inflow from investing activities	924,578	705,843
Net cash outflow from financing activities	(25,999,485)	(20,133,356)
Net cash (outflow)/inflow	(23,927,784)	8,160,602
Glomac Al-Batha Sdn. Bhd.		
Statement of financial position		
Current assets	4,128,230	146,794
Non-current assets	10,200,002	40,200,002
Current liabilities	(9,901)	(14,000)
Equity attributable to owners of the Company	(7,302,349)	(20,569,727)
Non-controlling interests	(7,015,982)	(19,763,069)
Statement of profit or loss and other comprehensive income		
Revenue	-	25,000,000
(Loss)/Profit/Total comprehensive (loss)/income for the year	(14,465)	25,057,183
Glomac Al-Batha Sdn. Bhd.		
(Loss)/Profit/Total comprehensive (loss)/income to:		
Owners of the Company	(7,377)	12,779,163
Non-controlling interests	(7,088)	12,278,020
	(14,465)	25,057,183
Statement of cash flows		
Dividends paid to non-controlling interests	(12,740,000)	(12,642,211)
Net cash outflow from operating activities	(47,424)	(78,490)
Net cash inflow/(outflow) from financing activities	16,740,000	(13,158,219)
Net cash (outflow)/inflow from investing activities	(4,000,000)	25,078,095
Net cash outflow	(47,424)	(800,825)

17. SUBSIDIARY COMPANIES (Cont'd)

	2018 RM	2017 RM
Glomac Power Sdn. Bhd.		
Statement of financial position		
Current assets	3,187,312	886,777
Non-current assets	30,700,154	33,762,113
Current liabilities	(3,758)	(1,500)
Equity attributable to owners of the Company	(29,038,338)	(29,692,813)
Non-controlling interests	(4,845,370)	(4,954,577)
Statement of profit or loss and other comprehensive income		
Revenue	-	-
(Loss)/Profit/Total comprehensive (loss)/income for the year	(763,682)	1,818,258
(Loss)/Profit/Total comprehensive (loss)/income to:		
Owners of the Company	(654,475)	1,558,247
Non-controlling interests	(109,207)	260,011
	(763,682)	1,818,258
Statement of cash flows		
Dividends paid to non-controlling interests	-	(172,673)
Net cash outflow from operating activities	(73,343)	-
Net cash outflow from financing activities	-	(1,034,827)
Net cash inflow from investing activities	2,310,000	-
Net cash inflow/(outflow)	2,236,657	(1,207,500)

18. ASSOCIATED COMPANIES

	The Group	
	2018 RM	2017 RM
Unquoted shares, at cost	2,310,140	2,310,140
Share of post-acquisition reserves	28,390,154	31,452,113
	30,700,294	33,762,253

Summarised financial information in respect of each of the Group's material associated companies is set out below. The summarised financial information below represents amounts in the associated companies' financial statements prepared in accordance with FRSs.

NOTES TO THE FINANCIAL STATEMENTS

18. ASSOCIATED COMPANIES (Cont'd)

	2018 RM	2017 RM
PPC Glomac Sdn. Bhd. and its subsidiary company, Irama Teguh Sdn. Bhd.		
Statement of financial position		
Current assets	51,365,961	60,043,991
Non-current assets	44,234,895	44,669,400
Current liabilities	(7,877,239)	(8,241,383)
Non-current liabilities	(8,890)	(8,829)
Net assets	87,714,727	96,463,179
Statement of profit or loss and other comprehensive income		
Revenue	7,291,387	23,368,142
(Loss)/Profit/Total comprehensive (loss)/income for the year	(2,148,453)	5,212,975
Dividend received from the associated company during the year	2,310,000	-

Reconciliation of the above summarised financial information to the carrying amount of the interest in PPC Glomac Sdn. Bhd. and its subsidiary company as recognised in the consolidated financial statements:

	2018 RM	2017 RM
Net assets of the associated company	87,714,727	96,463,179
Proportion of the Group's ownership interest in PPC Glomac Sdn. Bhd.	35%	35%
Carrying amount of the Group's interest in PPC Glomac Sdn. Bhd.	30,700,154	33,762,113

Financial information of associated company that is individually immaterial:

	2018 RM	2017 RM
Carrying amount of the Group's interest in VIP Glomac Pty. Ltd.	140	140

Details of the associated companies are set out in Note 42.

19. OTHER INVESTMENTS

	The Group		The Company	
	2018 RM	2017 RM	2018 RM	2017 RM
<u>Available-for-sale</u>				
Unquoted shares, at cost	4,000,000	4,000,000	-	-
<u>Held to maturity</u>				
Unquoted subordinated bonds, at cost	10,300,000	10,300,000	10,300,000	10,300,000
Allowance fordiminution in value	(10,300,000)	(10,300,000)	(10,300,000)	(10,300,000)
	-	-	-	-
	4,000,000	4,000,000	-	-

20. GOODWILL ON CONSOLIDATION

	The Group	
	2018 RM	2017 RM
Cost		
At beginning and end of year	1,032,918	1,032,918
Accumulated impairment losses		
At beginning and end of year	(637,753)	(637,753)
Carrying amount		
At beginning and end of year	395,165	395,165

Goodwill acquired in a business combination is allocated, at acquisition, to the cash-generating unit ("CGU") that is expected to benefit from that business combination. Before recognition of any impairment losses, the carrying amount of goodwill had been allocated to the following business segment as independent CGU:

	The Group	
	2018 RM	2017 RM
Property development division	395,165	395,165

The Group tests goodwill annually for impairment or more frequently if there are indications that goodwill might be impaired.

The recoverable amount of the CGU is determined from value-in-use calculation which uses cash flow projections derived from the most recent financial budgets approved by management covering a three-year period, and an estimated discount rate of 5.57% (2017: 5.44%) per annum.

At the end of the reporting period, the Group assessed the recoverable amount of goodwill, and determined that no further impairment of goodwill associated with property investment is required. Management expects future cash flows will be generated from this CGU.

NOTES TO THE FINANCIAL STATEMENTS

21. DEFERRED TAX ASSETS/(LIABILITIES)

	The Group		The Company	
	2018 RM	2017 RM	2018 RM	2017 RM
At beginning of year	21,758,651	53,327,920	4,181,708	4,797,108
Recognised in profit or loss (Note 10):				
Property, plant and equipment	86,189	95,941	37,941	17,176
Investment properties	61,051	50,068	-	-
Property development costs	11,855,963	(5,279,098)	-	-
Other investments	(2,472,000)	-	(2,472,000)	-
Deferred income on disposal of development land	-	(26,255,488)	-	-
Other payables and accrued expenses	(820,100)	(1,661,200)	-	-
Unused tax losses and unabsorbed capital allowances	(602,471)	2,024,046	-	-
Subsidiary companies	-	-	(364,017)	
Others	34,828	(543,538)	(52,504)	(632,576)
	8,143,460	(31,569,269)	(2,850,580)	(615,400)
At end of year	29,902,111	21,758,651	1,331,128	4,181,708

Certain deferred tax assets and deferred tax liabilities have been offset in accordance with the Group's accounting policy. The following is an analysis of the deferred tax balances (after offset) for statements of financial position purposes:

	The Group		The Company	
	2018 RM	2017 RM	2018 RM	2017 RM
Deferred tax assets	31,301,491	24,042,189	1,331,128	4,181,708
Deferred tax liabilities	(1,399,380)	(2,283,538)	-	-
	29,902,111	21,758,651	1,331,128	4,181,708
Deferred tax liabilities (before offsetting)				
Temporary differences arising from:				
Property, plant and equipment	(190,636)	(224,701)	-	-
Investment properties	(2,097,340)	(2,158,391)	-	-
Others	-	(904)	-	-
	(2,287,976)	(2,383,996)	-	-
Offsetting	888,596	100,458	-	-
Deferred tax liabilities (after offsetting)	(1,399,380)	(2,283,538)	-	-

21. DEFERRED TAX ASSETS/(LIABILITIES) (Cont'd)

	The Group		The Company	
	2018 RM	2017 RM	2018 RM	2017 RM
Deferred tax assets (before offsetting)				
Temporary differences arising from:				
Property, plant and equipment	115,541	63,417	95,400	57,459
Property development costs	23,687,947	11,831,984	-	-
Subsidiary companies	-	-	-	364,017
Other investments	-	2,472,000	-	2,472,000
Amount owing by subsidiary companies	-	-	504,563	504,563
Other payables and accrued expenses	108,700	928,800	-	-
Others	817,592	783,668	731,165	783,669
Unused tax losses and unabsorbed capital allowances	7,460,307	8,062,778	-	-
	32,190,087	24,142,647	1,331,128	4,181,708
Offsetting	(888,596)	(100,458)	-	-
Deferred tax assets (after offsetting)	31,301,491	24,042,189	1,331,128	4,181,708

As mentioned in Note 3(d), the tax effects of all taxable temporary differences are recognised. Where deductible temporary differences, unused tax losses and unused tax credits would give rise to net deferred tax asset, the tax effects are generally recognised to the extent that it is probable that future taxable profits will be available against which deductible temporary differences, unused tax losses and unused tax credits can be utilised. As of 30 April 2018, the estimated amount of unused tax losses and unabsorbed capital allowances pertaining to certain subsidiary companies, for which no deferred tax assets have been recognised in the financial statements due to uncertainty of their realisation, is as follows:

	The Group	
	2018 RM	2017 RM
Temporary differences arising from:		
Property development cost	8,363,000	9,481,000
Other payables, accrued expenses and provision	1,264,012	619,750
Unused tax losses	37,800,703	36,661,843
Unabsorbed capital allowances	404,252	427,104
	47,831,967	47,189,697

No deferred tax assets were recognised in the financial statements of these subsidiary companies due to uncertainty of their recoverability. The comparative information presented above has been restated to conform with the actual income tax computation submitted to tax authorities. The unabsorbed capital allowances and unused tax losses are available indefinitely for offset against future taxable profits of the respective subsidiary companies in the Group.

NOTES TO THE FINANCIAL STATEMENTS

21. DEFERRED TAX ASSETS/(LIABILITIES) (Cont'd)

The Income Tax (Exemption) (No. 2) Order 2017 [P.U. (A) 117/2017] gazetted on 10 April 2017 enacted that the reduction of corporate income tax rate from 24% to rates below based on the percentage of increase in chargeable income as compared to the immediate preceding year of assessment:

Percentage of increase in chargeable income as compared to the immediate preceding year of assessment	Percentage point of reduction on income tax rate	Reduced income tax rate on increase in chargeable income %
Less than 5%	Nil	24
5% - 9.99%	1	23
10% - 14.99%	2	22
15% - 19.99%	3	21
20% and above	4	20

The above changes are effective for years of assessment 2017 and 2018. Following this, the applicable tax rates to be used for the measurement of any applicable deferred tax will be at the expected rates.

22. INVENTORIES

	The Group		The Company	
	2018 RM	2017 RM	2018 RM	2017 RM
At beginning of year	143,725,670	156,255,416	1,295,942	1,295,942
Transfer from property development costs: (Note 23)				
Cost of completed units	8,965,119	44,991,964	-	-
Less: Allowance for foreseeable loss	(1,658,067)	-	-	-
	7,307,052	44,991,964	-	-
Transfer to investment properties (Note 15)	-	(9,504,000)	-	-
Inventories written off [Note 9(a)]	(1,261,528)	-	-	-
Inventories sold (Note 6)	(10,081,516)	(48,017,710)	-	-
At end of year	139,689,678	143,725,670	1,295,942	1,295,942

Inventories of the Group amounting to RM34,228,109 (2017: RM34,228,109) are pledged to financial institutions as security for bank borrowings of the Group as mentioned in Note 31.

23. PROPERTY DEVELOPMENT COSTS

	The Group	
	2018 RM	2017 RM
At beginning of year:		
Freehold land - at cost	71,440,215	139,352,844
Leasehold land - at cost	341,657,920	284,001,604
Development expenditure	1,585,951,016	1,786,837,967
	1,999,049,151	2,210,192,415
Costs incurred during the year:		
Leasehold land - at cost	26,704,327	61,723,616
Development expenditure	252,052,549	135,925,089
	278,756,876	197,648,705

23. PROPERTY DEVELOPMENT COSTS (Cont'd)

	The Group 2018 RM	The Group 2017 RM
Transfer from land held for property development (Note 16):		
Leasehold land - at cost	12,152,383	18,428
Development expenditure	10,470,734	8,054,001
	22,623,117	8,072,429
Transfer to inventories (Note 22)	(8,965,119)	(44,991,964)
Allowance for foreseeable losses:		
At beginning of year	(39,072,515)	(42,024,878)
Provision no longer required [Note 9(a)]	15,696,333	2,516,271
Transfer to inventories (Note 22)	1,658,067	-
Provision realised during the year	1,117,966	436,092
At end of year	(20,600,149)	(39,072,515)
Closed out due to completion of projects	-	(371,872,434)
Costs recognised as an expense in profit or loss:		
Previous year	(1,924,860,668)	(2,013,337,024)
Current year (Note 6)	(279,660,660)	(283,396,078)
Closed out due to completion of projects	-	371,872,434
Cumulative costs at end of year	(2,204,521,328)	(1,924,860,668)
At end of year	66,342,548	35,115,968
Comprising:		
Freehold land - at cost	497,957	504,741
Leasehold land - at cost	36,595,852	1,431,711
Development expenditure	29,248,739	33,179,516
	66,342,548	35,115,968

Current year charges to development expenditure include the following:

	The Group 2018 RM	The Group 2017 RM
Staff costs [Note 9(b)]	5,152,831	2,731,091
Finance costs (Note 8)	3,498,133	1,263,971
Directors' remuneration [Note 9(c)]	3,341,712	2,523,019
Land lease extension and conversion premium (Note 16)	-	13,001,514

Land held for property development and property development costs of certain subsidiary companies amounting to RM663,604,582 (2017: RM638,846,793) are charged for banking facilities granted to the subsidiary companies as mentioned in Note 34.

NOTES TO THE FINANCIAL STATEMENTS

23. PROPERTY DEVELOPMENT COSTS (Cont'd)

In accordance with the Joint Venture Agreement ("JVA") with Leader Domain Sdn. Bhd. ("LDSB"), Glomac Resources Sdn. Bhd., a wholly owned subsidiary company, is obliged to pay LDSB entitlement based on profit-sharing (as defined in the JVA) to be generated by the development of certain parcels of land progressively. A total entitlement of RM12,225,258 (2017: RM12,225,258) has been included in the property development costs. As of 30 April 2018, an amount of RM9,770,522 (2017: RM9,770,522) has been paid and the remaining amount of RM2,454,736 (2017: RM2,454,736) has been recognised as part of land cost payable in Note 33.

24. ACCRUED BILLINGS/(ADVANCE BILLINGS)

	The Group	
	2018 RM	2017 RM
Revenue recognised in profit or loss todate	3,547,637,411	3,469,705,423
Progress billings todate	(3,466,891,661)	(3,405,768,362)
	80,745,750	63,937,061
Represented by:		
Accrued billings	84,815,509	75,264,429
Advance billings	(4,069,759)	(11,327,368)

25. TRADE RECEIVABLES

	The Group	
	2018 RM	2017 RM
Trade receivables		
Third parties	81,119,093	66,960,900
Stakeholders' sum	57,616,196	84,571,461
	138,735,289	151,532,361
Less: Allowance for doubtful debts	(1,765,701)	(1,424,607)
	136,969,588	150,107,754

The Group's normal trade credit term ranges from 7 to 90 days (2017: 7 to 90 days). Other credit terms are assessed and approved on a case-by-case basis.

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

The Group has no significant concentration of credit risk that may arise from exposures to a single debtor or groups of debtors.

Stakeholders' sum represents retention sums held by solicitors upon handing over of vacant possession to individual purchasers of development properties. These amounts will be paid from 8 to 24 months after the delivery of vacant possession together with interest earned.

25. TRADE RECEIVABLES (Cont'd)

Ageing of past due but not impaired receivables

	The Group 2018 RM	The Group 2017 RM
Past due < 1 month	18,169,907	40,702,201
Past due 1 - 2 months	9,948,325	6,675,729
Past due 2 - 3 months	8,518,105	4,121,209
Past due > 3 months	22,533,679	13,349,262
Total	59,170,016	64,848,401

Movement in the allowance for doubtful debts

	The Group 2018 RM	The Group 2017 RM
Balance at beginning of year	1,424,607	1,276,374
Impairment losses recognised on receivables [Note 9(a)]	626,620	148,233
Allowance for doubtful debts no longer required [Note 9(a)]	(285,526)	-
Balance at end of year	1,765,701	1,424,607

In determining the recoverability of a trade receivable, the Group considers any change in the credit quality of the trade receivable from the date credit was initially granted up to the end of the reporting period. The concentration of credit risk is limited due to the customer base being large and unrelated.

Ageing of past due and impaired

	The Group 2018 RM	The Group 2017 RM
Past due > 3 months	1,765,701	1,424,607

26. OTHER RECEIVABLES

	The Group		The Company	
	2018 RM	2017 RM	2018 RM	2017 RM
Refundable deposits	23,762,153	19,438,643	33,455	33,455
Other receivables	3,650,850	11,354,874	4,660,390	4,695,524
Less: Allowance for doubtful debts	(66,871)	(66,871)	-	-
	3,583,979	11,288,003	4,660,390	4,695,524
Interest income receivable	1,313,998	890,979	-	-
Prepaid expenses	711,815	816,036	31,508	21,137
	29,371,945	32,433,661	4,725,353	4,750,116

NOTES TO THE FINANCIAL STATEMENTS

27. AMOUNT DUE FROM/(TO) SUBSIDIARY AND ASSOCIATED COMPANIES

Amount due from subsidiary companies, which arose mainly from trade transactions, assignment of debts, payment made on behalf and advances granted, bears interest at 5.57% (2017: 5.44%) per annum and is unsecured and repayable on demand.

	The Company	
	2018 RM	2017 RM
Amount due from subsidiary companies	627,084,293	528,255,044
Less: Allowance for doubtful debts	(2,102,348)	(2,102,348)
	624,981,945	526,152,696

Amount due to subsidiary companies, which arose mainly from assignment of debts and advances, is unsecured, bears interest at 5.57% (2017: 5.44%) per annum and is repayable on demand.

During the financial year, significant transactions, which are determined on a basis as negotiated between the Company and its subsidiary companies, are as follows:

	The Company	
	2018 RM	2017 RM
Dividend received from subsidiary companies (Note 5)	55,760,000	108,361,466
Interest income from subsidiary companies (Note 7)	28,808,239	23,458,409
Interest expense to subsidiary companies (Note 8)	3,313,822	4,443,784
Head office allocation income	908,253	866,098
Rental expenses paid to a subsidiary company [Note 9(a)]	798,775	786,887

28. DEPOSITS, CASH AND CASH EQUIVALENTS

	The Group		The Company	
	2018 RM	2017 RM	2018 RM	2017 RM
Cash on hand and at banks	130,937,859	273,435,190	5,998,352	42,521,808
Deposits with licensed banks	45,136,261	33,816,276	-	-
Investment in short-term funds	-	500,000	-	500,000
Deposits, cash and bank balances	176,074,120	307,751,466	5,998,352	43,021,808
Less: Fixed deposits with maturity in excess of 90 days	(19,668,441)	(18,978,814)	-	-
Non-cash and cash equivalents - deposits pledged	(9,852,067)	(9,213,910)	-	-
Cash and cash equivalents	146,553,612	279,558,742	5,998,352	43,021,808

Included in the Group's cash and bank balances is an amount of RM86,776,497 (2017: RM170,726,768) which is held under Housing Development Accounts pursuant to Section 7A of the Housing Development (Control and Licensing) Act, 1966. These accounts consist of monies received from purchasers and are used for the payment of property development expenditure incurred. The surplus monies, if any, will be released to the Group upon the completion of the property development and after all property development expenditure have been fully settled. The Housing Development Accounts with a licensed bank earn interest at 1.95% (2017: 2.06%) per annum.

28. DEPOSITS, CASH AND CASH EQUIVALENTS (Cont'd)

Deposits of the Group totalling RM9,852,067 (2017: RM9,213,910) have been pledged to secure bank guarantee facilities.

The weighted average effective interest rates per annum for deposits held at the end of the reporting period are as follows:

	The Group		The Company	
	2018	2017	2018	2017
	%	%	%	%
Licensed banks	3.2	3.1	-	3.6

The average maturity periods relating to the various deposits held at the end of the reporting period are as follows:

	The Group		The Company	
	2018	2017	2018	2017
	Days	Days	Days	Days
Licensed banks	90	90	-	7

Investment in short-term funds in financial year ended 30 April 2017 were placements made in management funds that invest in fixed deposits and short-term money market instruments offered by banks or financial institutions licensed under the Financial Services Act 2013 or the Islamic Financial Services Act 2013 which allowed redemption with notice of 1 business day.

29. SHARE CAPITAL AND RESERVES

	The Group and the Company			
	No. of shares		RM	
	2018	2017	2018	2017
Issued and fully paid				
Ordinary shares				
At beginning of year	727,821,313	727,821,313	418,631,554	363,910,657
Bonus issue	72,268,057	-	-	-
Transfer from share premium	-	-	-	54,720,897
At end of year	800,089,370	727,821,313	418,631,554	418,631,554

In accordance with the transitional provisions of the Companies Act, 2016 (Act), which came into operation on 31 January 2017, the amount standing to the credit of the Company's share premium account becomes part of the Company's share capital. This change does not have an impact on the number of shares in issue or the relative entitlement of any of the shareholders. The Company has a period of 24 months from the effective date of the Act to use the existing balance credited in the share premium account in a manner as specified by the Act. Included in issued capital as of 30 April 2017 was an amount of RM54,720,897 transferred from share premium on 31 January 2017, which can be utilised in a manner as specified by the Act during the 24 month-transitional period.

During the financial year, the Company has utilised RM36,134,029 from the share premium for the issuance of new ordinary shares arising from the bonus issue on the basis of 1 bonus share for every 10 existing shares held. The new ordinary shares issued ranked pari-passu with the existing ordinary shares of the Company.

Capital reserve

This reserve represents non-distributable reserve transferred from post-acquisition retained earnings arising from bonus issue of shares of a subsidiary company.

NOTES TO THE FINANCIAL STATEMENTS

29. SHARE CAPITAL AND RESERVES (Cont'd)

Equity-settled employee benefits reserve

	The Group and the Company	
	2018 RM	2017 RM
Balance at beginning of year	6,648,587	6,209,805
Arising on share-based payments:		
Staff costs [Note 9(b)]	586,577	2,732,887
Directors' remuneration [Note 9(c)]	704,674	948,040
	1,291,251	3,680,927
Effect of vesting of RSG shares	(1,912,563)	(3,242,145)
Balance at end of year	6,027,275	6,648,587

The equity-settled employee benefits reserve relates to share options and restricted shares granted by the Company to employees of the Group under the Employees' Share Scheme. Further information about share-based payments to employees is set out in Note 39.

Treasury shares

The shareholders of the Company, by an ordinary resolution passed at the 33rd Annual General Meeting held on 27 September 2017, renewed their approval for the Company's plan to repurchase its own shares up to a maximum of 10% of the total issued and fully paid up share capital listed on the Bursa Malaysia Securities Berhad.

During the financial year, the Company purchased 2,066,300 (2017: 1,017,500) units of its own shares through purchases on Bursa Malaysia Securities Berhad. The total amount paid for acquisition of the shares was RM1,076,491 (2017: RM763,082) and it has been deducted from equity. The share transactions were financed by internally generated funds and the average price paid for the shares was RM0.52 (2017: RM0.75) per share. The repurchased shares are held as treasury shares in accordance with Section 127(4)(b) of the Companies Act, 2016.

As at 30 April 2018, the Company held a total of 6,914,300 (2017: 4,848,000) ordinary shares as treasury shares out of its issued and paid-up share capital of 800,089,370 ordinary shares. Such treasury shares are held at carrying amount of RM5,349,087 (2017: RM4,272,596).

The Company has a right to reissue these shares at a later date. As treasury shares, the rights attached as to voting, dividends and participation in other distribution are suspended.

Restricted shares grant ("RSG") reserve

	The Group and the Company			
	No. of shares		RM	
	2018	2017	2018	2017
Balance at beginning of year	304,000	3,275,000	238,430	3,110,234
Repurchase of RSG shares	4,381,000	712,000	2,797,160	555,553
Bonus issue	224,675	-	-	-
	4,909,675	3,987,000	3,035,590	3,665,787
Vesting of RSG shares	(2,438,250)	(3,683,000)	(1,648,383)	(3,427,357)
Balance at end of year	2,471,425	304,000	1,387,207	238,430

29. SHARE CAPITAL AND RESERVES (Cont'd)

Restricted shares grant ("RSG") reserve (Cont'd)

As of 30 April 2018, the Company has repurchased a total of 14,993,000 of its issued ordinary shares from the open market at an average price of RM0.90 per share. These shares are being held in trust by the Company and recorded as restricted shares grant ("RSG") reserve for the purpose of granting restricted shares to eligible employees in future. The first, second and third tranches of RSG under ESS scheme totalling 12,746,250 shares have been vested and awarded to a selected group of eligible employees as of 30 April 2018. A total of 224,675 shares are being granted under bonus issue during the year. The balance shares held in trust by the Company as at 30 April 2018 is 2,471,425 shares at an average price of RM0.56 per share.

30. RETAINED EARNINGS

At the end of the reporting period, the entire retained earnings of the Company is available for distribution as dividends under the single-tier income tax system.

31. LONG-TERM LIABILITIES

		The Group		The Company	
		2018 RM	2017 RM	2018 RM	2017 RM
Secured:					
Term loans	(a)	182,797,755	142,883,283	39,637,500	37,300,000
Hire-purchase and lease payables	(b)	827,028	797,678	-	-
Revolving credits	(c)	28,779,159	-	-	-
		212,403,942	143,680,961	39,637,500	37,300,000
Unsecured:					
Revolving credits	(c)	88,750,000	96,250,000	88,750,000	96,250,000
		301,153,942	239,930,961	128,387,500	133,550,000

(a) Term loans

	The Group		The Company	
	2018 RM	2017 RM	2018 RM	2017 RM
Amount repayable	211,425,672	206,926,247	45,300,000	37,300,000
Due within 1 year (Note 34)	(28,627,917)	(64,042,964)	(5,662,500)	-
Long-term portion	182,797,755	142,883,283	39,637,500	37,300,000
The long-term portion of the loans are repayable as follows:				
More than 1 year and less than 2 years	76,786,850	39,637,500	22,650,000	4,662,500
More than 2 years and less than 5 years	91,963,989	86,398,867	16,987,500	32,637,500
More than 5 years	14,046,916	16,846,916	-	-
	182,797,755	142,883,283	39,637,500	37,300,000

As of 30 April 2018, the Group has credit facilities issued under Shariah Principles amounting to RM48.4 million (2017: RM Nil), which were obtained from licensed financial institutions.

NOTES TO THE FINANCIAL STATEMENTS

31. LONG-TERM LIABILITIES (Cont'd)

(a) Term loans (Cont'd)

The abovementioned term loans and other credit facilities were secured by way of the following:

(i) the respective subsidiary companies' stamped facility agreements;

(ii) fixed charges over certain investment properties of subsidiary companies as disclosed in Note 15;

(iii) first party legal charge over 2 parcels of freehold land of subsidiary companies held for property development as disclosed in Note 16;

(iv) first party legal charge over certain parcels of leasehold land of subsidiary companies held for property development as disclosed in Note 16;

(v) a fixed and floating charge by way of a debenture on present and future assets of the subsidiary companies;

(vi) assignment of sales proceeds arising from sale of development properties of certain subsidiary companies;

(vii) assignment of all monies in the Housing Development Accounts of certain subsidiary companies, subject to the provisions of the Housing Development Account Regulations 1991;

(viii) assignment of future rental or lease proceeds on development properties of certain subsidiary companies;

(ix) first party legal charge over certain building and improvements of subsidiary companies as disclosed in Note 13; and

(x) legal assignment of a subsidiary company's interest under the Joint Venture Agreement ("JVA") with a third party over a parcel of land held for property development as disclosed in Note 16.

(b) Hire-purchase and lease payables

	The Group	
	2018 RM	2017 RM
Minimum lease payments:		
Not later than one year	603,707	455,405
Later than 1 year but not later than 5 years	904,560	840,903
	1,508,267	1,296,308
Future finance charges	(151,651)	(97,401)
Present value of hire-purchase and lease liabilities	1,356,616	1,198,907
Present value of hire-purchase and lease liabilities:		
Not later than 1 year	529,588	401,229
More than 1 year and less than 2 years	443,019	408,328
More than 2 years and less than 5 years	384,009	389,350
	1,356,616	1,198,907
Analysed as follows:		
Due within 12 months (shown under current liabilities)	529,588	401,229
Due after 12 months	827,028	797,678
	1,356,616	1,198,907

31. LONG-TERM LIABILITIES (Cont'd)

(b) Hire-purchase and lease payables (Cont'd)

The hire-purchase and lease payables of the Group bear interest at rates ranging from 2.4% to 8.1% (2017: 2.5% to 7.6%) per annum. Interest rates are fixed at the inception of the hire-purchase and lease arrangements.

The Group's hire purchase and lease payables are secured by the financial institutions' charge over the assets under hire-purchases/leases.

(c) Revolving credits

	The Group		The Company	
	2018 RM	2017 RM	2018 RM	2017 RM
Secured:				
Amount repayable	40,955,732	102,226,147	-	25,200,000
Due within 1 year (Note 34)	(12,176,573)	(102,226,147)	-	(25,200,000)
Long-term portion	28,779,159	-	-	-
Unsecured:				
Amount repayable	261,250,000	220,000,000	261,250,000	220,000,000
Due within 1 year (Note 34)	(172,500,000)	(123,750,000)	(172,500,000)	(123,750,000)
Long-term portion	88,750,000	96,250,000	88,750,000	96,250,000

Securities pledged in respect of revolving credits are disclosed in Note 34.

32. TRADE PAYABLES

Included in the Group's trade payables are retention sums of RM30,139,895 (2017: RM42,545,762) payable to subcontractors.

The normal credit terms granted to the Group range from 1 to 60 days (2017: 1 to 60 days).

During the current financial year, the Company wrote back accrued construction costs relating to the retail mall of RM9,708,743 [Note 9(a)] following the finalisation of costs with contractors upon the expiration of warranty period during the year.

33. OTHER PAYABLES AND ACCRUED EXPENSES AND PROVISIONS

Other payables and accrued expenses comprise:

		The Group		The Company	
	Note	2018 RM	2017 RM	2018 RM	2017 RM
Other accrued expenses		22,436,716	23,313,550	50,937	39,486
Deposits received from purchasers and tenants		12,476,365	11,170,278	149,250	76,250
Other payables	(b)	8,111,160	12,387,576	813,546	775,959
Land cost payable (Note 23)		2,454,736	2,454,736	-	-
Accrued interest expense		2,945,003	1,220,308	1,439,525	840,083
Accrued land lease extension and conversion premium	(a)	-	64,267,100	-	-
		48,423,980	114,813,548	2,453,258	1,731,778

NOTES TO THE FINANCIAL STATEMENTS

33. OTHER PAYABLES AND ACCRUED EXPENSES AND PROVISIONS (Cont'd)

Provisions comprise:

		The Group		The Company	
	Note	2018 RM	2017 RM	2018 RM	2017 RM
Provision for affordable housing obligations	(c)	54,124,359	24,998,628	-	-
Provision for release of bumiputra quota [Note 9(a)]		17,796,007	17,796,007	-	-
Provision for liquidated ascertained damages payable to purchasers	(d)	452,918	664,103	-	-
		72,373,284	43,458,738	-	-

(a) Accrued land lease extension and conversion premium

During the prior financial year, a subsidiary company received approval from the Land office to extend the lease period of its leasehold development land and to convert certain parcels of the said development land in accordance with its development plan. The additional premium payable therefrom has been accrued for accordingly as of 30 April 2017 and settled in full during the current financial year.

(b) Other payables

Other payables comprise amounts outstanding for ongoing costs and operating expenses payable.

Included in other payables of the Group and the Company is an amount due to KJ Leisure Sdn. Bhd., a company in which certain directors of the Company have interest, of RM185,561 and RM47,562 (2017: RM158,066 and RM47,562), respectively. The said amount, which mainly arose from payment on behalf, is interest-free, unsecured and repayable on demand.

(c) Provision for affordable housing obligations

The Malaysian Institute of Accountants (MIA) issued Financial Reporting Standards Implementation Committee ("FRSIC") Consensus 17 on Development of Affordable Housing on 24 November 2011. It recommends that the estimated amount of shortfall relating to affordable housing obligations be recognised as a provision. The recognition of such provision would result in the recognition of a corresponding asset in the form of common costs in the development of premium housing as included in Note 16 on Land Held for Property Development and Note 23 on Property Development Costs.

Movement of the provision for affordable housing obligations is as follows:

	The Group	
	2018 RM	2017 RM
At beginning of year	24,998,628	36,528,000
Provision no longer required	-	(11,529,372)
Provision made during the year	29,125,731	-
At end of year	54,124,359	24,998,628

During the current year, a subsidiary company (2017: another subsidiary company) received approval from the State Housing and Real Estate Authority to convert affordable housing obligations to the Rumah Selangorku Scheme. Following this, the said subsidiary company's provision for affordable housing obligations has been revised accordingly.

33. OTHER PAYABLES AND ACCRUED EXPENSES AND PROVISIONS (Cont'd)

(d) Provision for liquidated ascertained damages ("LAD") payable to purchasers

Provision for liquidated ascertained damages ("LAD") is recognised for expected LAD claims based on the terms of the applicable sale and purchase agreements.

Movement of the provision for LAD is as follows:

	The Group	
	2018 RM	2017 RM
At beginning of year	664,103	24,512,310
Provision made during the year [Note 9(a)]	43,769	1,311,613
Payments made during the year	(254,954)	(25,159,820)
At end of year	452,918	664,103

34. BORROWINGS

	The Group		The Company	
	2018 RM	2017 RM	2018 RM	2017 RM
Short-Term Borrowings				
Secured:				
Revolving credits [Note 31(c)]	12,176,573	102,226,147	-	25,200,000
Term loans [Note 31(a)]	28,627,917	64,042,964	5,662,500	-
	40,804,490	166,269,111	5,662,500	25,200,000
Unsecured:				
Revolving credits [Note 31(c)]	172,500,000	123,750,000	172,500,000	123,750,000
	213,304,490	290,019,111	178,162,500	148,950,000

The weighted average effective interest rates per annum at the end of the reporting period for borrowings are as follows:

	The Group		The Company	
	2018 %	2017 %	2018 %	2017 %
Term loans	5.6	5.4	5.8	5.6
Revolving credits	5.2	4.9	5.1	4.8

The revolving credits of the Group and of the Company are secured by fixed charges over certain investment properties of subsidiary companies and debentures over the assets of a subsidiary company as disclosed in Note 15 and Note 22 respectively.

Certain revolving credits of the Company and its subsidiary companies are secured by first legal charges over certain property development projects of certain subsidiary companies and fixed charges over certain investment properties of certain subsidiary companies of the Group as disclosed in Note 23 and Note 15 respectively.

NOTES TO THE FINANCIAL STATEMENTS

35. RECONCILIATION OF LIABILITIES ARISING FROM FINANCING ACTIVITIES

The table below details changes in the Group and the Company's liabilities arising from financing activities, including both cash and non-cash changes. Liabilities arising from financing activities are those for which cash flows were, or future cash flows will be, classified in the Group's and the Company's statement of cash flows as cash flows from/(used in) financing activities.

The Group	At 1 May 2017 RM	Cash Flows RM	Non-cash Transactions RM	At 30 April 2018 RM
Hire-purchase and lease payables (Note 31)	1,198,907	157,709	-	1,356,616
Revolving credits (Notes 31 & 34)	322,226,147	(20,020,415)	-	302,205,732
Term loans (Notes 31 & 34)	206,926,247	4,499,425	-	211,425,672

The Company	At 1 May 2017 RM	Cash Flows RM	Non-cash Transactions RM	At 30 April 2018 RM
Amount due to subsidiary companies	91,208,372	184,444	3,238,102	94,630,918
Revolving credit (Notes 31 & 34)	245,200,000	16,050,000	-	261,250,000
Term loans (Notes 31 & 34)	37,300,000	8,000,000	-	45,300,000

In accordance with the transitional provision of Disclosure Initiative (Amendment to FRS 107) for reconciliation of movement of liabilities to cash flows arising from financing activities, comparative information is not required for preceding period.

36. CORPORATE GUARANTEES

The Company has provided corporate guarantees to certain financial institutions pertaining to the banking facilities utilised by its subsidiary companies as of 30 April 2018.

The total amount of corporate guarantees provided by the Company for the abovementioned facilities amounted to RM405,350,000 (2017: RM506,500,000). The financial guarantees have not been recognised since the fair value on initial recognition was not material as the financial guarantees provided by the Company did not contribute towards credit enhancement of the subsidiary companies' borrowings in view of the securities pledged by the subsidiary companies as disclosed in Note 31.

37. CAPITAL COMMITMENTS

As of the end of reporting period, the Group and the Company have the following capital commitments:

	The Group		The Company	
	2018 RM	2017 RM	2018 RM	2017 RM
Purchase of land held for property development	2,400,000	-	-	-

38. RELATED PARTY TRANSACTIONS

Other than as disclosed elsewhere in the financial statements, the related parties and their relationship with the Company and its subsidiary companies are as follows:

Name of related parties	Relationship
Tan Sri Dato' Mohamed Mansor bin Fateh Din Datuk Fong Loong Tuck Datuk Seri Fateh Iskandar bin Tan Sri Dato' Mohamed Mansor	Director of the Company
Fara Inez binti Tan Sri Dato' Mohamed Mansor	Daughter to the Director of the Company
KJ Leisure Sdn. Bhd.	A company in which certain directors of the Company have direct interest
Berapit Holdings Sdn. Bhd. Efdiai Sdn. Bhd.	A company in which a director of the Company has direct interest and is also director of the company

Significant transactions undertaken on agreed terms and prices by the Group with their related parties during the financial year are as follows:

The Group	2018 Amount of Transaction RM	2018 Outstanding Amount RM	2017 Amount of Transaction RM	2017 Outstanding Amount RM
Progress billings of properties sold to a company in which certain directors of the Company have direct interest and are also directors of the Company	312,640	-	5,111,294	2,026,696
Progress billings of properties sold to close members of the family of certain directors of the Company	-	-	628,323	-
Progress billings of properties sold to certain directors of the Company	-	-	499,732	-
Liquidated damages ("LAD") payment for properties sold to a company in which certain directors of the Company have direct interest and are also directors of the Company	(254,954)	-	-	-
LAD payment for properties sold to close members of the family of certain directors of the Company	-	-	(121,877)	-
LAD payment for properties sold to certain directors of the Company	-	-	(121,168)	-

NOTES TO THE FINANCIAL STATEMENTS

38. RELATED PARTY TRANSACTIONS (Cont'd)

Compensation of key management personnel

	The Group		The Company	
	2018 RM	2017 RM	2018 RM	2017 RM
Directors				
Salaries and other emoluments	5,643,667	5,216,736	276,500	201,000
Directors' fees	229,677	230,000	229,677	230,000
Benefits-in-kind	96,600	96,600	96,600	96,600
Total short-term employment benefits	5,969,944	5,543,336	602,777	527,600
Share-based payments	704,674	948,040	704,674	948,040
Post employment benefits:				
EPF	762,285	714,440	31,850	29,400
	7,436,903	7,205,816	1,339,301	1,505,040
Other key management personnel				
Salaries and other emoluments	6,657,044	7,591,028	107,902	109,093
Benefits-in-kind	7,200	32,200	-	1,610
Total short-term employment benefits	6,664,244	7,623,228	107,902	110,703
Share-based payments	586,577	2,732,887	327,499	1,056,540
Post employment benefits:				
EPF	885,972	973,701	12,804	14,202
	8,136,793	11,329,816	448,205	1,181,445
Total Compensation	15,573,696	18,535,632	1,787,506	2,686,485

Key management personnel are those persons having authority and responsibility for planning, directing and controlling the activities of the Group and the Company, directly or indirectly.

39. SHARE-BASED PAYMENTS

The Employees' Share Scheme ("ESS") of the Company is governed by the by-laws approved by the shareholders at an Extraordinary General Meeting held on 24 October 2013. The ESS was implemented on 31 March 2014 and will be in force for a maximum period of 7 years from the effective date.

The maximum number of the Company's shares under the ESS should not exceed in aggregate 8% of the issued and paid-up share capital (excluding treasury shares) of the Company at any point of time during the duration of the scheme period. Other principal features of the ESS are as follows:

(i) The employees eligible to participate in the ESS must be employed on a full time basis and on the payroll of any corporation in the Group and has not served a notice of resignation or received a notice of termination and is confirmed in service;

(ii) The entitlement under the ESS for the Executive Directors, including any person connected to the Directors is subject to the approval of the shareholders of the Company in a general meeting;

39. SHARE-BASED PAYMENTS (Cont'd)

(iii) The ESS comprises 2 schemes, i.e. Employees' Share Option Scheme ("ESOS") and Restricted Share Grant ("RSG").

Key features of the ESOS are as follows:

(a) The maximum number of the Company's new shares pursuant to the ESOS should not exceed 4% of the issued and paid-up share capital (excluding treasury shares) of the Company.

(b) Under the ESOS award, the Company may from time to time within the offer period, offer to eligible employees a certain number of options at the offer date, subject to the acceptance of the participants. The participants will be granted the ESOS options which can then be exercised within a period of up to 5 years to subscribe for fully paid-up ordinary shares in the Company, provided all the conditions are duly and fully satisfied.

(c) The subscription price of the ESOS shall be at the Volume Weighted Average Market Price ("VWAMP") of the Company's shares for the 5 market days immediately preceding the offer date with a potential discount of not more than 10% or any other limit in accordance with any prevailing guidelines issued by Bursa Securities or any other relevant authorities as may be amended from time to time, or at the par value of the shares (or such other par value as may be permitted by the Companies Act), whichever is higher.

Key features of the RSG award are as follows:

(a) The maximum number of the Company existing shares pursuant to RSG should not exceed 4% of the existing issued and paid-up share capital (excluding treasury shares) of the Company.

(b) Under the RSG award, the Company may from time to time within the offer period, invite a selected senior management to enter into an agreement with the Company, whereupon the Company shall agree to award the scheme shares to the participants, subject to fulfilling the relevant service and performance objectives and provided all the performance-related conditions are duly and fully satisfied. The scheme shares as specified in the RSG award will only vest based on a 2 year cliff vesting schedule, provided all the RSG vesting conditions are duly and fully satisfied.

(c) The RSG grant price for each underlying shares will be based on the fair value of the Company's shares with no entitlement to any discount, after taking into account among others, the VWAMP of the Company's shares for the 5 market days immediately preceding the RSG grant date.

(iv) The Company may terminate the ESS at any time during the duration of the scheme subject to:

(a) consent of the Company's shareholders at a general meeting, wherein at least a majority of the shareholders, present and voting, vote in favor of the termination; and

(b) written consent of all scheme participants who have yet to exercise their ESOS options either in part or in whole, and all scheme participants whose RSG Agreements are still subsisting.

Upon termination of the ESS, all unexercised ESS and/or unvested RSG shall be deemed to have been cancelled and be null and void.

During the current financial year, the Company has undertaken a bonus issue on the basis of one (1) bonus share for every ten (10) existing shares held. Following this, the Company revised upward the number of shares granted under its unexpired ESOS and RSG by 10% and revised downward the exercise price of its unexpired ESOS by 10%.

In accordance with the requirements of FRS 2 *Share-based Payment*, fair valuation at modification date has been performed and the incremental fair value is included in the measurement of the amount recognised for services received over the period from the modification date until the date when the additional equity instruments vest, in addition to the amount based on the grant date fair value of the equity instruments originally granted, which is recognised over the remainder of the original vesting period.

NOTES TO THE FINANCIAL STATEMENTS

39. SHARE-BASED PAYMENTS (Cont'd)

The outstanding number of share options under ESOS as of 30 April 2018 are as follows:

Option Series	Balance at 1.5.2017	Effect of modification	Cancelled	Balance at 30.4.2018	Grant date	Expiry date	Exercise price[(i)] RM	Fair value at modification date RM
Grant 1	8,611,000	814,200	(664,800)	8,760,400	2.5.2014	2.1.2019	0.91	0.23
Grant 2	4,531,000	423,000	(398,900)	4,555,100	2.1.2015	4.1.2020	0.83	0.24
Grant 3	7,212,000	670,900	(728,500)	7,154,400	4.1.2016	2.1.2021	0.72	0.21

(i) ESOS exercise price per share after modification

The outstanding number of shares under RSG as of 30 April 2018 are as follows:

Series	Balance at 1.5.2017	Effect of modification	Cancelled	Balance at 30.4.2018	Grant date	Expiry date	Exercise price RM	Fair value at modification date RM
Grant 4	3,693,000	345,300	(312,600)	3,725,700	3.1.2017	2.1.2019	-	0.61

Fair value of ESOS and RSG granted in the year

Fair value of ESOS and RSG are computed using the Monte Carlo Fair Valuation model. Where relevant, the expected life used in the model has been adjusted based on management's best estimate for the effects of non-transferability, exercise restrictions (including the probability of meeting market conditions attached to the option), and behavioural considerations. Expected volatility for ESOS and RSG is based on the historical annualised 5 years and 2 years volatility measured monthly, respectively.

Summarised information of unexpired share options as of 30 April 2018:

Inputs into the model	Grant 1	ESOS Grant 2	Grant 3	RSG Grant 4
Before Modification				
Grant date share price (RM)	1.09	0.98	0.87	0.69
Exercise price (RM)	1.00	0.91	0.79	-
Expected volatility (%)	26.75	26.56	27.36	22.18
Option life (years)	5	5	5	2
Dividend yield (%)	5.96	5.00	4.89	5.80
Risk-free interest rate (%)	3.58	3.83	3.46	3.43
After Modification				
Modification date share price (RM)	0.53	0.53	0.53	0.53
Exercise price (RM)	0.91	0.83	0.72	-
Expected volatility (%)	11.03	9.88	18.84	9.88
Option life (years)	0.92	1.92	2.92	1.92
Dividend yield (%)	5.15	5.15	5.15	5.15
Risk-free interest rate (%)	3.48	3.68	3.74	3.68

40. SEGMENTAL INFORMATION

(a) Business Segments

The Group is organised into three areas of businesses:

(i) Property development - the development of residential land commercial properties for sale and sale of land

(ii) Construction - the construction of buildings

(iii) Property investment - the investment of land and buildings held for investment potential and rental income in future

Other business segments include investment holding which are not separately reported as the segment's operations are not material to the Group.

The accounting policies of the reportable segments are the same as the Group's accounting policies described in Note 3. Management has determined the operating segments based on the reports viewed by the Chief Executive Officer (the chief operating decision-maker) for the purpose of resources allocation and assessment of segment performance.

Segment results, assets and liabilities include items directly attributable to a segment as well as those that can be allocated on a reasonable basis. Unallocated items comprise corporate income, expenses, assets and liabilities.

(b) Geographical Segments

The Group operates and derives its income in Malaysia. Accordingly, the financial information by geographical segment has not been presented.

NOTES TO THE FINANCIAL STATEMENTS

40. SEGMENTAL INFORMATION (Cont'd)

2018	Property Development RM	Construction RM	Property Investment RM	Other Operations RM	Eliminations RM	Consolidated RM
REVENUE						
External revenue	382,532,068	313,598	20,767,178	2,314,533	-	405,927,377
Inter-segment revenue	-	73,209,963	3,476,278	11,273,168	(87,959,409)	-
Total revenue	382,532,068	73,523,561	24,243,456	13,587,701	(87,959,409)	405,927,377
RESULTS						
Segment results	56,486,285	4,481,996	(3,385,330)	(75,441)	(4,898,585)	52,608,925
Unallocated corporate expenses						(6,975,589)
Operating profit						45,633,336
Fair value gain on investment properties						429,000
Allowance for foreseeable loss on property development no longer required						15,696,333
Write-back of accrued construction cost no longer required						9,708,743
Share of loss of associated companies						(751,959)
Interest income						8,409,462
Finance costs						(22,843,884)
Income tax expense						(22,619,366)
Profit for the year						33,661,665
ASSETS						
Segment assets	1,422,710,203	43,817,726	368,720,901	28,275,413	-	1,863,524,243
Investment in associated companies	30,700,154	-	140	-	-	30,700,294
Unallocated corporate assets						22,117,798
Consolidated total assets						1,916,342,335
LIABILITIES						
Segment liabilities	373,967,004	15,444,314	85,708,297	592,072	-	475,711,687
Unallocated corporate liabilities						308,239,085
Consolidated total liabilities						783,950,772

40. SEGMENTAL INFORMATION (Cont'd)

2018	Property Development RM	Construction RM	Property Investment RM	Other Operations RM	Eliminations RM	Consolidated RM
OTHER INFORMATION						
Capital expenditure	3,051,140	30,750	663,655	36,719	-	3,782,264
Non-cash expenses						
Inventories written off	1,261,528	-	-	-	-	1,261,528
Depreciation and amortisation	861,146	95,835	565,015	2,283,535	-	3,805,531
Allowance for doubtful debts	-	-	626,620	-	-	626,620
Property, plant and equipment written off	-	-	153,080	-	-	153,080
Write down of liquidated ascertained damages not recoverable	85,200	-	-	-	-	85,200
Provision for liquidated ascertained damages to purchasers	43,769	-	-	-	-	43,769
Non-cash income						
Allowance for foreseeable loss on property development no longer required	(15,696,333)	-	-	-	-	(15,696,333)
Write-back of accrued construction cost no longer required	-	-	(9,708,743)	-	-	(9,708,743)
Fair value gain on investment properties	-	(429,000)	-	-	-	(429,000)
Allowance for doubtful debts no longer required	-	-	(285,526)	-	-	(285,526)

NOTES TO THE FINANCIAL STATEMENTS

40. SEGMENTAL INFORMATION (Cont'd)

2017	Property Development RM	Construction RM	Property Investment RM	Other Operations RM	Eliminations RM	Consolidated RM
REVENUE						
External revenue	561,216,989	-	19,751,140	3,112,929	-	584,081,058
Inter-segment revenue	-	101,577,123	2,165,353	11,644,255	(115,386,731)	-
Total revenue	561,216,989	101,577,123	21,916,493	14,757,184	(115,386,731)	584,081,058
RESULTS						
Segment results	164,181,400	5,117,169	(3,432,523)	(72,026)	(5,117,169)	160,676,851
Unallocated corporate expenses						(10,896,217)
Operating profit						149,780,634
Government grant income						26,280,471
Fair value gain on investment properties						276,400
Allowance for foreseeable loss on property development no longer required						2,516,271
Interest income						9,309,558
Share of profit of associated companies						1,824,541
Finance costs						(20,243,505)
Income tax expense						(60,535,115)
Profit for the year						109,209,255
ASSETS						
Segment assets	1,434,136,642	46,393,411	367,648,746	28,179,323	-	1,876,358,122
Investment in associated companies	33,762,113	-	140	-	-	33,762,253
Unallocated corporate assets						55,707,227
Consolidated total assets						1,965,827,602
LIABILITIES						
Segment liabilities	425,946,487	13,015,788	108,929,056	523,518	-	548,414,849
Unallocated corporate liabilities						292,423,477
Consolidated total liabilities						840,838,326

40. SEGMENTAL INFORMATION (Cont'd)

2017	Property Development RM	Construction RM	Property Investment RM	Other Operations RM	Eliminations RM	Consolidated RM
OTHER INFORMATION						
Capital expenditure	191,808	5,746	1,033,999	39,161	-	1,270,714
Non-cash expenses						
Provision for release of bumiputra quota	17,796,007	-	-	-	-	17,796,007
Depreciation and amortisation	907,461	90,027	469,039	2,183,841	-	3,650,368
Write down of liquidated ascertained damages not recoverable	2,683,600	-	-	-	-	2,683,600
Provision for liquidated ascertained damages to purchasers	1,311,613	-	-	-	-	1,311,613
Allowance for doubtful debts	-	-	148,233	-	-	148,233
Non-cash income						
Allowance for foreseeable loss on property development no longe required	(2,516,271)	-	-	-	-	(2,516,271)
Fair value gain on investment properties	-	-	(276,400)	-	-	(276,400)

41. FINANCIAL INSTRUMENTS

(i) Capital risk management

The Group and the Company manage its capital to ensure that it will be able to continue as a going-concern while maximising returns to the shareholders through the optimisation of debt and equity balance. The Group's and the Company's overall strategy remain unchanged from 2017.

The Group and the Company did not engage in any transaction involving financial derivative instruments during the financial year.

The Group's and the Company's risk management committee reviews the capital structure of the Group and the Company on a regular basis. The Group manages its capital structure and makes adjustments to it in the light of changes in economic conditions and the risk characteristic of the underlying assets. No changes were made in the objectives, policies or processes during the financial year ended 30 April 2018.

NOTES TO THE FINANCIAL STATEMENTS

41. FINANCIAL INSTRUMENTS (Cont'd)

(i) Capital risk management (Cont'd)

Gearing ratio

The gearing ratio at end of the reporting period is as follows:

	The Group		The Company	
	2018 RM	**2017 RM**	**2018 RM**	**2017 RM**
Debts	514,988,020	530,351,301	306,550,000	282,500,000
Deposits, cash and bank balances	(176,074,120)	(307,751,466)	(5,998,352)	(43,021,808)
Net debt	338,913,900	222,599,835	300,551,648	239,478,192
Equity	1,132,391,563	1,124,989,276	773,686,527	735,071,540
Net debt to equity ratio	30%	20%	39%	33%

Debt is defined as long and short-term borrowings, as described in Note 31 and 34.

Equity includes all capital and reserves of the Group and the Company that are managed as capital.

Significant Accounting Policies

Details of the significant accounting policies and methods adopted (including the criteria for recognition and the bases of measurement) for each class of financial asset, financial liability and equity instrument are disclosed in Note 3.

Categories of Financial Instruments

	The Group		The Company	
	2018 RM	**2017 RM**	**2018 RM**	**2017 RM**
Financial assets				
Loans and Receivables				
Trade receivables	136,969,588	150,107,754	-	-
Other receivables	28,660,130	31,617,625	4,693,845	4,728,979
Amount due from subsidiary companies	-	-	624,981,945	526,152,696
Deposit, cash and bank balances	176,074,120	307,751,466	5,998,352	43,021,808
Available-for-sale				
Other investments	4,000,000	4,000,000	-	-

41. FINANCIAL INSTRUMENTS (Cont'd)

(i) Capital risk management (Cont'd)

Categories of Financial Instruments (Cont'd)

	The Group		The Company	
	2018 RM	2017 RM	2018 RM	2017 RM
Financial liabilities				
Other financial liabilities				
Debts:				
Term loans	211,425,672	206,926,247	45,300,000	37,300,000
Revolving credits	302,205,732	322,226,147	261,250,000	245,200,000
Hire-purchase and lease payables	1,356,616	1,198,907	-	-
	514,988,020	530,351,301	306,550,000	282,500,000
Trade payables	137,122,995	126,212,459	-	-
Accrued expenses	25,381,719	88,800,958	1,490,462	879,569
Provision for release of bumiputra quota	17,796,007	17,796,007	-	-
Provision for liquidated damages payable to purchasers	452,918	664,103	-	-
Other payables	8,111,160	12,387,576	813,546	775,959
Deposits received from tenants	3,278,114	2,643,937	36,250	36,250
Land cost payable	2,454,736	2,454,736	-	-
Amount due to subsidiary companies	-	-	94,630,918	91,208,372
Dividend payable	-	10,844,597	-	10,844,597

(ii) Financial Risk Management Objectives

The operations of the Group are subject to a variety of financial risks, including credit risk, interest rate risk, foreign currency risk and liquidity risk.

The Group has formulated a financial risk management framework whose principal objective is to minimise the Group's exposure to risks and/or costs associated with the financing, investing and operating activities of the Group.

Financial risk management is carried out through risk reviews, internal control systems and adherence to Group financial risk management policies. The Board regularly reviews these risks and approves the treasury policies, which cover the management of these risks.

(iii) Credit Risk Management

Credit risk refers to the risk that a counter party will default on its contractual obligation resulting in financial loss to the Group.

The Group is exposed to credit risk mainly from its customer base, including trade receivables. The Group extends credit 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.

Exposure to credit risk

At the end of the reporting period, the Group's and the Company's maximum exposure to credit risk is the carrying amount of financial assets which are mainly trade and other receivables, deposits with licensed bank and cash and bank balances.

The Company's maximum exposure to credit risk also includes amount due from subsidiary companies.

The carrying amount of financial assets recognised in the financial statements, which is net of impairment losses, represents the Group's maximum exposure to credit risk, without taking into account collateral or other credit enhancements held.

NOTES TO THE FINANCIAL STATEMENTS

41. FINANCIAL INSTRUMENTS (Cont'd)

(iv) Interest Rate Risk Management

The Group and the Company are exposed to interest rate risk through the impact of rate changes on interest-bearing deposits and borrowings.

The Group's and the Company's exposure to interest rates on financial liabilities are detailed in the liquidity risk management section of this note.

Interest rate exposure is measured using sensitivity analysis as disclosed below:

Interest rate sensitivity analysis

The sensitivity analysis below has been determined based on the exposure to interest rates for both derivatives and non-derivative instruments at the end of the reporting period. For floating rate liabilities, the analysis is prepared assuming the amount of the liability outstanding at the end of the reporting period was outstanding for the whole year. A 50 basis point increase or decrease is used when reporting interest rate risk internally to key management personnel and represents management's assessment of the reasonably possible change in interest rates.

If interest rates had been 50 basis points higher/lower and all other variables were held constant, the Group's profit for the year ended 30 April 2018 would decrease/increase by RM2,342,476 (2017: RM2,474,181). This is mainly attributable to the Group's exposure to interest rates on its variable rate borrowings.

The Group's sensitivity to interest rates has decreased during the current period mainly due to the decreased in variable rate debt instruments.

(v) Foreign Currency Risk Management

Foreign exchange exposures in transactional currencies other than functional currencies of the operating entities are kept to an acceptable level.

The carrying amounts of the Group's and of the Company's foreign currency denominated monetary assets and monetary liabilities at the end of the reporting period are as follows:

	The Group		The Company	
	2018 RM	**2017 RM**	**2018 RM**	**2017 RM**
Assets				
Australian Dollar (AUD)	1,751,167	1,925,458	-	-
Liabilities				
Australian Dollar (AUD)	359,802	357,435	788,224	863,943

Foreign currency sensitivity analysis

The Group is mainly exposed to the Australian Dollar.

The following table details the Group's sensitivity to a 10% increase and decrease in the RM against the relevant foreign currencies. 10% is the sensitivity rate used when reporting foreign currency risk internally to key management personnel and represents management's assessment of the reasonably possible change in foreign exchange rates. The sensitivity analysis includes only outstanding foreign currency denominated monetary items and adjusts their translation at the period end for a 10% change in foreign currency rates. The sensitivity analysis includes external loans as well as loans from/to foreign operations within the Group where the denomination of the loan is in a currency other than the currency of the lender or the borrower.

41. FINANCIAL INSTRUMENTS (Cont'd)

(v) Foreign Currency Risk Management (Cont'd)

	The Group Profit or loss		The Company Profit or loss	
	2018 RM	2017 RM	2018 RM	2017 RM
Impact of AUD	139,137	156,802	(78,822)	(86,394)

The above is attributable to the exposure outstanding on AUD denominated bank balances and payables in the Group at the end of the reporting period.

In management's opinion, the sensitivity analysis is unrepresentative of the inherent foreign exchange risk because the year-end exposure does not reflect the exposure during the year. During the financial year, no other transaction denominated in foreign currency was undertaken by the Group.

(vi) Liquidity Risk Management

Ultimate responsibility for liquidity risk management rests with the Board of Directors, which has established an appropriate liquidity risk management framework for the management of the Group's short, medium and long-term funding and liquidity management requirements. The Group manages liquidity risk by maintaining adequate reserves, banking facilities and reserve borrowing facilities, by continuously monitoring forecast and actual cash flows, and by matching the maturity profiles of financial assets and liabilities.

The following tables detail the Group's and the Company's remaining contractual maturity for its non-derivative financial liabilities with agreed repayment periods. The tables have been drawn up based on the undiscounted cash flows of financial liabilities based on the earliest date on which the Group can be required to pay. The tables include both interest and principal cash flows. The contractual maturity is based on the earliest date on which the Group may be required to pay.

Liquidity and interest risk table

The Group 30 April 2018	Weighted average effective interest rate per annum %	Less than 1 year RM	1 - 2 years RM	2 - 5 years RM	5+ years RM	Total RM
Non-interest bearing	-	189,360,137	3,379,365	1,858,147	-	194,597,649
Hire-purchase and finance lease liability	5.02	603,433	519,423	385,411	-	1,508,267
Variable interest rate instruments	5.37	228,346,569	107,972,040	224,978,762	18,578,159	579,875,530
Financial guarantee*	-	-	-	-	-	-

The Company 30 April 2018	Weighted average effective interest rate per annum %	Less than 1 year RM	1 - 2 years RM	2 - 5 years RM	5+ years RM	Total RM
Non-interest bearing	-	2,340,258	-	-	-	2,340,258
Variable interest rate instruments	5.29	287,212,798	29,264,676	125,321,778	-	441,799,252
Financial guarantee*	-	-	-	-	-	-

NOTES TO THE FINANCIAL STATEMENTS

41. FINANCIAL INSTRUMENTS (Cont'd)

(vi) Liquidity Risk Management (Cont'd)

***Liquidity and interest risk table* (Cont'd)**

The Group 30 April 2017	Weighted average effective interest rate per annum %	Less than 1 year RM	1 - 2 years RM	2 - 5 years RM	5+ years RM	Total RM
Non-interest bearing	-	254,340,014	7,391,819	72,540	-	261,804,373
Hire-purchase and finance lease liability	5.06	443,015	436,484	416,809	-	1,296,308
Variable interest rate instruments	5.28	304,804,335	56,270,853	208,939,709	16,846,917	586,861,814
Financial guarantee*	-	-	-	-	-	-

The Company 30 April 2017	Weighted average effective interest rate per annum %	Less than 1 year RM	1 - 2 years RM	2 - 5 years RM	5+ years RM	Total RM
Non-interest bearing	-	12,536,375	-	-	-	12,536,375
Variable interest rate instruments	4.85	252,344,182	17,493,443	142,173,785	-	412,011,410
Financial guarantee*	-	-	-	-	-	-

* Based on management's assessment, it is not probable that the counterparties to financial guarantee contracts will claim under the contracts. Consequently, the amount included above is nil.

Fair Value of Financial Instruments

The Directors consider the carrying amounts of financial assets and financial liabilities recognised at amortised cost in the financial statements to approximate their fair values due to the relatively short-term maturity period of the financial instruments or exposure to floating interest rates, except as follows:

	The Group 2018 RM	The Group 2017 RM
Financial assets		
Available-for-sale		
Other investments	4,000,000	4,000,000

It is not practical to estimate the fair value of unquoted investments of the Group due to a lack of quoted market prices and information necessary to estimate future cash flows.

42. SUBSIDIARY AND ASSOCIATED COMPANIES

Name of company	Proportion of ownership interest and voting power held by the Group 2018 %	2017 %	Principal Activities
Subsidiary companies			
Incorporated in Malaysia			
Anugerah Armada Sdn. Bhd.#	100	100	Property development and investment
Bangi Integrated Corporation Sdn. Bhd.	100	100	Investment holding
Berapit Development Sdn. Bhd.#	100	100	Dormant
BH Interiors Sdn. Bhd. #	100	100	Dormant
Dunia Heights Sdn. Bhd. #	100	100	Property development and investment
Elmina Equestrian Centre (Malaysia) Sdn. Bhd. #	100	100	Property development and investment
Glomac Alliance Sdn. Bhd.	100	100	Property development and investment
Glomac Consolidated Sdn. Bhd. #	100	100	Property development and investment
Glomac City Sdn. Bhd. #	100	100	Property development and investment
Glomac Damansara Sdn. Bhd.	100	100	Property development and investment
Glomac Enterprise Sdn. Bhd.	100	100	Property development and investment holding
Glomac Group Management Services Sdn. Bhd. #	100	100	Property development, investment holding and project management
Glomac Jaya Sdn. Bhd.	100	100	Property development and investment
Glomac Land Sdn. Bhd. #	100	100	Dormant
Glomac Leisure Sdn. Bhd. #	100	100	Dormant
Glomac Maju Sdn. Bhd.	100	100	Property development and investment
Glomac Nusantara Sdn. Bhd. #	100	100	Property investment
Glomac Property Services Sdn. Bhd. #	100	100	Property management services
Glomac Rawang Sdn. Bhd.	100	100	Property development and investment
Glomac Real Estate Sdn. Bhd. #	100	100	Dormant
Glomac Realty Sdn. Bhd. #	100	100	Investment holding
Glomac Regal Sdn. Bhd.	100	100	Property development and investment
Glomac Resources Sdn. Bhd.	100	100	Property development and investment
Glomac Restaurants Sdn. Bhd.* #	100	100	Investment holding
Glomac Segar Sdn. Bhd. #	100	100	Property development and investment holding
Glomac Sutera Sdn. Bhd. #	100	100	Property development and investment
Glomac Vantage Sdn. Bhd. #	100	100	Property development and investment
Kelana Centre Point Sdn. Bhd.* #	100	100	Property development and investment holding
Kelana Seafood Centre Sdn. Bhd.* #	100	100	Dormant
Magic Season Sdn. Bhd. #	100	100	Dormant

NOTES TO THE FINANCIAL STATEMENTS

42. SUBSIDIARY AND ASSOCIATED COMPANIES (Cont'd)

Name of company	Proportion of ownership interest and voting power held by the Group 2018 %	2017 %	Principal Activities
Subsidiary companies (Cont'd)			
Magnitud Teknologi Sdn. Bhd. #	100	100	Dormant
OUG Square Sdn. Bhd. #	100	100	Dormant
Precious Quest Sdn. Bhd.	100	100	Property development and investment
Prisma Legacy Sdn. Bhd. *#	100	100	Dormant
Prima Sixteen Sdn. Bhd.*#	100	100	Dormant
Regency Land Sdn. Bhd.	100	100	Property development and investment
Sungai Buloh Country Resort Sdn. Bhd. #	100	100	Dormant
Glomac Thailand Sdn. Bhd. #	100	100	Dormant
Glomac Power Sdn. Bhd. #	85.7	85.7	Investment holding
FDA Sdn. Bhd. #	70	70	Dormant
Glomac Excel Sdn. Bhd. #	60	60	Dormant
Glomac Utama Sdn. Bhd. #	60	60	Property investment
Prominent Excel Sdn. Bhd. #	60	60	Car park operators and manager
Glomac Al Batha Sdn. Bhd.	51	51	Property development and investment holding
Glomac Al Batha Mutiara Sdn. Bhd. *	51	51	Property development and investment
Glomac Bina Sdn. Bhd.	51	51	Building contractor
Glomac Kristal Sdn. Bhd. #	100	100	Property development and investment
FDM Development Sdn. Bhd.	100	100	Property development and investment
Berapit Properties Sdn. Bhd. #	100	100	Property development and investment
Kelana Property Services Sdn. Bhd. #	100	100	Property management services
Berapit Pertiwi Sdn. Bhd. #	100	100	Property investment
Kelana Kualiti Sdn. Bhd.	100	100	Property development and investment
Glomac Cekap Sdn. Bhd. #	100	100	Dormant
Magical Sterling Sdn. Bhd.	100	100	Property development and investment
Glo Damansara Sdn. Bhd	100	100	Property investment and mall management
Incorporated in Australia			
Glomac Australia Pty Ltd. #	100	100	Investment holding
Associated companies			
Incorporated in Malaysia			
PPC Glomac Sdn. Bhd. (held through Glomac Power Sdn. Bhd.) #	30	30	Turnkey contractor
Irama Teguh Sdn. Bhd. (held through PPC Glomac Sdn. Bhd.) #	30	30	Investment holding
Incorporated in Australia			
VIP Glomac Pty. Ltd. (held through Glomac Australia Pty Ltd) #	45.45	45.45	Trustee management

* Interest held through subsidiary companies.
# The financial statements of these companies are examined by auditors other than the auditors of the Company.

43. MATERIAL LITIGATION

On 16 August 2017, a subsidiary company, Glomac Alliance Sdn. Bhd. ("GASB"), received an Amended Writ and Amended Statement of Claim dated 10 August 2017 from a former joint venture ("JV") partner of a property development project ("the Project"). The suit was inter alia based on the JV Agreement dated 17 January 2003, which was subsequently terminated and the underlying Project Land was acquired by GASB from the receiver of the said former JV partner. In the suit dated 10 August 2017, the said former JV partner is claiming for:

(i) A compensation sum of RM107,800,000 for the loss of the Project Land;
(ii) An unspecified amount of loss of expenses of the Project; and
(iii) 22% of gross development value of the Project or a minimum of RM47,000,000, whichever the higher.

In 2011, similar claims were brought up by the said former JV partner in a civil suit whereby it has been struck off by the High Court and the Court of Appeal.

The High Court had dismissed GASB's striking out application. Based on the hearing held on 6 August 2018 on (i) the liquidator's application to intervene and (ii) GASB's application for security for cost, the Judge has directed both parties to exhaust affidavits on the matters by 20 August 2018 and fixed 3 September 2018 for decision on both matters. Appeal against the dismissal of GASB's striking out application has been fixed for hearing at the Court of Appeal on 22 October 2018.

No provision for losses has been made in the financial statements of the Group in respect of this claim given the preliminary stage of the litigation whereby the outcome is not presently determinable.

STATEMENT BY DIRECTORS

The Directors of **GLOMAC BERHAD** state that, in their opinion, the accompanying financial statements are drawn up in accordance with 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 of 30 April 2018 and of the financial performance and the cash flows of the Group and of the Company for the year ended on that date.

Signed in accordance with
a resolution of the Directors,

TAN SRI DATO' MOHAMED MANSOR BIN FATEH DIN

DATUK SERI FATEH ISKANDAR BIN TAN SRI DATO' MOHAMED MANSOR

Kuala Lumpur
8 August 2018

DECLARATION BY THE OFFICER PRIMARILY RESPONSIBLE FOR THE FINANCIAL MANAGEMENT OF THE COMPANY

I, **ONG SHAW CHING**, the Officer primarily responsible for the financial management of **GLOMAC BERHAD**, do solemnly and sincerely declare that the accompanying financial statements are, in my opinion, correct and I make this solemn declaration conscientiously believing the same to be true, and by virtue of the provisions of the Statutory Declarations Act, 1960.

ONG SHAW CHING
(MIA membership no. 7819)

Subscribed and solemnly declared by the abovenamed **ONG SHAW CHING** at KUALA LUMPUR this 8th day of August, 2018.

Before me,

COMMISSIONER FOR OATHS

ADDITIONAL COMPLIANCE STATEMENT

1. **Utilisation of Profit**

   There were no corporate proposals to raise funds during the financial year ended 30 April 2018.

2. **Fees for Services Rendered by The External Auditors**

   The detail of particulars in relation to the audit and non-audit services rendered to the listed issuer or its subsidiaries for the financial year ended 30 April 2018 can be referred to page 102 of this Annual Report.

3. **Material Contracts**

   There were no material contracts entered into by the Company and its subsidiaries involving Directors' and Major Shareholders' interests either subsisting at the end of the financial year ended 30 April 2018 or entered into since the end of the previous financial year.

4. **Employees' Share Scheme ("ESS")**

   The Company's ESS comprises two schemes i.e. Employees' Share Option Scheme ("ESOS") and Performance-based Restricted Share Grant ("RSG"). The ESS was implemented on 31 March 2014 and will be in force for a maximum period of 7 years from the effective date. The percentage of maximum allocation of RSG and ESOS to the eligible employees including Directors and Senior Management are 4.00% and 4.00%, respectively.

   During the financial year, the Company did not grant any RSG shares to its eligible employees nor were any ESOS options granted to the employees of the Group. As at 30 April 2018, the total RSG and ESOS outstanding are 3,725,700 and 20,469,900, respectively.

   During the financial year, the actual percentage granted to the Directors and Senior Management in terms of RSG and ESOS are as follows:-

   i) ESOS

Directors	Nil
Senior Management	Nil

   ii) RSG

Directors	Nil
Senior Management	Nil

   Since the commencement of the ESS, the actual percentage granted to the Directors and Senior Management in terms of RSG and ESOS are as follows:

   iii) ESOS

Directors	0.60%
Senior Management	1.25%

   iv) RSG

Directors	1.10%
Senior Management	0.90%

   The Company does not offer the schemes to its Non-Executive Directors.

   Further details on the options granted to the Directors and the Group Managing Director/Chief Executive Officer pursuant to the ESS in respect of the financial year ended 30 April 2018 are set out on page 67 of this Annual Report.

ADDITIONAL COMPLIANCE STATEMENT

4. Recurrent Related Party Transactions

At the Annual General Meeting held on 27 September 2017, the Company had obtained a general mandate from the shareholders to renew the Group's authority to enter into recurrent related party transactions of a revenue or trading nature.

The details of recurrent related party transactions conducted during the financial year ended 30 April 2018 pursuant to the shareholders' mandate are disclosed as follows:

Company/ Group	Nature of transaction	Transacting party	Related parties	Amount transacted during the financial year (RM)
Our Group	Award of contracts and/or projects for construction works	Glomac Bina Sdn Bhd [A]	- Tan Sri Dato' Mohamed Mansor bin Fateh Din - Interested Directors and Interested Major Shareholders [B]	58,927,075.05
Our Group	Sale of properties by our Group in the ordinary course of business	Directors and Major Shareholders of Glomac and its subsidiaries and Persons Connected to them	Directors and Major Shareholders of Glomac and its subsidiaries and Persons Connected to them	156,320

[A] *Glomac Bina Sdn Bhd is a 51% subsidiary company of Glomac wherein Tan Sri Dato' Mohamed Mansor bin Fateh Din has a direct interest of 1,092,000 shares.*

[B] *Interested Directors and/or Interested Major Shareholders are Tan Sri Dato' Mohamed Mansor bin Fateh Din, Datuk Richard Fong Loong Tuck and Datuk Seri Fateh Iskandar bin Tan Sri Dato' Mohamed Mansor, collectively. They are interested via 1,428,000 and 175,000 shares in Glomac Bina Sdn Bhd and FDA Sdn Bhd, respectively.*

LIST OF TOP 10 PROPERTIES AND DEVELOPMENT PROPERTIES

AS AT 30 APRIL 2018

No	Location	Description of Asset / Existing Use	Tenure	Age of Buildings (Years)	Size	Net Book Value as at 30 Apr 2018 (RM'000)	Date of Acquisition /Date of Valuation*
1	Glo Damansara No. 699 Jalan Damansara 60000 Kuala Lumpur	Retail Mall / Tenanted	Freehold	3	368,000 sq. ft.	318,000	30 April 2018*
2	HS(D) 112510, PT2063 Mukim Petaling (Puchong)	Land approved for mixed development / vacant	99 years leasehold, expiring 15.06.2088	N/A	114.8 acres	259,374	21 January 2011
3	HS (D) 5472 & 5473 Lot P.T. 9147 & 9148 Mukim of Ijok, District of Kuala Selangor (Saujana Perdana)	Land held for mixed residential and commercial / Vacant	99 years leasehold, expiring 30.07.2100	N/A	153.0 acres	142,071	17 February 2012
4	HS (D) 4766 & 4767 Lot 6983 & 6984 Mukim Dengkil Daerah Sepang (Saujana KLIA)	Land held for mixed residential and commercial / Development in progress	99 years leasehold, expiring 30.12.2058	N/A	133.5 acres	126,269	5 November 2012/ 1 June 2012
5	Suria Stonor - Glomac Regal Sdn Bhd - Berapit Pertiwi Sdn Bhd Geran 40006 Lot 58 & Geran 33299 Lot 122, Section 63, in the Town and District of Kuala Lumpur.	Luxurious Condominium	Freehold	10 10	30,466 sq. ft. 52,897 sq. ft.	16,051 34,228	26 August 2008 22 October 2010
6	Menara Glomac Glomac Damansara, Jalan Damansara, 60000 Kuala Lumpur.	Office Building/ Tenanted	Freehold	6	98,619 sq. ft.	45,855	1 January 2012
7	Lot 28044, Batu 27, Kelapa Sawit 81030 Kulaijaya, Johor (Saujana Jaya) development / Vacant	Land approved for mixed residential and commercial	99 years leasehold, expiring 25.06.2115	N/A	174.2 acres	45,109	8 August 2017
8	Lot 2265 & 888, Geran No. 18689 & 20146, Mukim of Kota Tinggi, District of Kota Tinggi (Sri Saujana)	Land approved for mixed housing development / Development in progress	Freehold	N/A	79.8 acres	43,115	25 September 1995

LIST OF TOP 10 PROPERTIES AND DEVELOPMENT PROPERTIES

AS AT 30 APRIL 2018

No	Location	Description of Asset / Existing Use	Tenure	Age of Buildings (Years)	Size	Net Book Value as at 30 Apr 2018 (RM'000)	Date of Acquisition /Date of Valuation*
9	Geran 90687 Lot 36468 , Geran 90688 Lot 36470 & Geran 102858 Lot 36469 Seksyen 40 Bandar Petaling Jaya, Dearah Petaling Negari Selangor (Plaza Kelana Jaya Phase IV)	Land approved for commercial building / Vacant	Freehold	N/A	3.2 acres	38,976	1 April 2008
10	HS (D) 2628 - 2632 and HS (D) 3189 Lot P.T. 2143 -2147 and P.T 2708 Mukim of Ijok, District of Kuala Selangor (Saujana Utama V)	Land held for mixed residential and commercial / Vacant	99 years leasehold, expiring 24.03.2095	N/A	62.5 acres	38,679	14 March 2014

ANALYSIS OF SHAREHOLDINGS

AS AT 31 JULY 2018

Total Issued Capital : 792,715,170

Class of Shares : Ordinary shares

Voting Rights : One vote per ordinary share

A. Distribution of Shareholdings (less treasury shares)

Size of Holdings	No of Shareholders	% of Shareholders	No. of Shares	% of Shares
Less than 100	152	2.48	4,097	-
100 – 1,000 shares	322	5.24	132,614	0.02
1,001 – 10,000 shares	3,630	59.10	14,429,116	1.82
10,001 – 100,000 shares	1,764	28.72	46,432,251	5.86
100,001 to less than 5% of issued shares	266	4.33	383,267,469	48.34
5% and above of issued shares	3	0.05	348,449,623	43.96
Total	**6,137**	**100.00**	**792,715,170**	**100.00**

B. List of Thirty (30) Largest Shareholders

No	Name	No of Shares	*% of Shareholdings
1	Mohamed Mansor bin Fateh Din	161,283,317	20.35
2	Cimsec Nominees (Tempatan) Sdn Bhd - CIMB Bank for Fateh Iskandar bin Mohamed Mansor (MY0399)	107,105,996	13.51
3	Lembaga Tabung Haji	80,060,310	10.10
4	Fong Loong Tuck	30,055,757	3.79
5	Cimsec Nominees (Tempatan) Sdn Bhd - CIMB Bank for Fateh Iskandar bin Mohamed Mansor (PB)	28,749,888	3.63
6	Citigroup Nominees Tempatan Sdn Bhd - Employees Provident Fund Board	27,410,350	3.46
7	Cimsec Nominees (Tempatan) Sdn Bhd - CIMB Bank for Fong Loong Tuck (MM0886)	27,322,088	3.45
8	RHB Capital Nominees Tempatan Sdn Bhd - Pledged Securities Account for Fong Loong Tuck (CEB)	22,000,000	2.78
9	Cimsec Nominees (Tempatan) Sdn Bhd - CIMB Bank for Fong Loong Tuck (PBCL-0G0588)	20,000,000	2.52
10	Alliancegroup Nominees Tempatan Sdn Bhd - Pledged Securities Account for Fong Loong Tuck (8037502)	19,580,000	2.47

ANALYSIS OF SHAREHOLDINGS

AS AT 31 JULY 2018

B. List of Thirty (30) Largest Shareholders (Cont'd)

No	Name	No of Shares	*% of Shareholdings
11	Amanahraya Trustees Berhad - Public Smallcap Fund	18,059,910	2.28
12	DB (Malaysia) Nominee (Asing) Sdn BHd - Deutsche Bank AG Singapore for Yeoman 3-Rights Value Asia Fund (PTSL)	11,825,000	1.49
13	Citigroup Nominees (Tempatan) Sdn Bhd - Pledged Securities Account for Fong Loong Tuck (473234)	11,138,600	1.41
14	HSBC Nominees (Tempatan) Sdn Bhd - HSBC (M) Trustee Bhd for Manulife Investment Al-Fauzan (5170)	7,230,700	0.91
15	Citigroup Nominees (Asing) Sdn Bhd - CBNY for Dimensional Emerging Markets Value Fund	6,382,050	0.81
16	HSBC Nominees Tempatan Sdn Bhd - HSBC (M) Trustee Bhd for Manulife Investment Dividend Fund (5311-401)	4,951,170	0.62
17	Kumpulan Wang Persaraan (Diperbadankan)	4,816,310	0.61
18	Amanahraya Trustees Berhad - Public Islamic Opportunities Fund	4,618,000	0.58
19	HSBC Nominees (Tempatan) Sdn Bhd - HSBC (M) Trustee Bhd for Manulife Investment Al-Faid (4389)	4,500,180	0.57
20	Citigroup Nominees (Asing) Sdn Bhd - CBNY for Emerging Market Core Equity Portfolio DFA Investment Dimensions Group Inc	3,883,440	0.49
21	Fara Eliza Binti Mohd Mansor	3,806,000	0.48
22	HLB Nominees (Tempatan) Sdn Bhd - Pledged Securities Account for Mah Siew Seong	3,780,290	0.48
23	Chuah Theong Yee	3,580,830	0.45
24	Lim Pei Tiam @ Liam Ahat Kiat	3,541,620	0.45
25	Fara Inez Binti Mohamed Mansor	3,520,000	0.44
26	DB (Malaysia) Nominee Asing Sdn Bhd - SSBT Fund SD4N for Government of the Province of Alberta	3,332,890	0.42
27	Carrie Fong Kah Wai	3,300,000	0.42
28	Amanahraya Trustees Berhad - Public Strategic Smallcap Fund	3,272,060	0.41
29	Citigroup Nominees (Asing) Sdn Bhd - CBNY for DFA Emerging Markets Small Cap Series	3,140,280	0.40
30	CIMB Islamic Nominees (Tempatan) Sdn Bhd - CIMB Islamic Trustee Bhd for BIMB I Dividend Fund	2,922,260	0.37
	TOTAL	**635,169,296**	**80.15**

Note:

* *percentage calculated excluding treasury shares*

C. Substantial Shareholders (as per Register of Substantial Shareholders)

	Name of Substantial Shareholders	Direct	*% of Shareholding	Indirect	*% of Shareholding
1.	Tan Sri Dato' Mohamed Mansor bin Fateh Din	161,283,317	20.35	135,855,884	17.14
2.	Datuk Fong Loong Tuck	131,424,805#	16.58	-	-
3.	Datuk Seri Fateh Iskandar bin Tan Sri Dato' Mohamed Mansor	135,855,884#	17.14	161,283,317	20.35
4.	Lembaga Tabung Haji	80,925,540#	10.20	-	-

D. Directors' Shareholdings (as per Register of Directors)

	Name of Directors	Direct	*% of Shareholding	Indirect	*% of Shareholding
1.	Tan Sri Dato' Mohamed Mansor bin Fateh Din	161,283,317	20.35	135,855,884	17.14
2.	Datuk Fong Loong Tuck	131,424,805#	16.58	-	-
3.	Datuk Seri Fateh Iskandar bin Tan Sri Dato' Mohamed Mansor	135,855,884#	17.14	161,283,317	20.35
4.	Dato' Ikhwan Salim bin Dato' Hj Sujak	22,880	-	-	-
5.	Datuk Ali bin Abdul Kadir	2,013,000#	0.25	-	-
6.	Shan Choo	-	-	-	-

Notes:

* *percentage calculated excluding treasury shares*

\# *including shares held by nominee companies*

NOTICE OF 34TH ANNUAL GENERAL MEETING

NOTICE IS HEREBY GIVEN THAT the Thirty-Fourth (34th) Annual General Meeting ("34th AGM") of Glomac Berhad ("Glomac" or "Company") will be held at Dewan Berjaya, Bukit Kiara Equestrian & Country Resort, Jalan Bukit Kiara, Off Jalan Damansara, 60000 Kuala Lumpur, on Wednesday, 24 October 2018 at 11.00 a.m. for the following purposes:

AGENDA

AS ORDINARY BUSINESS

1. To receive the Audited Financial Statements for the financial year ended 30 April 2018 together with the Reports of the Directors and Auditors thereon. **(Please refer to Note A)**

2. To approve a final single tier dividend of 1.5 sen per ordinary share in respect of the financial year ended 30 April 2018. **Ordinary Resolution 1**

3. To approve the payment of Directors' Remuneration of an amount not exceeding RM 500,000 from 1 May 2018 until the date of the next Annual General Meeting of the Company to be held in the year 2019 . **Ordinary Resolution 2**

4. To re-elect the following Directors who retire in accordance with Article 84 of the Company's Constitution, and being eligible offer themselves for re-election:

   (i) Tan Sri Dato' Mohamed Mansor bin Fateh Din; and **Ordinary Resolution 3**

   (ii) Datuk Seri Fateh Iskandar bin Tan Sri Dato' Mohamed Mansor. **Ordinary Resolution 4**

5. To re-appoint Messrs Deloitte PLT (AF 0080) as the Auditors of the Company until the conclusion of the next Annual General Meeting and to authorise the Directors to fix their remuneration. **Ordinary Resolution 5**

AS SPECIAL BUSINESS

To consider, if thought fit, to pass the following ordinary resolutions with or without modifications:

6. **Proposed Continuance in Office of Independent Non-Executive Directors in line with Practice 4.2 of Malaysian Code on Corporate Governance**

   "THAT Dato' Ikhwan Salim bin Dato' Hj Sujak, who has served the Board as an Independent Non-Executive Director for a cumulative term of more than twelve (12) years, be and is hereby retained as an Independent Non-Executive Director of the Company." **Ordinary Resolution 6**

7. "THAT Datuk Ali bin Abdul Kadir, who has served the Board as an Independent Non-Executive Director for a cumulative term of more than nine (9) years, be and is hereby retained as an Independent Non-Executive Director of the Company." **Ordinary Resolution 7**

8. **Proposed Issuance of Shares Pursuant to Section 75 of the Companies Act, 2016.** **Ordinary Resolution 8**

   "THAT, subject always to the Companies Act, 2016, Constitution of the Company and the approvals from Bursa Malaysia Securities Berhad ("Bursa Securities") and other relevant regulatory authorities, where necessary, the Directors of the Company be and are hereby authorised, pursuant to Section 75 of the Companies Act, 2016, to issue and allot shares in the Company, at any time and upon such terms and conditions and for such purposes as the Directors, may in their discretion deem fit and expedient in the interest of the Company, provided that the aggregate number of shares to be issued and allotted pursuant to this resolution does not exceed 10% of the issued and paid-up share capital of the Company for the time being AND THAT the Directors be and are also empowered to obtain the approval for the listing and quotation of the additional shares so issued on Bursa Securities AND FURTHER THAT such authority shall continue to be in force until the conclusion of the next Annual General Meeting of the Company."

9. **Proposed Renewal of Authority for Share Buy-Back.** **Ordinary Resolution 9**

"THAT, subject to the compliance of Section 127 of the Companies Act, 2016, Constitution of the Company, Main Market Listing Requirements of Bursa Securities and all other applicable laws, guidelines, rules and regulations for the time being in force or as may be amended from time to time, and the approvals from all relevant authorities, the Company be and is hereby authorised to exercise a buy-back of its ordinary shares as determined by the Directors from time to time through Bursa Securities upon such terms and conditions as the Directors at their discretion deem fit and expedient in the interest of the Company ("Proposed Share Buy-Back") provided that:

(i) the maximum number of ordinary shares which may be purchased or held by the Company shall be equivalent to 10% of the issued and paid-up share capital of the Company at the point of purchase;

(ii) the maximum amount of funds to be allocated by the Company for the purpose of purchasing its shares shall not exceed the retained profits account of the Company at the time of the purchase(s);

(iii) the authority conferred by this resolution will commence immediately upon passing of this ordinary resolution and will continue to be in force until:

(a) the conclusion of the next Annual General Meeting of the Company at which time it will lapse, unless the authority is renewed by a resolution passed at a general meeting, either unconditionally or subject to conditions; or

(b) the expiration of the period within which the next Annual General Meeting after that date is required by law to be held; or

(c) revoked or varied by ordinary resolution passed by the shareholders in general meeting,

whichever occurs first, but not so as to prejudice the completion of purchase(s) by the Company before the aforesaid expiry date and, in any event, in accordance with the provisions of the Main Market Listing Requirements of Bursa Securities and any prevailing laws, rules, regulations, orders, guidelines and requirements issued by any relevant authorities; and

(iv) upon completion of the purchase(s) of its shares by the Company, the Directors be and are hereby authorised to:

(a) cancel the shares so purchased; and/or
(b) retain the shares so purchased as treasury shares; and/or
(c) transfer the shares so purchased for purposes of an employees' share scheme and/or as purchase consideration; and/or
(d) distribute the treasury shares as dividends to the existing shareholders; and/or
(e) resell the treasury shares on the market of Bursa Malaysia Securities Berhad in accordance with the Main Market Listing Requirements; and/or
(f) deal with the shares so purchased and/or treasury shares in any other manner as prescribed by the applicable rules, regulations and orders made pursuant to the Companies Act, 2016, Main Market Listing Requirements and any other relevant authority for the time being in force,

AND THAT the Directors be and are hereby authorised to do all such acts, deeds and things as they may consider expedient or necessary in the best interest of the Company to give full effect to the Proposed Share Buy-Back with full powers to assent to any condition, modification, variations and/or amendment as may be imposed by the relevant authorities and to do all such steps, acts and things as the Directors may deem fit and expedient in the best interest of the Company."

NOTICE OF 34TH ANNUAL GENERAL MEETING

10. **Proposed Renewal of Existing Shareholders' Mandate for Recurrent Related Party Transactions of a Revenue or Trading Nature** **Ordinary Resolution 10**

"THAT, the mandate granted by the shareholders of the Company on 27 September 2017, authorising the Company and its subsidiaries and associated companies to enter into the categories of recurrent related party transactions of a revenue or trading nature ("Proposed Shareholders' Mandate"), the details of which are set out in Section 3.0 of the Company's Circular to Shareholders dated 30 August 2018 which are necessary for its day-to-day operations, be and is hereby renewed provided that:

(i) the transactions are in the ordinary course of business and are on normal commercial terms which are not more favourable to the related parties than those generally available to the public and are not to the detriment of the minority shareholders of the Company; and

(ii) disclosure is made in the Annual Report of the aggregate value of transactions conducted pursuant to the shareholders' mandate based on the type of transactions, names of the related parties and their relationship,

AND THAT, such approval shall continue to be in force until:

(i) the conclusion of the next Annual General Meeting of the Company following the general meeting at which such mandate was passed at which time it will lapse, unless the authority is renewed by a resolution passed at the meeting;

(ii) the expiration of the period within which the next Annual General Meeting of the Company is required to be held pursuant to Section 340(2) of the Companies Act, 2016 (but shall not extend to such extension as may be allowed pursuant to Section 340(4) of the Companies Act, 2016); or

(iii) revoked or varied by resolution passed by shareholders in general meeting,

whichever is the earlier.

AND FURTHER THAT the Directors be and are hereby authorised to complete and do all such acts and things as they may consider expedient in the best interest of the Company to give full effect to the transactions described by this Ordinary Resolution."

11. To transact any other business of the Company of which due notice has been received.

NOTICE OF DIVIDEND ENTITLEMENT AND PAYMENT

NOTICE IS ALSO HEREBY GIVEN THAT subject to the approval of Shareholders at the 34th Annual General Meeting to be held on 24 October 2018, a final single-tier dividend of 1.5 sen per ordinary share for the financial year ended 30 April 2018 will be paid on 28 December 2018 to Depositors whose names appear in the Record of Depositors on 18 December 2018.

A Depositor shall qualify for entitlement to the dividend only in respect of:

(a) Shares deposited into the Depositors' Securities Account before 4.00 pm on 18 December 2018 in respect of ordinary transfers; and

(b) Shares bought on Bursa Malaysia Securities Berhad on a cum entitlement basis according to the Rules of the Bursa Malaysia Securities Berhad.

By Order of the Board

ONG SHAW CHING (MIA 7819)
CHUA SIEW CHUAN (MAICSA 0777689)
MAK CHOOI PENG (MAICSA 7017931)
Company Secretaries

Kuala Lumpur
30 August 2018

Notes:

A. This Agenda item is meant for discussion only as under the provisions of Section 340(1)(a) of the Companies Act, 2016, the audited financial statements do not require a formal approval of the shareholders and will not be put forward for voting.

B. For the purpose of determining a member who shall be entitled to attend this 34th AGM, the Company shall be requesting Bursa Malaysia Depository Sdn Bhd in accordance with the provisions under Article 42 of the Company's Constitution and Section 34(1) of the Securities Industry (Central Depositories) Act 1991 to issue a General Meeting Record of Depositors ("ROD") as at 17 October 2018. Only a depositor whose name appears on the ROD as at 17 October 2018 shall be entitled to attend the 34th AGM or appoint proxies to attend and vote on his/her behalf.

C. A Member entitled to attend and vote at this Annual General Meeting is entitled to appoint a Proxy to attend and vote instead of him. A Proxy appointed to attend and vote at this Meeting shall have the same rights as a Member to speak at this meeting. A Proxy need not be a Member of the Company.

Explanatory Notes

1. Resolution 2

Pursuant to Section 230(1) of the Companies Act 2016, the fees and benefits payable to the Directors of the Company will have to be approved by the Company's shareholders at a general meeting. Resolution 2 is proposed to seek the shareholders' approval for the payment of Remuneration of Non-Executive Directors of an amount not exceeding RM 500,000 from 1 May 2018 until the date of next Annual General Meeting of the Company to be held in the year 2019. The details of the directors' remuneration for the financial year ended 30 April 2018 can be referred to page 52 of this Annual Report.

The amount of Directors' fees payable includes directors fees payable to Non-Executive Directors as member of Board and Board Committees and Directors' benefits payable to Non-Executive Directors which comprise of meeting allowances.

2. Resolutions 6 and 7

Resolutions 6 and 7 are proposed to retain Dato' Ikhwan Salim bin Dato' Hj Sujak and Datuk Ali bin Abdul Kadir as Independent Non-Executive Directors of the Company in accordance to the requirements of Paragraph 3.04 of the Main Market Listing Requirements of Bursa Malaysia Securities Berhad and in line with Practice 4.2 of the Malaysian Code on Corporate Governance.

The Nomination Committee and the Board have assessed the independence of both Dato' Ikhwan Salim bin Dato' Hj Sujak and Datuk Ali bin Abdul Kadir, and are satisfied that both directors have complied with the independence criteria stated under the definition of Independent Director as defined in the Main Market Listing Requirements of Bursa Malaysia Securities Berhad and they are both able to provide proper check and balance thus continue to bring an element of objectivity to the Board of Directors.

3. Resolution 8

The proposed Resolution 8, if passed, will empower the Directors of the Company, to issue and allot shares in the Company up to and not exceeding in total 10% of the issued and paid-up share capital of the Company for the time being for such purposes as they consider would be in the best interests of the Company. This authority will expire at the next Annual General Meeting of the Company, unless revoked or varied at a general meeting.

4. Resolution 9

The proposed Resolution 9, if passed, will empower the Directors to exercise a buy-back of the Company's ordinary shares up to 10% of the issued and paid-up share capital by utilising the funds allocated which shall not exceed the retained profits of the Company. This authority will, unless revoked or varied at a general meeting, expire at the conclusion of the next Annual General Meeting of the Company. The details of the proposal are set out in Section 2.0 of the Circular to Shareholders dated 30 August 2018 which is despatched together with the Company's abridged version of the Annual Report 2018.

5. Resolution 10

The proposed Resolution 10, if passed, will enable the Company and/or its subsidiaries and associated companies to enter into recurrent related party transactions of a revenue or trading in nature with related parties which are necessary for the Group's day-to-day operations and are in the ordinary course of business and are on normal commercial terms which are not more favourable to the related parties than those generally available to the public and are not to the detriment of the minority shareholders of the Company. The details of the proposal are set out in Section 3.0 of the Circular to Shareholders dated 30 August 2018 which is despatched together with the Company's abridged version of the Annual Report 2018.

NOTICE OF 34TH ANNUAL GENERAL MEETING

Statement accompanying Notice of 34th Annual General Meeting

1. **Resolution 6**

   The profile of Dato' Ikhwan Salim bin Dato' Hj Sujak who is standing for continuation in office as an Independent Director of the Company to fulfil the requirements of Paragraph 3.04 of the Main Market Listing Rules of Bursa Malaysia Securities Berhad and in line with Practice 4.2 of the Malaysian Code on Corporate Governance is set out on page 10 of this Annual Report. The details of his shareholding in the Company or its subsidiaries (if any) are set out in the Directors' Report on page 157 of this Annual Report.

2. **Resolution 7**

   The profile of Datuk Ali bin Abdul Kadir who is standing for continuation in office as an Independent Director of the Company to fulfil the requirements of Paragraph 3.04 of the Main Market Listing Rules of Bursa Malaysia Securities Berhad and in line with Practice 4.2 of the Malaysian Code on Corporate Governance is set out on page 11 of this Annual Report. The details of his shareholding in the Company or its subsidiaries (if any) are set out in the Directors' Report on page 157 of this Annual Report.

3. **Resolution 8**

   This mandate is a renewal to the general mandate pursuant to Section 75 of the Companies Act, 2016, which was approved by the shareholders at the 33rd Annual General Meeting held on 27 September 2017. As at the date of this notice, no new shares were issued pursuant to the general mandate approved by the shareholders at the 33rd Annual General Meeting.

   The renewed mandate will also enable the Directors to take advantage of any strategic opportunity which involves the issue / placing of shares for investments, acquisitions or to raise funds for investments and/or working capital.

ADMINISTRATIVE DETAILS

34th ANNUAL GENERAL MEETING OF GLOMAC BERHAD

Date	:	Wednesday, 24 October 2018
Time	:	11.00 a.m.
Place	:	Dewan Berjaya, Bukit Kiara Equestrian & Country Resort, Jalan Bukit Kiara, Off Jalan Damansara, 60000 Kuala Lumpur

Registration

1. Registration will start at 9:30 a.m. at the Reception Lobby, Main Clubhouse of Bukit Kiara Equestrian & Country Resort and will end at a time as directed by the Chairman of the Meeting.

2. Please produce your original MyKad or valid Passport at the registration counter for verification purposes. You are not allowed to register on behalf of another person even with the original MyKad / Passport of that other person.

3. Upon verification and registration, you will be given the following:-

   (a) Wristband
   (b) One (1) meal voucher
   (c) One (1) door gift voucher

   Please take note that each Member or Proxy who is present shall be entitled to One (1) meal voucher and One (1) door gift voucher only upon registration, irrespective of the number of Members he/she represents (e.g. in the event a Member and/or Proxy represents himself and/or two or more Members, he/she shall be entitled to only One (1) meal voucher and only One (1) door gift voucher).

4. The identification wristband must be worn throughout the 34th Annual General Meeting (34th AGM), as no person will be allowed to enter the Meeting venue without the identification wristband. There will be no replacement in the event that the identification wristband and/or vouchers are lost, stolen or misplaced.

5. Once you have completed your registration process, please leave the registration area and proceed to Dewan Berjaya (signages will be provided to assist you).

6. Please take note that the registration counter only handles verification and registration of Members and Proxyholders. You may proceed to the Help Desk for any clarification or queries.

General Meeting Record of Depositors

1. For the purpose of determining a member who shall be entitled to attend this 34th AGM, the Company shall be requesting Bursa Malaysia Depository Sdn Bhd in accordance with the provisions under Article 42 of the Company's Constitution and Section 34(1) of the Securities Industry (Central Depositories) Act 1991 to issue a General Meeting Record of Depositors ("ROD") as at 17 October 2018. Only a depositor whose name appears on the ROD as at 17 October 2018 shall be entitled to attend the 34th AGM or appoint proxies to attend and vote on his/her behalf.

ADMINISTRATIVE DETAILS

Proxy

1. Only Members registered in the Record of Depositors as at 17 October 2018 are entitled to attend and vote at the 34th AGM or appoint a Proxy or Proxies to attend and vote on their behalf.

2. A Proxy may but need not be a Member of the Company.

3. A Member shall be entitled to appoint not more than two (2) Proxies at each meeting to attend and vote at the same meeting and where a Member appoints more than one (1) Proxy, the appointment shall be invalid unless the proportions of the shareholdings to be represented by each Proxy is specified.

4. Where a Member is an authorised nominee as defined under the Securities Industry (Central Depositories) Act, 1991 it may appoint at least one Proxy in respect of each Securities Account it holds with ordinary shares of the Company standing to the credit of the said Securities Account.

5. The instrument appointing a Proxy shall be in writing under the hand of the appointor or his attorney duly appointed or if such appointor is a corporation, either under its Common Seal or under the hand of an officer or attorney duly appointed under a power of attorney.

6. The instrument appointing a Proxy must be deposited at the Company's Registered Office at Level 15, Menara Glomac, Glomac Damansara, Jalan Damansara, 60000 Kuala Lumpur not less than forty-eight (48) hours before the time appointed for holding the 34th AGM or any adjournment thereof.

Personal Data Privacy

1. By submitting the duly executed Proxy form, the Member and his/her Proxy consent to the Company (and/or its agents/service providers) collecting, using and disclosing the personal data therein in accordance with the Personal Data Protection Act 2010 for the purpose of this 34th AGM and any adjournment thereof.

Voting Procedures

1. Pursuant to Para 8.29 of the Main Market Listing Requirements of Bursa Malaysia Securities Berhad, voting on the resolutions tabled at the 34th AGM will be conducted by Poll. A Poll Administrator and Scrutineer will be appointed to conduct the polling process and to verify the results accordingly.

PROXY FORM

GLOMAC BERHAD
(COMPANY NO. 110532-M)
(Incorporated in Malaysia)

No of shares		**CDS Account No**	
Contact No		**Email address**	

I/We ____ (NRIC / Passport No. ____ of
____ being a member(s) of GLOMAC
BERHAD ("the Company") hereby appoint (1) __________________________________ (NRIC No.: ______________________________________) of
____
(*) and/or failing him/her, (2)____ (NRIC No.: ______________________________________) of
____

or THE CHAIRMAN OF THE MEETING, as my/our Proxy(ies), to vote for me/us on my/our behalf at the 34th Annual General Meeting of the Company to be held at Dewan Perdana, Bukit Kiara Equestrian & Country Resort, Jalan Bukit Kiara, Off Jalan Damansara, 60000 Kuala Lumpur on Wednesday, 24 October 2018 at 11.00 a.m. or at any adjournment thereof.

The proportion of *our Proxies are as follows (this paragraph should be completed ONLY when two Proxies are appointed):

First Proxy (1)	%	**Second Proxy (2)**	%

*My/Our Proxy(ies) is/are to vote as indicated below:

		For	**Against**
Resolution 1	To approve a final single-tier dividend of 1.5 sen per ordinary share for the financial year ended 30 April 2018		
Resolution 2	To approve the payment of Directors' Remuneration from 1 May 2018 until the date of the next Annual General Meeting to be held in 2019		
Resolution 3	To re-elect Tan Sri Dato' Mohamed Mansor bin Fateh Din who retires in accordance with Article 84 of the Company's Constitution		
Resolution 4	To re-elect Datuk Seri Fateh Iskandar bin Tan Sri Dato' Mohamed Mansor who retires in accordance with Article 84 of the Company's Constitution		
Resolution 5	To re-appoint Messrs Deloitte PLT as auditors and to authorise the Directors to fix their remuneration		
Resolution 6	To retain Dato' Ikhwan Salim bin Dato' Hj Sujak as an Independent Director		
Resolution 7	To retain Datuk Ali bin Abdul Kadir as an Independent Director		
Resolution 8	Proposed Issuance of Shares pursuant to Section 75 of the Companies Act, 2016		
Resolution 9	Proposed Renewal of Authority for Share Buy-Back		
Resolution 10	Proposed Renewal of Shareholders' Mandate for Recurrent Related Party Transaction of a Revenue or Trading Nature		

Please indicate with an 'X' in the appropriate box against each resolution on how you wish your votes to be casted. If no instruction is given, the Proxy will vote or abstain from voting at his/her discretion.

Signed this ________ day of ______________ 2018 Signature/Seal ____

Notes:
1. Only members registered in the Record of Depositors as at 17 October 2018 are entitled to attend, speak and vote at the 34th AGM or appoint Proxy(ies) to attend and vote on his/her behalf.
2. A Member entitled to attend and vote at this Annual General Meeting is entitled to appoint a Proxy to attend and vote instead of him. A Proxy need not be a Member of the Company. A Proxy appointed to attend and vote at this meeting shall have the same rights as a Member to speak at the meeting.
3. A Member shall be entitled to appoint a maximum of two (2) Proxies at each meeting, to attend and vote at the same meeting and where a Member appoints two (2) Proxies, the appointment shall be invalid unless the proportions of the shareholdings to be represented by each Proxy is specified.
4. Where a Member is an authorised nominee as defined under the Securities Industry (Central Depositories) Act, 1991 it may appoint at least one (1) Proxy in respect of each Securities Account it holds with ordinary shares of the Company standing to the credit of the said Securities Account.
5. The instrument appointing a Proxy shall be in writing under the hand of the appointor or his attorney duly appointed or if such appointor is a corporation, either under its Common Seal or under the hand of an officer or attorney duly appointed under a power of attorney.
6. The instrument appointing a Proxy must be deposited at the Company's Registered Office at Level 15, Menara Glomac, Glomac Damansara, Jalan Damansara, 60000 Kuala Lumpur not less than forty-eight (48) hours before the time appointed for holding the Meeting or any adjournment thereof.
7. By submitting the duly executed Proxy form, the Member and his/her Proxy(ies) consent to the Company (and/or its agents/service providers) collecting, using and disclosing the personal data therein in accordance with the Personal Data Protection Act 2010, for the purposes of the 34th Annual General Meeting, and any adjournment thereof.

Affix Stamp

The Company Secretary

Glomac Berhad (110532-M)
Level 15, Menara Glomac
Glomac Damansara
Jalan Damansara
60000 Kuala Lumpur

GLOMAC BERHAD 110532-M

Level 15, Menara Glomac
Glomac Damansara
Jalan Damansara
60000 Kuala Lumpur

Tel : +603 7723 9000
Fax : +603 7729 7000

www.glomac.com.my