GuocoLand (Malaysia) Berhad

A Member of the Hong Leong Group

ANNUAL REPORT 2017

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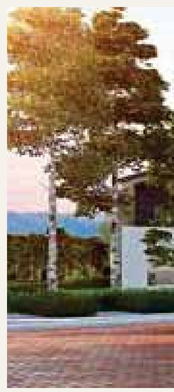
COMPANY PROFILE

GUOCOLAND (MALAYSIA) BERHAD, LISTED ON THE MAIN MARKET OF BURSA MALAYSIA SECURITIES BERHAD, IS THE PROPERTY ARM OF HONG LEONG GROUP. THE COMPANY IS AN ESTABLISHED PROPERTY DEVELOPER IN DEVELOPING COMMUNITY CENTRIC RESIDENTIAL TOWNSHIPS AS WELL AS INNOVATIVE COMMERCIAL AND INTEGRATED DEVELOPMENT PROJECTS IN MALAYSIA. GUOCOLAND MALAYSIA IS A SUBSIDIARY OF THE SINGAPORE-BASED GUOCOLAND LIMITED, THE MULTI-AWARD WINNING PREMIER REGIONAL PROPERTY PLAYER WITH ESTABLISHED OPERATIONS IN SINGAPORE, CHINA, MALAYSIA AND VIETNAM.

GuocoLand Malaysia has a sizeable landbank for residential, commercial and industrial development in the Greater Kuala Lumpur and Melaka. Among GuocoLand Malaysia's notable prime projects are Damansara City – the award winning first integrated development in the prime neighbourhood of Damansara Heights, Emerald Rawang – the master planned township which comprises different types of houses in Rawang, Pantai Sepang Putra – a residential township in Sepang, The Oval Kuala Lumpur – a unique luxury condominium in the heart of Kuala Lumpur City Centre as well as commercial developments namely, Commerce One along Old Klang Road and PJ City in Petaling Jaya.

Apart from property development, GuocoLand Malaysia is also active in property investment through Tower Real Estate Investment Trust and its portfolio comprises yield-accretive commercial buildings including Menara HLA and HP Towers in Klang Valley. It also operates three hotels namely, Sofitel Kuala Lumpur Damansara, Thistle Johor Bahru and Thistle Port Dickson Resort.



COMPANY PROFILE
Cont'd

GuocoLand Malaysia has won several awards and accolades over the past few years, among them are:

2015

- Focus Malaysia's Best Under Billion Awards – emerged as runner-up for Best Net Profit Growth category

2014

- 5-Star Award for Best New Hotel & Construction Design for DC Hotel at Damansara Heights (Asia-Pacific Property Awards 2014)
- BCI Asia's Top Ten Developers Awards

2012

- 5-Star Award in the Residential High-Rise Development Category for Damansara City at Damansara Heights (Asia-Pacific Property Awards 2012)
- Highly Commended Award in the Retail Development Category for Damansara City at Damansara Heights (Asia-Pacific Property Awards 2012)

GuocoLand Malaysia is committed to meet the highest standards by delivering high quality and innovative products that meet its customers' needs.

CORPORATE INFORMATION

CORPORATE INFORMATION
Cont'd

DIRECTORS

YBhg Tan Sri Quek Leng Chan
(Chairman)

Mr Raymond Choong Yee How

YBhg Datuk Edmund Kong Woon Jun
(Group Managing Director)

YBhg Dato' Paul Poh Yang Hong

YBhg Tan Sri Nik Mohamed bin Nik Yaacob

Mr Peter Ho Kok Wai

Encik Zulkiflee bin Hashim

Ms Patricia Chua Put Moy

COMPANY SECRETARY

Ms Chin Min Yann
(MAICSA 7034011)

AUDITORS

Messrs Ernst & Young
Level 23A, Menara Milenium
Jalan Damanlela
Pusat Bandar Damansara
50490 Kuala Lumpur

Tel : 03-7495 8000
Fax : 03-2095 9076/78

REGISTRAR

Hong Leong Share Registration Services Sdn Bhd
Level 5, Wisma Hong Leong
18 Jalan Perak
50450 Kuala Lumpur

Tel : 03-2164 1818
Fax : 03-2164 3703

REGISTERED OFFICE

Level 10, Wisma Hong Leong
18 Jalan Perak
50450 Kuala Lumpur

Tel : 03-2164 1818
Fax : 03-2164 2476

BOARD OF DIRECTORS

YBHG TAN SRI QUEK LENG CHAN

Chairman/Non-Executive/Non-Independent
Age 74, Male, Malaysian

Tan Sri Quek Leng Chan qualified as a Barrister-at-Law from Middle Temple, United Kingdom. He has extensive business experience in various business sectors, including financial services, manufacturing and real estate.

Tan Sri Quek is the Chairman of GuocoLand (Malaysia) Berhad ("GLM") and was appointed to the Board of Directors ("Board") of GLM on 16 June 1990. He does not sit on any committee of GLM.

He is the Chairman & Chief Executive Officer of Hong Leong Company (Malaysia) Berhad, a public company; Chairman of Hong Leong Financial Group Berhad, Hong Leong Bank Berhad and Hong Leong Capital Berhad, companies listed on the Main Market of Bursa Malaysia Securities Berhad ("Bursa Securities"); and Chairman of Hong Leong Assurance Berhad and Hong Leong Foundation, both are public companies.

MR RAYMOND CHOONG YEE HOW

Non-Executive Director/Non-Independent
Age 61, Male, Malaysian

Mr Raymond Choong Yee How obtained a Bachelor of Science in Biochemistry (Honours) degree in 1979 and a Master of Business Administration in 1981 from the University of Otago, New Zealand. Mr Raymond Choong has over 30 years of experience in banking, of which 23 years were with Citibank in Malaysia. He had held various senior positions within the Citibank Group; the last being President and Chief Executive Officer of Citibank Savings Inc, Philippines. Mr Raymond Choong was the President & Chief Executive Officer of Hong Leong Financial Group Berhad from December 2005 to August 2015. He is currently the Group President & Chief Executive Officer of GuocoLand Limited which is listed on Singapore Exchange Securities Trading Limited and is the holding company of GLM.

Mr Raymond Choong was appointed to the Board of GLM on 1 September 2015. He does not sit on any committee of GLM.

YBHG DATUK EDMUND KONG WOON JUN

Group Managing Director/Non-Independent
Age 54, Male, Malaysian

Datuk Edmund Kong Woon Jun graduated with a Bachelor of Architecture (Honours) from University of Wales Institute of Science and Technology (UWIST), Wales, United Kingdom in 1989. He is a Member of the Architects Registration Board (ARB) in United Kingdom and a corporate member of Pertubuhan Akitek Malaysia (PAM).

Datuk Edmund Kong has more than 27 years of experience in property development and construction industry. He started his career as a Senior Architect in BEP Arkitek Sdn Bhd in charge of high-end property developments in year 1994. He served as the Director of Project and Product Planning of Perdana Parkcity Sdn Bhd from year 2003 to 2008, where he played a major role in the planning and designing of the township called Desa ParkCity, Kuala Lumpur. Prior to joining Tropicana Corporation Berhad ("Tropicana"), he joined TA Global Berhad in April 2008 as the Director of Planning & Design and was then promoted to Chief Operating Officer in August 2008. With his experience in township master planning, he was actively involved in concept master plan and product design for the projects under his supervision. He was appointed as an Executive Director of Tropicana on 1 March 2011 and was promoted to Deputy Group Managing Director on 1 March 2013. On 14 March 2014, he was promoted to the position of Group Managing Director. He was also a Director of Tropicana Golf & Country Resort Berhad, a wholly-owned subsidiary of Tropicana.

Datuk Edmund Kong was appointed as the Group Managing Director of GLM on 4 January 2016. He does not sit on any committee of GLM.

He is a Director and the Chairman of GLM REIT Management Sdn Bhd, the Manager of Tower Real Estate Investment Trust which is listed on the Main Market of Bursa Securities.

YBHG DATO' PAUL POH YANG HONG

Non-Executive Director/Non-Independent
Aged 44, Male, Malaysian

Dato' Paul Poh Yang Hong graduated from Monash University, Melbourne, Australia with a Bachelor of Economics degree. He had held various positions in the Hong Leong Group, including as the Managing Director of Corporate & Private Equity Department, Group Investment Office of HL Management Co Sdn Bhd. He is currently the Chief Executive Officer of Caprice Capital International Ltd, a private investment vehicle.

Dato' Paul Poh was appointed as the Managing Director of GLM with effect from 1 June 2008. He relinquished office as the Managing Director of GLM with effect from 16 June 2010 but remains as a Director of GLM. He is a member of the Nominating Committee of GLM.

Dato' Paul Poh is a Director of IRIS Corporation Berhad and GLM REIT Management Sdn Bhd, the Manager of Tower Real Estate Investment Trust, both are listed on the Main Market of Bursa Securities.

BOARD OF DIRECTORS
Cont'd

YBHG TAN SRI NIK MOHAMED BIN NIK YAACOB

Non-Executive Director/Independent
Age 68, Male, Malaysian

Tan Sri Nik Mohamed bin Nik Yaacob holds a Diploma in Mechanical Engineering, a B.E. (Hons) degree from Monash University and a Masters in Business Management from the Asian Institute of Management. He also completed the Advanced Management Programme at Harvard University in the United States.

Tan Sri Nik Mohamed was the Group Chief Executive of Sime Darby Berhad from 1993 until his retirement in June 2004. He was Sime Darby Berhad's Director of Operations in Malaysia prior to his appointment as the Group Chief Executive in 1993. He also served on various Boards of the Sime Darby group of companies during this period. He was also the Chairman of the Advisory Council of National Science Centre and Chairman of the Board of UiTM and served as member of the INSEAD East Asian Council, National Council for Scientific Research and Development, Co-ordinating Council for the Public-Private Sectors in the Agricultural Sector, National Coordinating Committee on Emerging Multilateral Trade Issues and the Industrial Coordinating Council. He was a representative for Malaysia in the Apec Business Advisory Council and the Asia-Europe Business Forum.

Tan Sri Nik Mohamed is currently the Executive Director of Perdana Leadership Foundation, a public company. He is also a Director of Scomi Group Berhad, Scomi Energy Services Bhd and Symphony Life Berhad, companies listed on the Main Market of Bursa Securities.

Tan Sri Nik Mohamed was appointed to the Board of GLM on 28 January 2005. He is the Chairman of the Board Audit & Risk Management Committee and the Nominating Committee of GLM.

MR PETER HO KOK WAI

Non-Executive Director/Independent
Age 58, Male, Malaysian

Mr Peter Ho Kok Wai is a Member of the Malaysian Institute of Accountants (MIA), Fellow of The Institute of Chartered Accountants in England and Wales (ICAEW), and Member of The Malaysian Institute of Certified Public Accountants (MICPA).

Mr Peter Ho forged his early career with Everett Pinto & Co., a central London Firm of Chartered Accountants, and qualified as a Chartered Accountant in 1984. Subsequently, in 1987, Mr Peter Ho joined KPMG Kuala Lumpur ("KPMG KL") where he progressed to Head of Department in 1992. He was transferred to KPMG Ipoh in 1993 to head the branch and was admitted as Partner in 1995. He was transferred back to KPMG KL in 2005 where he had, at various times, headed the Audit Technical Committee, Audit Function and Marketing Department. He has more than 30 years of auditing experience in a wide range of companies including public listed companies and multinationals, with particular emphasis in manufacturing, distribution and financial services. Mr Peter Ho retired from KPMG in December 2014.

Mr Peter Ho is a Director of Hong Leong Industries Berhad and Sapura Resources Berhad, both are listed on the Main Market of Bursa Securities.

He was appointed to the Board of GLM on 20 August 2015. He is a member of the Board Audit & Risk Management Committee and the Nominating Committee of GLM.

BOARD OF DIRECTORS
Cont'd

ENCIK ZULKIFLEE BIN HASHIM

Non-Executive Director/Independent
Age 58, Male, Malaysian

Encik Zulkiflee bin Hashim graduated with a Diploma in Credit Management from Institut Teknologi MARA (now known as Universiti Teknologi MARA).

Encik Zulkiflee has over 35 years' experience in the banking sector. He started his career with Citibank N.A. in 1979 and left his position as Vice President in November 1991. He then joined Deutsche Bank where he assumed the position of Deputy Managing Director from December 1991 to November 1997. In this capacity, he was responsible for Corporate Banking, International Trade Finance, Operations and Transaction Banking Services. From July 1998 to October 2011, Encik Zulkiflee was the Executive Director of Hong Leong Bank Berhad ("HLB"). He was HLB's Chief Operating Officer, Group Strategic Support from November 2011 to January 2015. During the tenure with HLB, he was given the responsibility to oversee various areas such as Branch and Banking Operations, Integrated Risk Management, Credit Management, Information Technology, Islamic Banking, Wholesale Operations, Retail Operations, Legal, Corporate Communications & Public Relations and Quality and Customer Experience.

Encik Zulkiflee was appointed to the Board of GLM on 4 December 2015. He is a member of the Board Audit & Risk Management Committee of GLM.

MS PATRICIA CHUA PUT MOY

Non-Executive Director/Independent
Age 61, Female, Malaysian

Ms Patricia Chua Put Moy graduated with First Class Honours in Computational and Statistical Sciences from University of Liverpool, United Kingdom. She is a Member of the Malaysian Institute of Accountants (MIA) and The Institute of Chartered Accountants in England and Wales (ICAEW).

Ms Patricia Chua began her career in Ernst & Young, Liverpool and London, United Kingdom in October 1978. She subsequently served PricewaterhouseCoopers, Kuala Lumpur as Qualified Accountant in October 1982 prior to joining Genting Group where she served in various capacities, including as the Group Management Accountant, Head Office Personnel & Administration Manager, Senior Vice President of Corporate (Genting Sanyen) Human Resource and Information Technology and Member of the Remuneration & Compensation Committee for Genting Berhad/Resorts World Bhd/Asiatic Bhd.

Ms Patricia Chua was the Regional Project Advisor of Organization Renewal Inc. (Malaysia/Indonesia). She joined VXL Group from July 2004 to September 2005 and served as an Executive Director of Finance, Investment and Human Resource Division. She was the Associate Director of Tax and Advisory Business Development for PricewaterhouseCoopers, Beijing, China.

From October 2009 to July 2013, Ms Patricia Chua had held positions in Avery Dennison BV Hong Kong, Asia Pacific as a Human Resource Director; Paramount Corporation Berhad as the Special Project Director/Director of Business Services and Group Corporate Planner/Human Resource Director; and Kolej Damansara Utama, Petaling Jaya as Chief Executive Officer.

She was appointed to the Board of GLM on 1 August 2016. She does not sit on any committee of GLM.

Notes:

1. **Family Relationship with Director and/or Major Shareholder**
   None of the Directors has any family relationship with any other Directors and/or major shareholders of GLM.

2. **Conflict of Interest**
   None of the Directors has any conflict of interest with GLM.

3. **Conviction of Offences**
   None of the Directors has been convicted of any offences (excluding traffic offences) within the past 5 years and there were no public sanctions or penalties imposed by the relevant regulatory bodies during the financial year ended 30 June 2017.

4. **Attendance of Directors**
   Details of Board meeting attendance of each Director are disclosed in the Statement on Corporate Governance, Risk Management and Internal Control in the Annual Report.

KEY SENIOR MANAGEMENT

MR LEE WEE KEE

Executive Director, Projects
Age 52, Male, Malaysian

Mr Lee Wee Kee holds a Bachelor of Engineering (Honours) degree in Civil Engineering from University of Malaya. He is a Graduate Member of The Institution of Engineers and The Board of Engineers, Malaysia.

Mr Lee possesses more than 27 years' experience in property development and project management. He has worked within the Hong Leong Group for about 20 years, starting as Project Engineer until he reached the level of General Manager. He has extensive experience in township and condominium projects as well as integrated commercial developments.

From 2010 to 2013, Mr Lee was with Tropicana Corporation Berhad as the Senior General Manager in charge of projects in Tropicana Golf and Country Resort and Tropicana Indah Resort. Prior to re-joining GLM as the Executive Director, Projects on 18 July 2016, Mr Lee was with Wing Tai Malaysia Berhad as Executive Director (Property Division) in charge of the group's property development and investment business in Malaysia.

In GLM, Mr Lee heads the Project Management team overseeing all projects, as well as taking charge of the Design & Planning Department and the Costs & Contracts Department.

MS LILLIAN LUNG HIAN LI

Director of Marketing and Sales
Age 50, Female, Malaysian

Ms Lillian Lung Hian Li holds a Bachelor of Arts degree majoring in Psychology (Hons) from University Kebangsaan Malaysia.

Ms Lillian Lung has about 26 years' working experience in the property industry and has held various management positions in sales and marketing as well as sales documentation. She started her career with Hong Leong Group as Marketing Executive in 1991 until 2005 when she was promoted as the Sales and Documentation Manager of Hong Leong Property Management Co Sdn Bhd (now known as GLM Property Management Co Sdn Bhd).

She joined Tropicana Corporation Berhad (formerly known as Dijaya Corporation Berhad) in 2005 as a Senior Manager and left in 2012 as the General Manager of Sales and Marketing.

Ms Lillian Lung then joined Sime Darby Property Berhad as the Vice President/Head of Sales and Marketing, with last position held in charge of Niche/International business. Currently, Ms Lillian Lung is the Director of Marketing and Sales of GLM since 8 June 2016.

MR JUSTIN QUEK TING CHIN

Chief Financial Officer
Age 46, Male, Malaysian

Mr Quek graduated with a Master of Business Administration (MBA) with a Specialisation in Finance from University of Southern Queensland, Australia and Bachelor (Hons) Degree in Accountancy from University of Bolton, United Kingdom. He is a Fellow Member of the Institute of Public Accountants, Australia (IPA).

Mr Quek has more than 20 years of experience in finance and accounting, audit, risk management and assessment, strategic planning and management. He embarked his professional career with a Chartered Accountancy firm, DFK International whereby his experiences were gleaned from diverse industries including onshore and offshore oil and gas services, building construction, civil engineering and property development.

He joined Sunway Construction Sdn Bhd in 1997 where he served for 12 years, starting as Assistant Accountant until he was promoted to Assistant General Manager, Finance and Administration. Subsequently in 2009, he served as the Financial Controller of Leighton Offshore Pte Ltd (a subsidiary of Leighton Holdings Limited in Australia) for 4 years. From 2013 to 2014, he was with SapuraKencana Petroleum Berhad as the General Manager of Group Performance & Planning, Corporate Accounts. Mr Quek then joined Mah Sing Group Berhad as the Chief Financial Officer until April 2017 prior to joining GLM on 2 May 2017.

Notes:

1. **Family Relationship with Director and/or Major Shareholder**
   None of the Key Senior Management has any family relationship with any other Directors and/or major shareholders of GLM.

2. **Conflict of Interest**
   None of the Key Senior Management has any conflict of interest with GLM.

3. **Conviction of Offences**
   None of the Key Senior Management has been convicted of any offences (excluding traffic offences) within the past 5 years and there were no public sanctions or penalties imposed by the relevant regulatory bodies during the financial year ended 30 June 2017.

NOTICE OF ANNUAL GENERAL MEETING

NOTICE IS HEREBY GIVEN that the Ninety-third Annual General Meeting of GuocoLand (Malaysia) Berhad ("Company" or "GLM") will be held at the Theatrette, Level 1, Wisma Hong Leong, 18 Jalan Perak, 50450 Kuala Lumpur on Thursday, 26 October 2017 at 11.00 a.m. in order:

1. To lay before the meeting the audited financial statements together with the reports of the Directors and Auditors thereon for the financial year ended 30 June 2017.

2. To declare a final single tier dividend of 2 sen per share for the financial year ended 30 June 2017 to be paid on 16 November 2017 to members registered in the Record of Depositors on 2 November 2017. ***(Resolution 1)***

3. To approve the payment of Director Fees of RM492,055 for the financial year ended 30 June 2017 to be divided amongst the Directors in such manner as the Directors may determine and Directors' Other Benefits of up to an amount of RM100,000 for the period of 31 January 2017 until the next Annual General Meeting. ***(Resolution 2)***

4. To pass the following motions as ordinary resolutions:

   (a) "THAT YBhg Dato' Paul Poh Yang Hong who retires by rotation pursuant to Article 115 of the Company's Constitution, be and is hereby re-elected a Director of the Company." ***(Resolution 3)***

   (b) "THAT Mr Peter Ho Kok Wai who retires by rotation pursuant to Article 115 of the Company's Constitution, be and is hereby re-elected a Director of the Company." ***(Resolution 4)***

   (c) "THAT YBhg Tan Sri Quek Leng Chan be and is hereby re-appointed a Director of the Company." ***(Resolution 5)***

5. To re-appoint Messrs Ernst & Young as Auditors of the Company and authorise the Directors to fix their remuneration. ***(Resolution 6)***

SPECIAL BUSINESS

As special business, to consider and, if thought fit, pass the following motions:

6. **Ordinary Resolution**
   Approval To Continue In Office As Independent Non-Executive Director

   "THAT approval be and is hereby given for YBhg Tan Sri Nik Mohamed bin Nik Yaacob who has served as an Independent Non-Executive Director of the Company for more than nine (9) years, to continue in office as an Independent Non-Executive Director of the Company until the conclusion of the next Annual General Meeting." ***(Resolution 7)***

7. **Ordinary Resolution**
   Authority To Directors To Allot Shares

   "THAT subject to the Companies Act 2016, the Main Market Listing Requirements of Bursa Malaysia Securities Berhad, the Company's Constitution and approval of the relevant governmental regulatory authorities, if required, the Directors be and are hereby empowered pursuant to Sections 75 and 76 of the Companies Act 2016 to allot shares in the Company, grant rights to subscribe for shares in the Company, convert any security into shares in the Company, or allot shares under an agreement or option or offer at any time and from time to time, and upon such terms and conditions and for such purposes as the Directors may, in their absolute discretion, deem fit, provided that the aggregate number of shares issued and allotted, to be subscribed under any rights granted, to be issued from conversion of any security, or to be issued and allotted under an agreement or option or offer, pursuant to this resolution does not exceed 10% of the total number of issued shares of the Company for the time being and that the Directors be and are also empowered to obtain approval for the listing of and quotation for the additional shares so allotted on Bursa Malaysia Securities Berhad and that such authority shall continue in force until the conclusion of the next Annual General Meeting of the Company." ***(Resolution 8)***

8. **Ordinary Resolution**
Proposed Renewal Of Shareholders' Mandate For Recurrent Related Party Transactions Of A Revenue Or Trading Nature With Hong Leong Company (Malaysia) Berhad ("HLCM") And Persons Connected With HLCM

"THAT approval be and is hereby given for the Company and/or its subsidiaries to enter into any of the transactions falling within the types of recurrent related party transactions of a revenue or trading nature as set out in Section 2.3(A) of the Company's Circular to Shareholders dated 4 October 2017, with HLCM and persons connected with HLCM provided that such transactions are undertaken in the ordinary course of business, on terms which are not more favourable to the related parties than those generally available to and/or from the public, where applicable, and are not, in the Company's opinion, detrimental to the minority shareholders and that the breakdown of the aggregate value of the recurrent related party transactions conducted during the financial year, including the types of recurrent transactions made and the names of the related parties involved and their relationship with the Company and/or its subsidiaries, are disclosed in the annual report of the Company;

AND THAT such approval shall continue to be in force until:

(i) the conclusion of the next Annual General Meeting ("AGM") of the Company at which time it will lapse, unless by a resolution passed at the meeting, the authority is renewed; or

(ii) the expiration of the period within which the next AGM of the Company after that date 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 the shareholders in general meeting,

whichever is the earlier;

AND THAT the Directors of the Company be and are hereby authorised to complete and to do all such acts and things (including executing all such documents as may be required) as they may consider expedient or necessary to give effect to the transactions contemplated and/or authorised by this ordinary resolution." ***(Resolution 9)***

9. **Ordinary Resolution**
Proposed Renewal Of And New Shareholders' Mandate For Recurrent Related Party Transactions Of A Revenue Or Trading Nature With The Directors And Major Shareholders Of The Company And Persons Connected With Them

"THAT approval be and is hereby given for the Company and/or its subsidiaries to enter into any of the transactions falling within the types of recurrent related party transactions of a revenue or trading nature as set out in Section 2.3(B) of the Company's Circular to Shareholders dated 4 October 2017 ("Circular"), with all the Directors and major shareholders of the Company (as defined in the Circular) and persons connected with them provided that such transactions are undertaken in the ordinary course of business, on terms which are not more favourable to the related parties than those generally available to and/or from the public, where applicable, and are not, in the Company's opinion, detrimental to the minority shareholders and that the breakdown of the aggregate value of the recurrent related party transactions conducted during the financial year, including the types of recurrent transactions made and the names of the related parties involved and their relationship with the Company and/or its subsidiaries, are disclosed in the annual report of the Company;

NOTICE OF ANNUAL GENERAL MEETING
Cont'd

AND THAT such approval shall continue to be in force until:

(i) the conclusion of the next Annual General Meeting ("AGM") of the Company at which time it will lapse, unless by a resolution passed at the meeting, the authority is renewed; or

(ii) the expiration of the period within which the next AGM of the Company after that date 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 the shareholders in general meeting,

whichever is the earlier;

AND THAT the Directors of the Company be and are hereby authorised to complete and to do all such acts and things (including executing all such documents as may be required) as they may consider expedient or necessary to give effect to the transactions contemplated and/or authorised by this ordinary resolution." ***(Resolution 10)***

10. **Ordinary Resolution**
Proposed Renewal Of Shareholders' Mandate For Recurrent Related Party Transactions Of A Revenue Or Trading Nature With Tower Real Estate Investment Trust ("Tower REIT")

"THAT approval be and is hereby given for the Company and/or its subsidiaries to enter into any of the transactions falling within the types of recurrent related party transactions of a revenue or trading nature as set out in Section 2.3(C) of the Company's Circular to Shareholders dated 4 October 2017, with Tower REIT provided that such transactions are undertaken in the ordinary course of business, on terms which are not more favourable to the related parties than those generally available to and/or from the public, where applicable, and are not, in the Company's opinion, detrimental to the minority shareholders and that the breakdown of the aggregate value of the recurrent related party transactions conducted during the financial year, including the types of recurrent transactions made and the names of the related parties involved and their relationship with the Company and/or its subsidiaries, are disclosed in the annual report of the Company;

AND THAT such approval shall continue to be in force until:

(i) the conclusion of the next Annual General Meeting ("AGM") of the Company at which time it will lapse, unless by a resolution passed at the meeting, the authority is renewed; or

(ii) the expiration of the period within which the next AGM of the Company after that date 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 the shareholders in general meeting,

whichever is the earlier;

AND THAT the Directors of the Company be and are hereby authorised to complete and to do all such acts and things (including executing all such documents as may be required) as they may consider expedient or necessary to give effect to the transactions contemplated and/or authorised by this ordinary resolution." ***(Resolution 11)***

11. To consider any other business of which due notice shall have been given.

FURTHER NOTICE IS HEREBY GIVEN that a depositor shall qualify for entitlement to the final dividend only in respect of:

(i) shares transferred into the depositor's securities account before 4.00 p.m. on 2 November 2017 in respect of ordinary transfers; and

(ii) shares bought on Bursa Malaysia Securities Berhad on a cum entitlement basis according to the Rules of Bursa Malaysia Securities Berhad.

By Order of the Board

CHIN MIN YANN (MAICSA 7034011)
Company Secretary

Kuala Lumpur
4 October 2017

Notes

1. For the purpose of determining members' eligibility to attend this meeting, only members whose names appear in the Record of Depositors as at 20 October 2017 shall be entitled to attend this meeting or appoint proxy(ies) to attend and vote on their behalf.

2. Save for a member who is an exempt authorised nominee, a member entitled to attend and vote at this meeting is entitled to appoint not more than two (2) proxies to attend, participate, speak and vote in his stead. A proxy may but need not be a member of the Company. A member who is an authorised nominee may appoint not more than two (2) proxies in respect of each securities account it holds. A member who is an exempt authorised nominee for multiple beneficial owners in one securities account ("Omnibus Account") may appoint any number of proxies in respect of the Omnibus Account.

3. Where two (2) or more proxies are appointed, the proportions of shareholdings to be represented by each proxy must be specified in the instrument appointing the proxies, failing which, the appointments shall be invalid.

4. The Form of Proxy must be deposited at the Registered Office of the Company at Level 10, Wisma Hong Leong, 18 Jalan Perak, 50450 Kuala Lumpur not less than 24 hours before the time appointed for holding of the meeting or adjourned meeting.

5. Pursuant to Paragraph 8.29A(1) of the Main Market Listing Requirements of Bursa Malaysia Securities Berhad ("MMLR"), all resolutions set out in this Notice will be put to a vote by way of a poll.

Explanatory Notes

1. **Resolution 2 – Director Fees and Other Benefits**

   - Director Fees of RM492,055 are inclusive of Board Committees Fees of RM148,000.
   - Directors' Other Benefits of up to an amount of RM100,000 refer to Directors' and Officers' Liability Insurance coverage based on premium paid/payable and Directors' training benefits.

2. **Resolution 5 – Re-appointment of Director**

   Under the new Companies Act 2016, the requirement to put forth the re-appointment of Directors of or over the age of 70 years had been repealed. At the Ninety-second Annual General Meeting ("AGM") held on 17 November 2016, the Company had obtained shareholders' approval for the re-appointment of YBhg Tan Sri Quek Leng Chan as a Director of the Company and for him to continue in office as a Director until the conclusion of the next AGM of the Company. In this regard, the Company is seeking shareholders' approval for the re-appointment of YBhg Tan Sri Quek Leng Chan as a Director of the Company.

   YBhg Tan Sri Quek Leng Chan's retirement by rotation at subsequent AGMs will be in accordance with the Company's Constitution.

NOTICE OF ANNUAL GENERAL MEETING
Cont'd

3. **Resolution 7 – Approval to Continue in Office as Independent Non-Executive Director**

The proposed Ordinary Resolution, if passed, will enable YBhg Tan Sri Nik Mohamed bin Nik Yaacob to continue in office as an Independent Non-Executive Director of the Company.

Recommendation 3.3 of the Malaysian Code on Corporate Governance 2012 ("MCCG 2012") provides that approval of shareholders be sought in the event that the Company would like an independent director who has served in that capacity for more than 9 years to continue in office as an independent director.

The Company has in place an Independence of Directors Policy ("ID Policy") as set out in the Statement of Corporate Governance, Risk Management and Internal Control, and an annual assessment is conducted on the independence of independent directors by the Nominating Committee ("NC") and the Board of Directors ("Board") in accordance with the criteria set out in the MMLR and the ID Policy.

Pursuant to the MCCG 2012, the NC and Board have assessed the performance and independence of YBhg Tan Sri Nik Mohamed bin Nik Yaacob who has served on the Board for more than 9 years and determined that he remains objective and continue to bring independent and objective judgement, based on the following justifications:

- he meets the criteria of "independent director" in accordance with the MMLR and continues to exercise independent judgement in expressing his views and deliberating issues objectively on the conduct of the Group's business and other issues raised at the Board and Board Committee meetings;
- he is free from any conflict of interest with the Company;
- the Company benefits from the experience of YBhg Tan Sri Nik Mohamed bin Nik Yaacob who has, over time, gained valuable insight into the Group, its market and the industry;
- his knowledge of the Group's various core business operations during his tenure of office will enable him to discharge his duties effectively; and
- he exercises due care and diligence as an Independent Non-Executive Director of the Company and carries out his professional duties in the best interest of the Company and its shareholders.

The Board recognises that independence should not be determined solely based on tenure of service and that the continued tenure of service brings considerable stability to the Board. The Company benefits from the mix of skills, experience and competencies for informed and balanced decision-making by the Board.

Accordingly, the NC and the Board recommend that YBhg Tan Sri Nik Mohamed bin Nik Yaacob continues in office as an Independent Non-Executive Director of the Company.

4. **Resolution 8 – Authority to Directors to Allot Shares**

The proposed Ordinary Resolution, if passed, will renew the general mandate given to the Directors of the Company to issue ordinary shares of the Company from time to time and expand the mandate to grant rights to subscribe for shares in the Company, convert any security into shares in the Company, or allot shares under an agreement or option or offer, provided that the aggregate number of shares issued and allotted, to be subscribed under any rights granted, to be issued from conversion of any security, or to be issued and allotted under an agreement or option or offer, pursuant to this resolution does not exceed 10% of the total number of issued shares of the Company for the time being ("Renewed General Mandate"). In computing the aforesaid 10% limit, shares issued or agreed to be issued or subscribed pursuant to the approval of shareholders in a general meeting where precise terms and conditions are approved shall not be counted. The Renewed General Mandate, unless revoked or varied at a general meeting, will expire at the conclusion of the next AGM of the Company.

As at the date of this Notice, no new shares in the Company were issued and allotted pursuant to the general mandate given to the Directors at the last AGM held on 17 November 2016 and which will lapse at the conclusion of the 93rd AGM. The Renewed General Mandate will enable the Directors to take swift action in case of, inter alia, a need for corporate exercises or in the event business opportunities or other circumstances arise which involve the issuance and allotment of new shares, grant of rights to subscribe for shares, conversion of any security into shares, or allotment of shares under an agreement or option or offer, and to avoid delay and cost in convening general meetings to approve the same.

5. **Resolutions 9 to 11 – Proposed Shareholders' Mandate for Recurrent Related Party Transactions of a Revenue or Trading Nature ("Proposed Shareholders' Mandate")**

   The proposed ordinary resolutions, if passed, will empower the Company and/or its subsidiaries to enter into recurrent related party transactions of a revenue or trading nature, which are necessary for the day-to-day operations of the Company and its subsidiaries, subject to the transactions being in the ordinary course of business and on terms which are not more favourable to the related parties than those generally available to and/or from the public and are not, in the Company's opinion, detrimental to the minority shareholders of the Company.

   Detailed information on the Proposed Shareholders' Mandate is set out in the Circular to Shareholders dated 4 October 2017 which is despatched together with the Company's 2017 Annual Report.

STATEMENT ACCOMPANYING NOTICE OF ANNUAL GENERAL MEETING

(Pursuant to Paragraph 8.27(2) of the Main Market Listing Requirements of Bursa Malaysia Securities Berhad)

1. **Details of individuals who are standing for election as Directors**

   No individual is seeking election as a Director at the Ninety-third Annual General Meeting of the Company.

2. **Statement relating to general mandate for issue of securities in accordance with Paragraph 6.03(3) of the Main Market Listing Requirements of Bursa Malaysia Securities Berhad**

   Details of the general mandate to issue securities in the Company pursuant to Sections 75 and 76 of the Companies Act 2016 are set out in Explanatory Note 4 of the Notice of the Ninety-third Annual General Meeting.

BOARD AUDIT & RISK MANAGEMENT COMMITTEE REPORT

CONSTITUTION

The Board Audit & Risk Management Committee ("Committee") of GuocoLand (Malaysia) Berhad ("GLM" or the "Company") has been established since 23 March 1994.

COMPOSITION

YBhg Tan Sri Nik Mohamed bin Nik Yaacob
Chairman, Independent Non-Executive Director

Mr Peter Ho Kok Wai
Independent Non-Executive Director

Encik Zulkiflee bin Hashim
Independent Non-Executive Director

SECRETARY

The Secretary to the Committee is Ms Chin Min Yann who is the Company Secretary of GLM.

AUTHORITY

The Committee is authorised by the Board of Directors ("Board") to review any activity of the Group within its Terms of Reference, details of which are available on the Company's website at www.guocoland.com.my. The Committee is authorised to seek any information it requires from any director or member of management and all employees are directed to co-operate with any request made by the Committee.

The Committee is authorised by the Board to obtain independent legal or other professional advice if it considers necessary.

MEETINGS

The Committee meets at least four (4) times a year and additional meetings may be called at any time as and when necessary. All meetings to review the quarterly reports and annual financial statements are held prior to such quarterly reports and annual financial statements being presented to the Board for approval.

The head of finance, head of internal audit, risk manager, Group Managing Director and senior management may attend Committee meetings, on the invitation of the Committee, to provide information and clarification required on items on the agenda. Representatives of the external auditors are also invited to attend the Committee meetings to present their audit scope and plan, audit report and findings together with management's response thereto, and to brief the Committee members on significant audit and accounting areas which they noted in the course of their audit.

Issues raised, discussions, deliberations, decisions and conclusions made at the Committee meetings are recorded in the minutes of the Committee meetings. Where the Committee is considering a matter in which a Committee member has an interest, such member abstains from reviewing and deliberating on the subject matter.

Two (2) members of the Committee, who shall be independent, shall constitute a quorum.

After each Committee meeting, the Chairman of the Committee shall report and update the Board on significant issues and concerns discussed during the Committee meetings and where appropriate, make the necessary recommendations to the Board.

ACTIVITIES

An annual assessment on the performance and effectiveness of the Committee and each of its members for the financial year ended 30 June 2017 ("FY 2017") was carried out by the Nominating Committee ("NC"). The NC and the Board are satisfied that the Committee and its members had carried out their duties in accordance with the Committee's Terms of Reference.

During FY 2017, five (5) Committee meetings were held and the attendance of the Committee members was as follows:

Member	Attendance
YBhg Tan Sri Nik Mohamed bin Nik Yaacob	5/5
Mr Peter Ho Kok Wai	5/5
Encik Zulkiflee bin Hashim	5/5

The Committee carried out the following key activities during FY 2017:

- Reviewed the quarterly reports and annual financial statements of the Group prior to submission to the Board for consideration and approval.
- Reviewed and recommended to the Board for approval the Board Audit & Risk Management Committee Charter and Internal Audit Charter.
- Held two (2) separate sessions with the external auditors without the presence of executive director and management. During the separate sessions, no critical issues were raised and the external auditors conveyed that they had been maintaining a good professional Auditor-Client working relationship.

BOARD AUDIT & RISK MANAGEMENT COMMITTEE REPORT

Cont'd

ACTIVITIES cont'd

- Met with the external auditors and discussed the Annual Audit Plan 2017 on the nature and scope of the audit, considered significant changes in accounting and auditing issues, where relevant, reviewed the management letter and management's response, reviewed pertinent issues which had significant impact on the results of the Group and discussed applicable accounting and auditing standards.
- Reviewed and recommended to the Board for approval the audit fees payable to the external auditors in respect of services provided to the Group. It also reviewed the provision of non-audit services by the external auditors to ascertain whether such provision of services would impair the external auditor's independence or objectivity.
- Assessed the performance, suitability, independence and objectivity of the external auditors, taking into consideration factors such as quality of service, adequacy of experience and resources of the firm and the professional staff assigned to the audit, and communication and interaction, and made recommendation to the Board for shareholders' approval on the re-appointment of the external auditors.
- Reviewed the adequacy and integrity of internal control systems, including risk management and relevant management information system. It also reviewed the processes put in place to identify, evaluate and manage the significant risks encountered by the Group.
- Met with the internal auditors and approved the annual audit plan and also reviewed the internal audit findings and recommendations.
- Reviewed the Policy and Procedure of Recurrent Related Party Transaction and various related party transactions ("RRPT") carried out by the Group.
- Reviewed the proposed mandate for RRPT with various related parties prior to Board's recommendation for shareholders' approval.
- Reviewed the Statement on Risk Management and Internal Control ("SORMIC") of the Group, and received the report of the external auditors in respect of their review on the SORMIC prior to Board's approval for inclusion in the Company's Annual Report.
- Reviewed and recommended to the Board for approval the Board Audit & Risk Management Committee Report for inclusion in the Company's Annual Report.

INTERNAL AUDIT

The Group has an in-house Internal Audit ("IA") Department. The IA Department, led by the Head of IA, reports directly to the Committee. The IA Department supports the Committee in the effective discharge of its responsibilities in respect of governance, internal controls and the risk management framework of the Group. The Committee takes cognisance of the fact that an independent and adequately resourced internal audit function is essential in obtaining the assurance it requires regarding the effectiveness of the system of internal controls.

The IA activities carried out during FY 2017 include, inter alia, the following:

- Ascertained the extent of compliance with the established Group policies, procedures and statutory requirements;
- Reviewed the system of internal controls and key operating processes based on the approved annual IA plan by adopting a risk based approach and recommending improvements to the existing system of controls;
- Conducted investigation audits on the request of management;
- Carried out ad-hoc audit reviews on Group's operations;
- Attended physical stock-count of the Group's hotels; and
- Observed and witnessed tender opening processes during the year.

Arising from the above activities, IA reports, incorporating the audit findings, audit recommendations and management's responses were presented to the Committee. Follow-up audit was also conducted and the status of implementation on the agreed recommendations was reported to the Committee.

The cost incurred by the IA Department for FY 2017 amounted to RM416,911.

This Board Audit & Risk Management Committee Report is made in accordance with the resolution of the Board of Directors.

CORPORATE GOVERNANCE, RISK MANAGEMENT AND INTERNAL CONTROL

"Corporate Governance is the process and structure used to direct and manage the business and affairs of the company towards enhancing business prosperity and corporate accountability with the ultimate objective of realising long term shareholder value, whilst taking into account the interest of other stakeholders."

~ Finance Committee on Corporate Governance

The Board of Directors ("Board") has reviewed the manner in which the Malaysian Code on Corporate Governance 2012 ("Code") is applied in the Group as set out below. The Board is pleased to report compliance of the Group with the principles and recommendations as set out in the Code except where otherwise stated.

The Board took cognisance of the new Malaysian Code on Corporate Governance published in April 2017 ("MCCG 2017") which is applicable to annual reports published from 2018 onwards.

A. ROLES AND RESPONSIBILITIES OF THE BOARD

The Board assumes responsibility for effective stewardship and control of the Company and has established terms of reference ("TOR") to assist in the discharge of this responsibility.

In discharging its responsibilities, the Board established functions which are reserved for the Board and those which are delegated to management. The key roles and responsibilities of the Board are set out in the Board Charter, which is reviewed annually by the Board and published on the Company's website at www.guocoland.com.my ("GLM Website"). The last review of the Board Charter was carried out in August 2017. The key roles and responsibilities of the Board broadly cover formulation of corporate policies and strategies; overseeing and evaluating the conduct of the Group's businesses; identifying principal risks and ensuring the implementation of appropriate systems to manage those risks; and reviewing and approving key matters such as financial results, investments and divestments, acquisitions and disposals, and major capital expenditure.

The day-to-day business of the Group is managed by the Group Managing Director ("GMD") who is assisted by the management team. The GMD and his management team are accountable to the Board for the performance of the Group. In addition, the Board delegates certain of its responsibilities to Board Committees, which operate within clearly defined TOR primarily to support the Board in the performance of its duties and responsibilities. Although the Board has granted such authority to Board Committees, the ultimate responsibility and the final decision rest with the Board. The chairmen of Board Committees report to the Board on matters dealt with at their respective Board Committee meetings. Minutes of Board Committee meetings are also tabled at Board meetings.

There is a clear division of responsibilities between the Chairman of the Board and the GMD. This division of responsibilities between the Chairman and the GMD ensures an appropriate balance of roles, responsibilities and accountability.

The Chairman leads the Board and ensures its smooth and effective functioning.

The GMD is responsible for formulating the vision and recommending policies and the strategic direction of the Group for approval by the Board, implementing the decisions of the Board, initiating business ideas and corporate strategies to create competitive edge and enhancing shareholder wealth, providing management of the day-to-day operations of the Group and tracking compliance and business progress.

A. ROLES AND RESPONSIBILITIES OF THE BOARD cont'd

Independent Non-Executive Directors ("ID" or "IDs") are responsible for providing insights, unbiased and independent views, advice and judgment to the Board and bring impartiality to Board deliberations and decision-making. They also ensure effective checks and balances on the Board. There are no relationships or circumstances that could interfere with or are likely to affect the exercise of the IDs' independent judgment or their ability to act in the best interest of the Company and its shareholders.

The Group continues to operate in a sustainable manner and seeks to contribute positively to the well-being of stakeholders. The Group's key corporate social responsibility activities or sustainability plan are set out in the Corporate Social Responsibility Statement of this Annual Report.

The Board observes the Code of Ethics for Company Directors established by the Companies Commission of Malaysia ("CCM") which is available on CCM's website at www.ssm.com.my. In addition, the Group also has a Code of Ethics that sets out sound principles and standards of good practice which are to be observed by the employees. The Group has in place procedures and rules for employees to raise responsibly, in confidence, concerns about serious misconduct and other improprieties which pose financial, legal, reputational or operational risks to the Group.

B. BOARD COMPOSITION

The Board comprises eight (8) directors, seven (7) of whom are non-executive. Of the non-executive directors, four (4) are independent. The profiles of the members of the Board are provided in the Annual Report.

The Company is guided by the Policy on Board Composition adopted by the Company and the Main Market Listing Requirements of Bursa Malaysia Securities Berhad ("Bursa") ["MMLR"] in determining its board composition. The policy includes the following:

- The Board shall determine the appropriate size of the board to enable an efficient and effective conduct of board deliberation.
- The Board shall have a balance of skills and experience commensurate with the complexity, size, scope and operations of the Company and shall have an appropriate balance of IDs comprising at least half of the board.
- The Board shall also include a balanced composition of executive and non-executive directors.
- Board members should have the ability to commit time and effort to carry out duties and responsibilities effectively.

The Board has in place a Board Diversity Policy. The Board recognises the merits of Board diversity in adding value to collective skills, perspectives and strengths to the Board. The Board will consider appropriate targets in Board diversity including gender, ethnicity and age balance on the Board and will take the necessary measures to meet these targets from time to time as appropriate.

Based on the review of the Board composition in August 2017, the Board is of the view that the current size and composition of the Board are appropriate and effective for the control and direction of the Group's business. The composition of the Board also fairly reflects the investment of shareholders in the Company. The Board will work towards increasing women participation on the Board in line with the MCCG 2017.

C. BOARD COMMITTEES

Board Committees have been established by the Board to assist in the effective discharge of its duties.

I Board Audit & Risk Management Committee ("BARMC")

The composition of the BARMC and a summary of its activities are set out in the Board Audit & Risk Management Committee Report in this Annual Report. The TOR of the BARMC are published on the GLM Website.

II Nominating Committee ("NC")

The NC was established on 2 May 2013 and its TOR are published on the GLM Website. The composition of the NC is as follows:

YBhg Tan Sri Nik Mohamed bin Nik Yaacob
Chairman, Independent Non-Executive Director

YBhg Dato' Paul Poh Yang Hong
Non-Independent Non-Executive Director

Mr Peter Ho Kok Wai
Independent Non-Executive Director

The Company has in place the process and procedure for assessment of new appointment, re-election, retention and removal of directors, and the appointment of Board Committee members and chief executive, and the criteria used for such assessments. All candidates to the Board, Board Committees or chief executive are assessed by the NC prior to their appointments, taking into account, inter-alia, the strategic and effective fit of the candidates for the Board, the overall desired Board composition including Board diversity and the required mix of skills, expertise, knowledge and experience in the industry, market and segment to enhance the Board's overall effectiveness and having regard to the candidates' attributes, qualifications, management, leadership, independence and time commitment, before they are recommended to the Board for approval.

The Company has taken steps to build and maintain a pool of potential Board candidates from internal and external introductions, recommendations and director databases in its search for suitable Board candidates.

The nomination and approval process for candidates is as follows:

C. BOARD COMMITTEES cont'd

II Nominating Committee ("NC") cont'd

In addition, a formal evaluation process has been put in place to assess the effectiveness of the Board as a whole, Board Committees as a whole and the contribution and performance of each individual director, Board Committee member, chief executive and the chief financial officer on an annual basis. For newly appointed Director/chief executive/chief financial officer, the Annual Board Assessment will be conducted at the next annual assessment exercise following the completion of one year of service. The assessments will take into consideration, amongst others, the appropriate skills, experience, soundness of judgment and competencies, independence, attendance and level of participation and contribution at Board and Board Committee meetings. The NC will deliberate on the results of the Board Annual Assessment and submit its recommendation to the Board for consideration and approval. The results of the assessment formed one of the criteria of the NC's recommendation to the Board for the re-election/retention of directors at the annual general meeting ("AGM").

The nomination and approval process for re-election/retention of directors shall be as follows:

- **Assessment against Assessment Criteria and Guidelines**
- **Recommendation by NC**

Deliberation by the Board and decision thereof

For removal of directors, the Company shall carry out such removal in accordance with the provisions of the Companies Act 2016 and any other relevant regulatory requirements. The NC may recommend to the Board the removal of a director who is ineligible, disqualified, incapacitated or who has failed in the discharge of fiduciary duties.

For management succession planning, it has been embedded in the Group's process over the years to continuously identify, groom and develop key talents from within the Group. The Group also has a talent development programme to identify, retain and develop young high potential talents.

The NC meets at least once in each financial year and additional meetings may be called at any time as and when necessary.

The NC met twice during the financial year ended 30 June 2017 ("FY 2017") where all the NC members attended.

During FY 2017, the NC carried out its duties in accordance with its TOR. The NC considered and reviewed the following:

- NC Charter, policies on Board Composition, Independence of Directors, Board Diversity and Directors' Training;
- composition of the Board and Board Committees;
- mix of skills, professional qualification, experience and other qualities of directors including gender, ethnicity and age balance;
- independence of IDs and their tenure;
- trainings undertaken by directors and recommendation of training programmes for directors; and
- appointment, re-appointment, re-election and retention of directors.

C. BOARD COMMITTEES cont'd

II Nominating Committee ("NC") cont'd

Having reviewed the Board composition, the NC was satisfied that the current Board comprises a good mix of skills and that the current size and composition of the Board are appropriate and effective in discharging its functions. The NC took cognisance of the merits of Board diversity, including women representation on the Board. The NC will work towards increasing women participation on the Board in line with the MCCG 2017.

The NC has also evaluated the performance of the Board, Board Committees, each individual director and each Board Committee member, benchmarking against their respective TOR and Assessment Criteria, and through the annual assessment conducted during FY 2017. The NC was satisfied that they have continued to operate effectively in discharging their duties and responsibilities. They have also fulfilled their responsibilities and are suitably qualified to hold their positions.

III Remuneration Committee ("RC")

The Company does not have a RC. The Board is of the view that it is not necessary for the Company to establish a RC for the time being given the current size of the Board. The Board as a whole functions as the RC.

The Group's remuneration scheme for executive directors is linked to performance, service seniority, experience and scope of responsibility and is periodically benchmarked to market/industry surveys conducted by human resource consultants. Performance is measured against profits and targets set in the Group's annual plan and budget.

The level of remuneration of non-executive directors reflects the scope of responsibilities and commitment undertaken by them.

The remuneration packages of executive directors are reviewed by the entire Board, with the presence of a majority of non-executive directors. The executive director concerned shall not participate in the deliberations and shall vacate the meeting room during deliberations of his remuneration package.

The Board, in assessing and reviewing the remuneration packages of executive directors, ensures that a strong link is maintained between their rewards and individual performance, based on the provisions in the Group's Human Resources Manual, which are reviewed from time to time to align with market/industry practices.

The fees of directors are recommended and endorsed by the Board for approval by the shareholders of the Company at its AGM.

C. BOARD COMMITTEES cont'd

III Remuneration Committee ("RC") cont'd

The aggregate remuneration of directors (including a director appointed during FY 2017 and remuneration earned as directors of subsidiaries) for FY 2017 is as follows:

	Fees		Remuneration & Other Benefits		Total	
	Company (RM)	Group (RM)	Company (RM)	Group (RM)	Company (RM)	Group (RM)
Executive Director	-	3,000	-	2,701,578	-	2,704,578
Non-Executive Directors	344,055	384,055	148,000	148,000	492,055	532,055

The number of directors whose remuneration falls into the following bands is as follows:

	Executive		Non-Executive	
Range Of Remuneration (RM)	Company	Group	Company	Group
50,000 and below	-	-	2	3
50,001 – 100,000	-	-	2	2
100,001 – 150,000	-	-	3	3
150,001 – 2,700,000	-	-	-	-
2,700,001 – 2,750,000	-	1	-	-

D. INDEPENDENCE

The Board takes cognisance of Recommendations 3.2 and 3.3 of the Code. Recommendation 3.2 states that the tenure of an ID should not exceed a cumulative term of 9 years and upon completion of the 9 years, an ID may continue to serve on the Board subject to the director's re-designation as a non-independent director. Recommendation 3.3 states that in the event the Company wishes to retain an ID who has served a cumulative term of 9 years and above, shareholders' approval shall be sought at the AGM every year with justifications, in accordance with the Code.

The Company has in place, an Independence of Directors Policy ("ID Policy") which sets out the criteria for assessing the independence of IDs. The Board will apply these criteria upon admission, annually and when any new interest or relationship develops. In addition, the ID Policy states that the Company shall seek shareholders' approval at the AGM every year to retain IDs who have served on the Board for a period of 9 years continuously or more as IDs, with justifications and subject to favourable assessment of the NC and the Board.

The Board seeks to strike an appropriate balance between tenure of service, continuity of experience and refreshment of the Board. Although a longer tenure of directorship may be perceived as relevant to the determination of a director's independence, the Board recognises that an individual's independence should not be determined solely based on tenure of service. Further, the continued tenure of directorship brings considerable stability to the Board, and the Company benefits from directors who have, over time, gained valuable insight into the Group, its market and the industry.

D. INDEPENDENCE cont'd

The IDs have declared their independence and the NC and the Board have determined, at the annual assessment carried out, that the IDs, including YBhg Tan Sri Nik Mohamed bin Nik Yaacob who has served on the Board for a period of 9 years continuously or more as an ID, remain objective and have continued to bring independent and objective judgment to Board deliberations and decision-making. At the coming AGM, the Company will seek shareholders' approval to retain YBhg Tan Sri Nik Mohamed bin Nik Yaacob as an ID. Justifications for his retention are set out in the explanatory notes of the Notice of AGM.

E. COMMITMENT

The directors are aware of their responsibilities and devote sufficient time to carry out such responsibilities. In line with the MMLR, directors are required to comply with the restrictions on the number of directorships in public listed companies. Board meetings are scheduled a year ahead in order to enable full attendance at Board meetings. Directors are required to attend at least 50% of Board meetings pursuant to the MMLR.

The Board meets quarterly with timely notices of issues to be discussed. Additional meetings may be convened on an adhoc basis as and when necessary. Where appropriate, decisions are also taken by way of Directors' Circular Resolutions.

The Company has moved towards electronic Board reports. Board reports are circulated electronically prior to the Board and Board Committee meetings and the reports provide, amongst others, financial and corporate information, significant operational, financial and corporate issues, updates on the performance of the Company and of the Group and management's proposals which require the approval of the Board.

All directors have access to the advice and services of qualified and competent Company Secretary to facilitate the discharge of their duties effectively. The Company Secretary is qualified to act under Section 235 of the Companies Act 2016 and she is an Associate Member of the Malaysian Institute of Chartered Secretaries and Administrators (MAICSA). The Company Secretary supports the effective functioning of the Board, provide advice and guidance to the Board on policies and procedures, relevant rules, regulations and laws in relation to corporate secretarial and governance functions and facilitate effective information flow amongst the Board, Board Committees and senior management. All directors also have access to the advice and services of the internal auditors and in addition, to independent professional advice, where necessary, at the Company's expense, in consultation with the Chairman of the Company.

At Board meetings, active deliberations of issues by Board members are encouraged and such deliberations, decisions and conclusions are recorded by the Company Secretary accordingly. Any director who has an interest in the subject matter to be deliberated shall abstain from deliberating and voting on the same during the meetings.

The Board met 4 times during FY 2017. Details of attendance of each director are as follows:

Directors	Attendance
YBhg Tan Sri Quek Leng Chan	4/4
Mr Raymond Choong Yee How	4/4
YBhg Datuk Edmund Kong Woon Jun	4/4
YBhg Dato' Paul Poh Yang Hong	3/4
YBhg Tan Sri Nik Mohamed bin Nik Yaacob	4/4
Mr Peter Ho Kok Wai	4/4
Encik Zulkiflee bin Hashim	4/4
Ms Patricia Chua Put Moy	4/4

CORPORATE GOVERNANCE, RISK MANAGEMENT AND INTERNAL CONTROL
Cont'd

E. COMMITMENT cont'd

The Board recognises the importance of continuous professional development and training for directors.

The Company is guided by a Directors' Training Policy, which covers an Induction Programme and Continuing Professional Development ("CPD") for directors of the Company. The Induction Programme which includes visits to the Group's various business operations and meetings with senior management is organised for newly appointed directors to assist them to familiarise and to get acquainted with the Group's businesses. The CPD encompasses areas related to the industry or businesses of the Group, governance, risk management and regulations through a combination of courses and conferences. A training budget is allocated for Directors' continuing training programmes.

All directors of the Company have completed the Mandatory Accreditation Programme.

The Company regularly organises in-house programmes, briefings and updates by its in-house professionals. The directors are also encouraged to attend seminars and briefings in order to keep themselves abreast with the latest developments in the business environment and to enhance their skills and knowledge. Directors are kept informed of available training programmes on a regular basis.

In assessing the training needs of directors, upon recommendation by the NC, the Board has determined that appropriate training programmes covering matters on corporate governance, finance, legal, risk management, information technology, internal control and/or statutory/regulatory compliance, be recommended and arranged for the directors to enhance their contributions to the Board.

During FY 2017, the directors received regular briefings and updates on the Group's businesses, operations, risk management, internal control, corporate governance, finance and any changes to relevant legislation, rules and regulations from in-house professionals. The Company also organised in-house programmes for its directors and senior management.

The directors of the Company have also attended various programmes and forums facilitated by external professionals in accordance with their respective needs in discharging their duties as directors.

During FY 2017, all the directors of the Company, collectively or on their own, attended various training programmes, seminars, briefings and/or workshops including:

- 4th Industrial Revolution: Impact And Opportunities For Manufacturing And Financial Services
- 10th Malaysian Property Summit 2017
- International Architecture and Design Conference (Datum Conference)
- The New Companies Bill
- The Strata Management Workshop
- Sustainability Statement – The Way Forward
- Cyber Risk Awareness Training and Visit to KPMG Asia Pacific Cybersecurity & Digital Hub
- MFRS/FRS Update 2016/2017
- KPMG in Malaysia Tax Summit 2016
- Navigating Updates
- The Open Source Organisation in the 21st Century
- The 10 Golden Rules
- Global Business Insights Series: Embracing Paradoxes by Professor Salvatore Cantale
- Mandatory Accreditation Programme for Directors of Public Listed Company
- Anti-corruption & Integrity - Foundation of Corporate Sustainability
- Cybersecurity Risk Management for the Boardroom and C-Suite
- Sustainability Engagement Series for Directors/Chief Executive Officers

F. ACCOUNTABILITY AND AUDIT

The financial reporting and internal control system of the Group is overseen by the BARMC which comprises all IDs. The primary responsibilities of the BARMC are set out in the BARMC Report.

The BARMC is supported by the Internal Audit Department whose principal responsibilities are to conduct risk-based audits to ensure that adequate and effective controls are in place to mitigate risks; operational audits to identify opportunities for operational improvement; and also ensure compliance with standard operating procedures of the Group. Investigation or special review will be carried out at the request of the BARMC and senior management on specific areas of concern when necessary. Significant breaches and deficiencies identified are discussed at the BARMC meetings where appropriate actions will be taken.

I Financial Reporting

The Board is responsible for ensuring the proper maintenance of accounting records of the Group. The Board receives the recommendation to adopt the financial statements from the BARMC which assesses the financial statements with the assistance of the external auditors.

II Risk Management and Internal Control

The Statement on Risk Management and Internal Control as detailed under Paragraph I of this Statement provides an overview of the system of internal controls and risk management framework of the Group.

III Relationship with Auditors

The Board, through the BARMC, maintains a formal and transparent professional relationship with the external auditors, Messrs Ernst & Young. The appointment of external auditors is recommended by the BARMC which determines the remuneration of the external auditors. The BARMC reviews the performance, suitability, independence and objectivity of the external auditors annually. The BARMC also reviews the nature and fees of non-audit services provided by the external auditors in assessing the independence of the external auditors. In accordance with the Malaysian Institute of Accountants, Messrs Ernst & Young rotate its Engagement Partner and Concurring Partner once every 5 years to ensure objectivity, independence and integrity of the audit opinions.

The external auditors meet with the BARMC to:

- present the scope of the audit before the commencement of audit; and
- review the results of the audit, including key audit matters, as well as the management letter after the conclusion of the audit.

At least twice a year, the BARMC will have a separate session with the external auditors without the presence of senior management.

For FY 2017, the BARMC members together with the CFO undertook an annual assessment on the performance, suitability, independence and objectivity of the external auditors. No major concerns were noted from the results of the assessment. The external auditors also gave their assurance confirming their independence and objectivity throughout the conduct of the audit engagement and the internal processes undertaken by them to determine their independence.

G. DISCLOSURE

The Company has in place a corporate disclosure policy for compliance with the disclosure requirements set out in the MMLR, and to raise awareness and provide guidance to the Board and management on the Group's disclosure requirements and practices.

All timely disclosure and material information documents will be posted on the GLM Website after release to Bursa.

H. SHAREHOLDERS

I Dialogue with Shareholders and Investors

The Board acknowledges the importance of regular communication with shareholders and investors via the Annual Reports, circulars to shareholders, quarterly financial reports and the various announcements made during the year, through which shareholders and investors can have an overview of the Group's performance and operation.

Notices of general meetings and the accompanying explanatory notes are provided within the prescribed notice period on the GLM Website, Bursa's website, in the media and by post to shareholders. This allows shareholders to make the necessary arrangements to attend and participate in general meetings either in person, by corporate representative, by proxy or by attorney.

Shareholders can access for information at the GLM Website, which includes the Board Charter, TOR of Board Committees, corporate information, announcements/press releases/briefings, financial information, products information and investor relations.

In addition, shareholders and investors can have a channel of communication with the Chief Financial Officer to direct queries and provide feedback to the Group.

Queries may be conveyed to the following person:

Name	: Mr Justin Quek Ting Chin
Tel No.	: 603-2726 1000
Fax No.	: 603-2726 1120
Email address	: glm.info@guocoland.com

II AGM

The AGM provides an opportunity for the shareholders to seek and clarify any issues and to have a better understanding of the Group's performance. Shareholders are encouraged to meet and communicate with the Board at the AGM and to vote on all resolutions. Senior management and the external auditors are also available to respond to shareholders' queries during the AGM. All Directors including the GMD attended the last AGM held on 17 November 2016.

Pursuant to Paragraph 8.29A(1) of the MMLR, all resolutions tabled at general meetings will be put to a vote by way of a poll and the voting results will be announced at the meetings and through Bursa.

I. STATEMENT ON RISK MANAGEMENT AND INTERNAL CONTROL

The responsibility of the Board

The Board recognises its overall responsibility for the adequacy and effectiveness of the Group's system of internal controls and risk management framework to safeguard shareholders' investment and the Group's assets.

Accordingly, the Board has entrusted the BARMC to provide oversight of the system of internal controls and risk management framework. The BARMC is assisted by the Group's Internal Audit Department in this role.

The Risk Management Framework

The risk management framework which is in accordance with MS ISO 31000: 2010 serves to:

- establish the context of risk in relation to the Group's risk appetite;
- identify the risks faced by the Group in the operating environment;
- assess the likelihood and impact of such risks identified and hence, their risk levels;
- evaluate the priority to be given in managing each risk based on its respective risk level;
- assess the adequacy and effectiveness of the existing risk mitigating measures;
- evaluate risk treatment options (i.e. changing the likelihood or consequence of risk; and sharing, retaining or avoiding risk) in relation to the Group's context of risk;
- develop any necessary further measures to manage these risks; and
- monitor and review risk mitigating measures, risk levels and emerging risks.

On an on-going basis, each operating company has clear accountabilities to:

- monitor its existing risks, identify emerging risks and hence update the enterprise-wide risk registers;
- maintain the adequacy, effectiveness and relevance of action plans and control systems developed to manage risks; and
- periodically prepare risk management report for reporting to the BARMC.

The System of Internal Controls

The key elements of the Group's system of internal controls are described below:

- A management structure exists with clearly defined delegation of responsibilities to the management of the Group's operating companies, including authorisation levels for all aspects of the business and operations.
- Documented corporate policies and procedures covering various aspects of the business and operations of the Group.
- Promotion of a strong internal control culture through the Group's values and ethics and also the "tone at the top".
- Diligent review of the quarterly financial results and reports and identifying the reasons for any unusual variances.
- Risk-based internal audits carried out by the Group's Internal Audit Department, focusing on key risk areas.
- Periodically reporting to the BARMC on the results of control assurance and audit activities and also the management of risks throughout the Group.

I. STATEMENT ON RISK MANAGEMENT AND INTERNAL CONTROL cont'd

Management and Decision-Making Processes

The internal control and risk management processes embedded within the operations of the Group are in place for the financial year under review and up to the date of approval of this Statement for inclusion in the 2017 Annual Report, and reviewed periodically by the BARMC. These processes are intended to manage and not expected to eliminate all risks of failure to achieve business objectives. Accordingly, they can only provide reasonable and not absolute assurance against material misstatement of management and financial information or against financial losses and fraud.

The Board has received assurance from the Group Managing Director that the Group's system of internal controls and risk management framework are operating adequately and effectively, in all material aspects, based on the internal control system and risk management framework of the Group.

Pursuant to paragraph 15.23 of the MMLR, the external auditors had reviewed this Statement for inclusion in the 2017 Annual Report, and reported to the Board that nothing has come to their attention that causes them to believe that the Statement is not prepared, in all material aspects, in accordance with the disclosures required by paragraphs 41 and 42 of the Statement on Risk Management and Internal Control Guidelines for Directors of Listed Issuers, nor is the Statement factually inaccurate.

J. DIRECTORS' RESPONSIBILITY IN FINANCIAL REPORTING

The MMLR requires the directors to prepare financial statements for each financial year which give a true and fair view of the financial position of the Group and of the Company as at the end of the financial year and of the financial performance and cash flows of the Group and of the Company for the financial year.

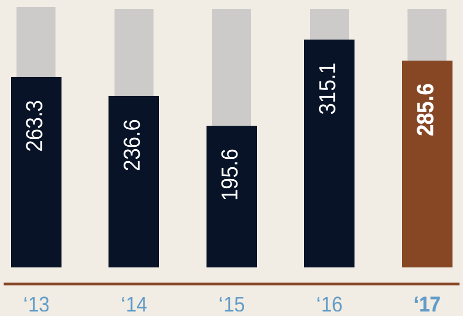
The directors of the Company are satisfied that the financial statements of the Group and of the Company for FY 2017 have been prepared in accordance with Financial Reporting Standards and the Companies Act 2016 in Malaysia and that the Group and the Company have adopted appropriate accounting policies and have applied them consistently.

This Statement on Corporate Governance, Risk Management and Internal Control is made in accordance with the resolution of the Board of Directors.

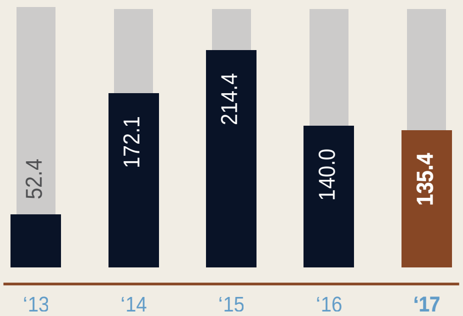
GROUP FINANCIAL HIGHLIGHTS

YEAR ENDED (RM Million)	June '13	June '14	June '15	June '16	June '17
Revenue	263.3	236.6	195.6	315.1	**285.6**
Profit before tax	52.4	172.1	214.4	140.0	**135.4**
Profit attributable to owners of the parent	42.0	153.2	188.9	114.0	**121.8**
Net earnings per share (sen)	6.3	22.9	28.2	17.0	**18.2**
Net dividend per share (sen)	1.5	2.0	2.0	2.0	**2.0**
Gross dividend per share (sen)	2.0	2.0	2.0	2.0	**2.0**
Shareholders' funds	806.7	952.6	1,122.6	1,223.3	**1,332.0**
Total assets	1,948.0	2,163.1	2,897.3	2,886.7	**3,186.4**

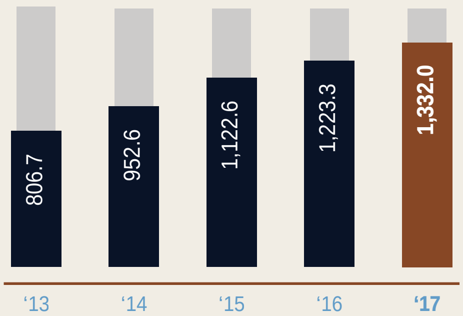
REVENUE
(RM Million)



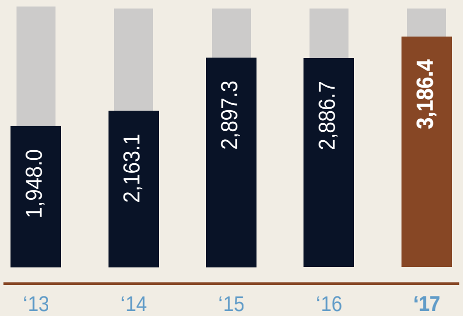
PROFIT BEFORE TAX
(RM Million)



SHAREHOLDERS' FUNDS
(RM Million)



TOTAL ASSETS
(RM Million)



CHAIRMAN'S STATEMENT

"ON BEHALF OF THE BOARD OF DIRECTORS, I AM PLEASED TO PRESENT TO YOU THE ANNUAL REPORT AND AUDITED FINANCIAL STATEMENTS OF GUOCOLAND (MALAYSIA) BERHAD ("GROUP") FOR THE FINANCIAL YEAR ENDED 30 JUNE 2017."

ECONOMIC OVERVIEW

The Malaysian economy recorded a stronger growth of 5.8% in the second quarter of 2017, compared to a 5.6% growth in the previous quarter. Private sector spending continued to be the main driver of growth. During the quarter, consumer sentiments continued to improve, providing further impetus to household spending.

Activities in the housing market have shown some signs of pick-up, with total housing transaction value recording a positive annual growth of 0.9%, the first time since 2015. Housing transaction volume has also showed improvement, recording a smaller contraction of 5.4% in the first quarter of 2017 as compared to a contraction of 12.7% in the fourth quarter of 2016. This was mainly contributed by transactions for the purchase of houses priced above RM500,000 in both primary and secondary markets. Financing by banks for the purchase of affordable houses remains available as reflected by the loan approval rate of about 72% for houses priced below RM500,000 in both primary and secondary markets. New launches of houses in this price segment, however, remains lagged, a trend observed since year 2015. Consequently, housing affordability remains challenging, particularly for first-time house buyers.

According to the Finance Ministry's Valuation and Property Services Department, the property market recorded 320,425 transactions worth RM145.4 billion in year 2016, down by 11.5% in volume and by a marginal 3% in value against year 2015. Residential sub-sector continued to lead the overall market, with 63.4% contribution in volume and 45.1% in value.

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

OPERATING RESULTS

Despite the continuous soft property market in year 2017, the Group recorded revenue and profit after tax of RM285.6 million and RM126.5 million respectively for the current financial year as compared to RM315.1 million and RM118.7 million in the previous financial year. Our property development segment remains the core driver of the Group's revenue stream, followed by property investment, hotel operations and plantation.

A more detailed analysis of the Group's financial performance is available under the section "Management's Discussion and Analysis" in this Annual Report.

PROSPECTS

The general property outlook is anticipated to remain stagnant and it is expected to persist until at least after 2017. However, residential market is expected to be resilient with housing demand in the medium to long term continuing to be underpinned by the improving Malaysian economy which recorded a stronger growth, strong demographic forces coupled with improvement in infrastructure connectivity and Government's initiative to facilitate easy ownership, especially for first-time home buyers.

In response to another year of uncertainties and challenging operating environment, the Group will continue to focus on monetising all its inventories, leasing out vacant spaces and timely completion of its development projects. New product launches will be phased according to prevailing market sentiments. At the same time, the Group will be seeking to replenish its land bank to ensure sustainable returns in the longer term.

DIVIDEND

The Group remained committed to deliver sustainable return for its shareholders. The Board of Directors has proposed a final single tier dividend of 2 sen per share for the financial year ended 30 June 2017. The proposed dividend is subject to approval at the forthcoming Annual General Meeting on 26 October 2017.

APPRECIATION

On behalf of the Board, I would like to thank all our valued customers, shareholders, business associates and bankers for their confidence and continued support to the Group. I extend my appreciation to our Directors for their contribution in navigating the Company through these challenging times. As we soldier on to the next financial year, I also wish to express my gratitude to our management team and staff for their commitment and dedication in continuing to deliver long-term value returns to our shareholders.

TAN SRI QUEK LENG CHAN
Chairman
27 September 2017

MANAGEMENT'S DISCUSSION AND ANALYSIS

**"DEAR VALUED SHAREHOLDERS,
WE ARE PLEASED TO PRESENT YOU THE MANAGEMENT'S DISCUSSION AND ANALYSIS OF GUOCOLAND (MALAYSIA) BERHAD ("GLM" OR "GROUP") FOR THE FINANCIAL YEAR ENDED 30 JUNE 2017."**

OVERVIEW OF THE GROUP'S BUSINESS AND OPERATIONS

The Group has proven its versatility with a diverse range of property development projects, including affordable to high-end landed houses and high-rise luxury residential properties, to Grade A office towers and retail mall, all with a geographical focus in the Greater Kuala Lumpur. It has a sizeable land bank in the Greater Kuala Lumpur and Melaka for residential, commercial and industrial development projects. Apart from property development, the Group also operates three hotels in Malaysia namely, Sofitel Kuala Lumpur Damansara, Thistle Port Dickson Resort and Thistle Johor Bahru. It is also active in property investment through Tower Real Estate Investment Trust ("**Tower REIT**"), which is listed on the Main Market of Bursa Malaysia Securities Berhad. Tower REIT investment portfolio comprises two strategically located prime commercial buildings in the Klang Valley, namely Menara HLA and HP Towers.

FINANCIAL PERFORMANCE REVIEW

Despite the property market slowdown, the Group continued to record an uninterrupted profit track record and sustained healthy margins in our operating activities. Property development sector continues to be a key growth driver for the Group.

Our Group Managing Director ("**GMD**"), YBhg Datuk Edmund Kong aspires to turn GLM into a household brand in the next 5 years. With a refreshed management team in place, our GMD believes that the aspiration can be achieved with continuous delivery of innovative design and living concept as well as working towards quality customer experience that subsequently enhance shareholder value in the long term.

For the financial year ended 30 June 2017 ("**FY 2017**"), the Group achieved total revenue of RM285.6 million, representing a decrease of 9.4% as compared to RM315.1 million in the previous financial year. The decrease was mainly due to the lower contribution from our residential project, DC Residensi in Damansara City, and partially offset by higher contribution from another residential project, the Oval Kuala Lumpur as well as commercial project PJ Corporate Park. Revenue from property investment segment increased substantially by more than 100% mainly due to the contribution from rental income and service charges arising from office, retail mall and car parks in Damansara City. Revenue from the plantations segment increased by 36.2% due to higher production and price of crude palm oil whereas hotels segment decreased marginally by 2.2% mainly due to the lower occupancy rate in Thistle Johor Bahru.

The Group's profit after tax recorded at RM126.5 million, an increase of 6.5% compared to RM118.7 million in the previous financial year mainly due to higher profits contribution from its associate company, arising from the disposal of land located in Sepang, Selangor.

In addition, the Group continued to maintain healthy balance sheet and conserved cash for landbanking opportunities. The Group's shareholders' funds and total assets increased by 8.9% and 10.4% respectively compared to the previous financial year. As at 30 June 2017, our property, plant and equipment increased by 55.7% due to the completion of Sofitel Kuala Lumpur Damansara, and our land held for property development also increased by 44.6%, mainly due to the acquisition of two parcels of land located in Batu 9, Cheras.

THE RISE, Zero lot bungalow show unit

MANAGEMENT'S DISCUSSION AND ANALYSIS
Cont'd

REVIEW OF OPERATING ACTIVITIES

The Group has achieved total sales of RM181.7 million for FY 2017, representing an increase of 43% compared to previous financial year of RM126.9 million, mainly attributable to higher sales contribution from the Oval in Kuala Lumpur and DC Residensi in Damansara City.

Photo impression:
Damansara City integrated commercial development
Gross Development Value ("GDV") of RM2.5 billion

GROUP BUSINESS REVIEW – PROPERTY DEVELOPMENT

Damansara City

Damansara City is an award-winning integrated commercial development strategically located in Damansara Heights – a prestigious and upscale neighbourhood just at the fringe of Kuala Lumpur City Centre. The RM2.5 billion flagship project, spanning 8.5 acres of prime freehold land, consists of two luxury residential towers known as DC Residensi, food and beverage ("**F&B**") centric lifestyle mall known as DC Mall, as well as two Grade A office towers and a 5-star luxury international hotel, Sofitel Kuala Lumpur Damansara.

Damansara City has been designated as an Entry Point Project ("**EPP**") under the Economic Transformation Programme that is set to elevate Malaysia to developed nation status by year 2020. It is championing the EPP point no. 7 under the Greater Kuala Lumpur/Klang Valley initiative to create iconic places and attractions. The iconic development is also located next to Pusat Bandar Damansara MRT station.

DC Mall, the F&B-centric lifestyle mall had officially opened in November 2016. It has already attracted numerous well-known local and international brands in the F&B, lifestyle and essential services industry. The occupancy rate for the mall will be 82% by end of 2017. The footprint for the mall is gradually increasing as we are expecting more business and community activities to take place in the coming months.

The Group currently owns one of the Grade A office towers, namely Wisma GuocoLand. To date, approximately 97% of its total office space has been leased.

Lastly, Sofitel Kuala Lumpur Damansara is set to become the most sought after hotel in the exclusive enclave of Damansara Heights by corporate clients in the surrounding areas, leisure travelers and the MICE (Meetings, Incentive, Conferences and Events) market.

GROUP BUSINESS REVIEW – PROPERTY DEVELOPMENT cont'd

Emerald Rawang

Emerald Rawang is a 1,000-acre master planned township which comprises link, cluster, semi-detached houses, townhouses, condominiums and bungalows. It is home to residents who live in a well-connected community. The development has the essential amenities such as school, shopping mall and fast food restaurants, enjoys easy accessibility via the North-South expressway, New Klang Valley Expressway and Guthrie Corridor Expressway and KL-Kuala Selangor (LATAR) Expressway. The township is designed to offer serene, open spaces with multiple lakes and greenery landscapes, creating a unique, modern and secured urban living experience.

Several of our current and upcoming development projects are as follows:


THE RISE, Zero lot bungalows
GDV of RM144 million


Artist's impression:
CHLOE RESIDENCE, 2 and 2 ½ storey terrace houses
Estimated GDV of RM120 million


Artist's impression:
BROOKLYN'S PLACE, Condominiums
Estimated GDV of RM250 million


Artist's impression:
12 POINTS, Shop offices
Estimated GDV of RM20 million


Artist's impression:
THE RISE 2, Zero lot bungalows
Estimated GDV of RM200 million

MANAGEMENT'S DISCUSSION AND ANALYSIS
Cont'd

GROUP BUSINESS REVIEW – PROPERTY DEVELOPMENT cont'd

Pantai Sepang Putra

The residential township, surrounded by clusters of beautiful lakes, palm trees and other greeneries, is nestled in Bagan Lalang, Sepang and situated near to the Kampung Baharu Sungai Pelek, Taman Seri Serbau and Sungai Pelek, which is merely 60 km from Kuala Lumpur.

The township development consists of commercial, residential, recreational and educational components and other public amenities. Residents at Pantai Sepang Putra get to enjoy easy access to numerous stretches of beautiful sandy beaches nearby, some of which are popular idyllic holiday destinations for both local and foreigners.

Several of our current and upcoming development projects are as follows:

Artist's impression:
PALMERA, Semi-detached houses
GDV of RM54 million

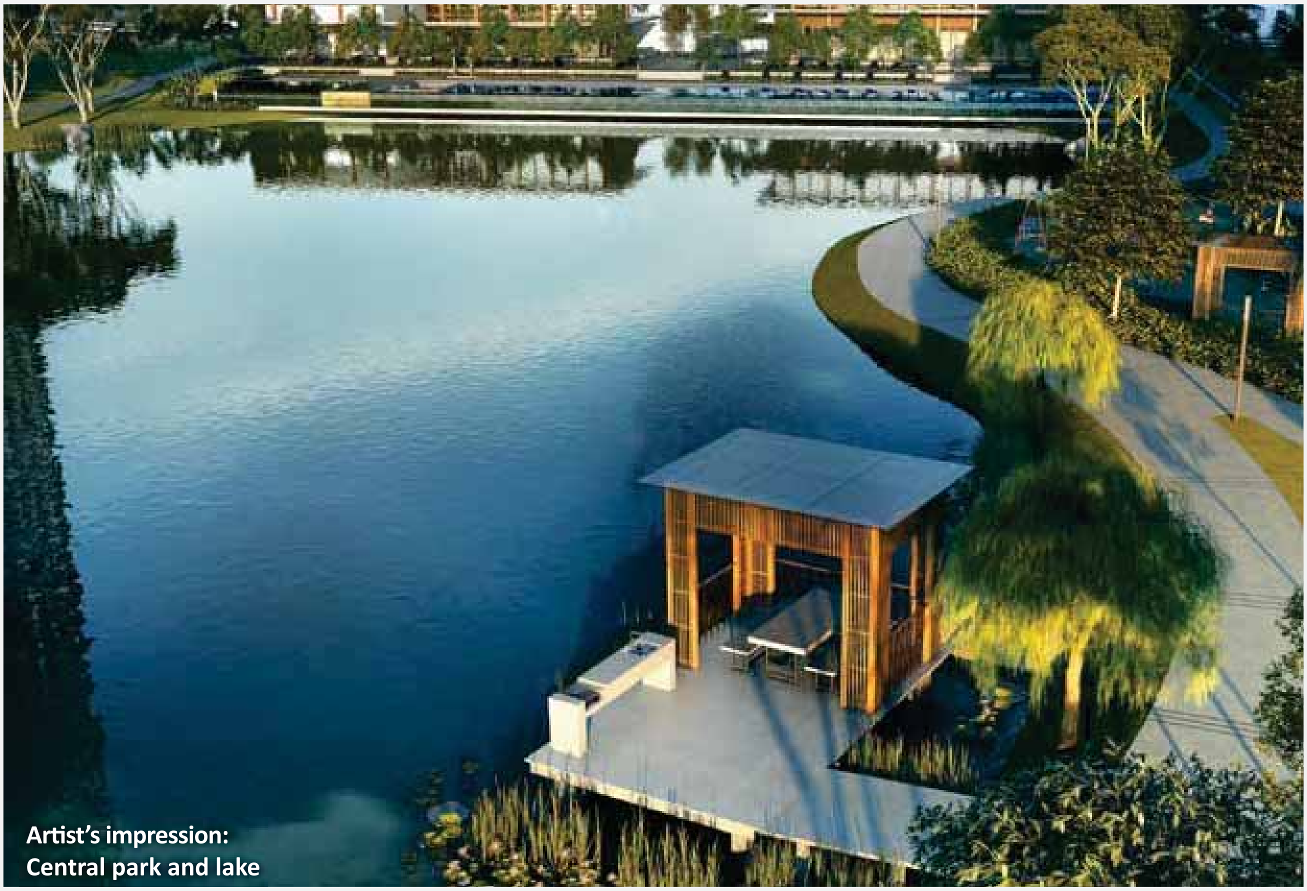
Artist's impression:
ALANNA, Double storey terrace houses
GDV of RM38 million

Artist's impression:
DISTRICT 12, Shop offices
Estimated GDV of RM151 million

GROUP BUSINESS REVIEW – PROPERTY DEVELOPMENT cont'd

Emerald Hills

Emerald Hills is a 47.36-acre freehold land designed to develop an exclusive gated and guarded residential enclave in Alam Damai, Cheras. The visual teaser of this development with a tagline titled "In nature's good hand" was rolled out in June 2017 to create public awareness on this exclusive development. The official launch for this project is targeted by the fourth quarter of 2017.



Artist's impression:
Central park and lake

Artist's impression:
Entrance statement

Artist's impression:
Residents' clubhouse

Total 181 units of garden terraced houses
Total 1,378 units of lakefront condominiums
Estimated GDV of RM963 million

MANAGEMENT'S DISCUSSION AND ANALYSIS
Cont'd

GROUP BUSINESS REVIEW – PROPERTY DEVELOPMENT cont'd

Artist's impression:
Emerald Square integrated commercial development

Emerald Square

The Group plans to launch Emerald Square in the first quarter of 2018, an integrated commercial development project spanning 10.74-acre of freehold land located in Batu 9, Cheras. This mixed development will comprise serviced apartments, hotel, retail and offices with an estimated GDV of RM1.5 billion.

Artist's impression

GROUP BUSINESS REVIEW – PROPERTY INVESTMENT

HP Towers

Menara HLA

Tower REIT

The operating environment for Tower REIT in FY 2017 has been challenging. The increase of office space supply and slowdown in business expansion are expected to continue in the near term. For FY 2017, revenue and profit after tax from property investment were RM35.3 million and RM19.5 million, respectively, a decrease from RM37.2 million and RM27.7 million respectively compared to the previous financial year, due to lower occupancy rate and lower average rental rate for the buildings under its portfolio.

Tower REIT is managed by our wholly-owned subsidiary, GLM REIT Management Sdn Bhd. The property investment segment serves to generate a steady stream of rental revenue and profits from its prime commercial offices in the Klang Valley. The prospects for Tower REIT is expected to remain challenging as many private businesses are cautious over the cost of their business operations, thus affecting Tower REIT's occupancy rates. Notwithstanding the difficult operating environment, Tower REIT will continue to take active steps to maximise the return of its portfolio assets by focusing on tenant retention, capital management and cost efficiency measures, while pursuing growth by actively exploring acquisition opportunities.

MANAGEMENT'S DISCUSSION AND ANALYSIS
Cont'd

GROUP BUSINESS REVIEW – HOTEL OPERATIONS


Thistle Port Dickson Resort


Thistle Johor Bahru


Sofitel Kuala Lumpur Damansara

HOTELS

Our Thistle Port Dickson Resort and Thistle Johor Bahru remained profitable due to improved efficiency in operating the hotels despite the market slowdown.

Sofitel Kuala Lumpur Damansara which opened on August 2017, is a 5-star international luxury brand with a total of 312 exquisite rooms in Damansara Heights. It is expected that hotel operations segment will improve gradually from the new income stream of Sofitel in view of its strategic location and Damansara City's integrated concept which will encourage patronization from tourists and corporate entities within the vicinity.

Zero lot bungalows - Emerald Rawang

FUTURE PROSPECTS

The Group remains cautiously optimistic on the prospects of the property market. We believe that young population demographics and strategic locations coupled with the right product and pricing will continue to drive demand for residential properties. Going forward, the Group endeavours to position itself to offer a mix of products - townships, integrated developments and standalone, where each type of products has its respective unique elements and target markets.

In the upcoming year, we will launch few phases of residential projects, namely Emerald Hills in Alam Damai, Cheras and Chloe Residence in Emerald Rawang as well as mixed development project namely Emerald Square in Batu 9, Cheras. We will also proactively intensify marketing efforts for our existing projects as well as monetise our investments when opportunity arises.

At the same time, we will continue to explore new lands for future developments to expand our portfolio. Our main focus will be in the Klang Valley and Penang. The potential for niche or integrated developments and townships is still huge in Malaysia and we will seek to leverage on this. We have been collaborating with strategic partners and possibly Government agencies on potential development opportunities.

While we are mindful of uncertainties facing our operating environment, we are confident that there remains potential for us to replenish our portfolio while simultaneously ensuring long term sustainable returns for our purchasers and shareholders as we move forward.

CORPORATE SOCIAL RESPONSIBILITY

"We continue to uphold our commitment to making a positive difference in the communities we serve by creating opportunities, including those towards independence for persons disadvantaged by their social standing."

The Hong Leong Group ("**HL Group**") has a strong entrepreneurial heritage and takes pride in growing alongside the communities we serve, while playing a part in guiding them on their journey towards financial independence and self-sufficiency.

We recognise and appreciate that corporations have an increasingly influential effect on the economy and society and have, over the years, moved progressively towards integrating sustainability into all aspects of our operations, persistently balancing environmental and societal considerations with economic ones.

Over the years, we have grown in strength and size through focused business strategies. With this also came the ability and capacity to support our communities and roll-out programmes that contribute to the uplifting of underserved societies.

In addition, our approach to corporate social responsibility ("**CSR**") and sustainability also means providing our people with the best opportunities to realise their potential and by extension, create value for the betterment of society.

Our success as a business and as a corporate citizen is dependent upon the support we receive from our stakeholders. We are therefore committed to supporting and contributing in ways that heighten our relationship with our employees, customers, business partners and the larger community.

Guided by our core values, we aim to lead, inspire and connect people. We invest in opportunities that accelerate potential and in doing so, empower our people and our community to work towards creating a positive impact for society and strive towards minimising environmental impact. Our aim is to connect people and getting our network of stakeholders to contribute towards making a real difference to local communities, especially those under-served.

As we move towards our long-term goal of embedding sustainability within GuocoLand (Malaysia) Berhad ("**GLM**"), let us take a look at the year that has passed to see how we have fared in our CSR journey.

WORKPLACE

As an organisation with a workforce that is culturally and geographically diverse, we believe in bringing people from different backgrounds with different thoughts and ideas together to achieve a common goal.

We embrace inclusion in the workplace through the convergence of our diverse experiences and perspectives, creating a culture of empowerment that then fosters innovation, economic growth and new ideas.

GLM continues to maintain compliance with applicable laws pertaining to non-discrimination and equal opportunity, reflected in our Best Work Environment practices.

ENVIRONMENT

We continue to accelerate our efforts to minimise impact on the environment by integrating sustainable practices into our business strategy and operations. To this end, we are committed to:

- adopting careful consumption of resources such as water and energy;
- reducing waste generation and recycling/reusing where feasible; and
- ensuring our products and services are compliant with applicable environmental laws.

Through 'Transform It' initiative, a group wide tech recycling partnership programme between Hong Leong Foundation ("**the Foundation**"), the charitable arm of the HL Group and Science of Life Systems 247 Sdn Bhd, our employees are able to donate old electronic devices and are given a convenient means to responsibly recycle their electronic waste, hence diverting them from landfills.

Since 'Transform It' began in April 2016, a total of 1,000 usable electronic items have been re-created and refurbished, allowing these devices a second life to help the underserved communities in Peninsular Malaysia gain access to the digital world.

CORPORATE SOCIAL RESPONSIBILITY
Cont'd

MARKETPLACE

GLM takes business ethics and integrity very seriously and has long established internally generated best practices to ensure economic sustainability of all its companies, such as:

- Financial Management Disciplines which drive excellence in financial management ensuring the preservation, enhancement and sustainability of the quality of business as a going concern.
- Enterprise Risk Management structure which was established to ensure systemic processes and delegation of responsibility are clearly set in place as management guidelines.
- A code of business conduct and ethics of financial reports which contains disclosures that are true and fair.
- Honest and responsible selling and marketing of products and services.

Furthermore, in choosing its directors, there is emphasis by GLM to choose individuals of high integrity, with shareholder orientation and a genuine interest in the respective company's businesses as they ultimately are tasked with the responsibility of exercising their judgement to act in the best interest of the company and the shareholders they represent.

COMMUNITY

The HL Group's philanthropic and community outreach activities are conducted via the Foundation, with education and community development being key pillars. Incorporated in 1992, the Foundation is funded by contributions from the HL Group's companies, enabling the Foundation to continue its philanthropic and community outreach efforts year upon year.

Education

To close the gaps along the cycle of educational development, the Foundation has set up comprehensive programmes to empower and enable students to succeed. This covers scholarships, enrichment workshops, skills training and other support to help students excel in their formative years - post-secondary school and beyond. The Foundation also works closely with the HL Group's Human Resource to offer internships and other placements to its scholars. Besides granting scholarships for academic education, the Foundation goes further by looking at long-term positive impact and sustainable programmes that enrich and enhance skills to enable better employment opportunities.

The Foundation's key initiatives/programmes in Education for the FY 2017 are as follows:

- Scholarships for Diploma, Undergraduate and Masters studies
- After School Programme (3-year programme)
- German Dual Vocational Training (Skills Diploma in Mechatronics) ("**GDVT**") with a Malaysian German Chamber of Commerce & Industry accreditation (28-month programme)
- "Reach Out And Rise" ("**ROAR**") Scholarship Programme, which includes a scholarship for tertiary education and an enrichment programme

Community development

The Foundation reaches out and supports the community through various programmes aimed at addressing the needs of the underprivileged, contributing towards better livelihoods for underserved communities and assisting them to become self-sufficient through employment or entrepreneurship, and supporting partner organisations achieve their mission and vision in more sustainable and effective ways.

The Foundation's key initiatives/programmes in community development for the FY 2017 are as follows:

- A programme that provides young adults (from low income group) with an opportunity to upskill themselves through a Diploma in food safety, food hygiene and laboratory competency programme and gain employment within the food & beverage industry

- Food distribution to the homeless and urban poor
- Refurbishment of IT and/or electronic devices and subsequent donation to homes
- Non-government organisation ("**NGO**") accelerator programme that helps existing NGOs upskill towards becoming more efficient and self-sustaining and a programme the provides the Foundation better insights on ways it can support its partner NGOs
- Various initiatives in support of persons in need (e.g. single mothers, people with disabilities and under-served children), including the provision of food, shelter, other basic needs and/or funding assistance for other operating costs

The Foundation's reach

Scholarships for Diploma/Undergraduate and Masters studies, ROAR and GDVT programmes: since 1997 up to 30 June 2017

Total disbursements: approximately RM37 million

Total scholars/trainees offered and accepted: >1,000

The Foundation's reach	During the financial year ended 30 June 2017
Scholars	32 new scholars
GDVT trainees	16 trainees still in the programme
ROAR scholars	53 scholars & 16 GDVT trainees still in the programme
After School & Community development programs*	**35,326**

* *(Includes direct beneficiaries, NGOs, schools and partner NGOs)*

In addition to the above, the Foundation is also one of the founding members of the Malaysian Collective Impact Initiative Berhad (MCII). Formed in 2015, MCII is a registered NGO aimed at achieving systematic educational and social change in Malaysia through cross sector partnerships. As a member of MCII, the Foundation contributes an annual fee that supports the backbone of the organisation. Collective impact occurs when organisations from different sectors agree to solve a specific social issue through an agreed common agenda, aligning their resources and efforts, and using common measures of success to continuously improve the quality of interventions and support. In this regard, the founding members of MCII are driven by a common purpose:

- To improve educational outcomes, especially in the areas of literacy development and career aspirations from cradle-to-career
- To create an inclusive intervention model that can be replicated across Malaysia

Aligning with the Malaysia Education Blueprint, MCII works alongside the community and relevant stakeholders to identify areas for improvement in student outcomes and maps it against existing member programmes in a coherent framework. MCII works to ensure that core components are developed within the school for increased impact, resulting in coordinated and monitored interventions for sustainable outcomes and has developed an initial model in Klang, with a focus on clusters of schools (a total of 14 at the moment) and the surrounding community.

ACTIVITY HIGHLIGHTS FOR 2017

The betterment of society is an integral part of the HL Group's culture and core values as we believe our position in society comes with responsibility towards the communities we operate in.

In the spirit of philanthropy, staff from diverse backgrounds across the HL Group, came together for a good cause and through their concerted efforts accomplished various charitable activities and humanitarian endeavours over the course of this year.

Through acts of love and empathy, we aim to instil the spirit of serving and cultivate unity, ensuring oneness in purpose, harmony and friendship in the pursuit of prosperity for all. We are proud of all our employees who volunteered their time and energy, united together to serve a noble cause.

These values eventually carry through our work, serving our customers with care.

CORPORATE SOCIAL RESPONSIBILITY
Cont'd

ACTIVITY HIGHLIGHTS FOR 2017 cont'd

Spirit of Volunteerism

- In an effort to raise additional funds for several on-going projects by the voluntary humanitarian organisation, the Malaysian Red Crescent ("**MRC**"), together with Thistle Johor Bahru Hotel, had initiated the "Socks for Charity Programme". Thistle Johor Bahru had presented the MRC National Community Service Committee with a cheque of RM10,790 from the said programme, whereby a total of 1,079 pairs of socks were sold to hotel guests over the period of 3 months starting December 2016. The different colours of socks were provided by the MRC and sold at RM10 a pair. All the funds raised by Thistle Johor Bahru were channelled to several MRC Community Service projects such as feeding poor families and providing them with daily necessities, feeding the Orang Asli children and for health programmes conducted throughout Malaysia.

- On 29 May 2017, Thistle Port Dickson Resort organised a "Buka Puasa" treat for the Orphanage of "Yayasan Kebajikan Anak-Anak Yatim Daerah Port Dickson" to nurture a culture of compassion to those in need. A total of 25 hotel staff participated in this programme, where food was prepared and staff contributed "duit raya" to all the orphans who attended.

- In conjunction with Ramadhan month, Thistle Port Dickson Resort also celebrated with the urban community by giving out free 'bubur lambuk'. With the help of 30 hotel staff who cooked and distributed the 'bubur lambuk' together, it was an act of compassion and caring towards their community.

Access to IT in today's digital world

The Foundation initiated a Group-wide collection drive for used/old IT/electronic devices with the aim of donating 1,000 refurbished computers to NGOs, including homes for underserved children. Today, this ongoing campaign has involved the refurbishment and donation of more than 1,086 computers and electronic devices, helping 1,598 children from 68 NGOs.

OUR FUTURE CSR FOCUS

We will continue to invest time and resources in broadening the length and breadth of our CSR efforts by tapping into the synergy within the HL Group to achieve a wider reach, greater impact and long term sustainability.

We will continue to raise the bar in philanthropy, towards higher achievements and expectations of ourselves as responsible corporate citizens whilst continually looking for innovative ways to create a wealth of opportunities for the betterment of society.

DIRECTORS' REPORT

The directors have pleasure in presenting their report together with the audited financial statements of the Group and of the Company for the financial year ended 30 June 2017.

PRINCIPAL ACTIVITIES

The principal activity of the Company is investment holding.

The principal activities of the subsidiaries are as stated in Note 39 to the financial statements.

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

The immediate holding company is GLL (Malaysia) Pte Ltd, incorporated in the Republic of Singapore. The ultimate holding company is Hong Leong Company (Malaysia) Berhad ("HLCM"), incorporated in Malaysia.

Related companies in these financial statements refer to member companies in the HLCM Group.

RESULTS

	GROUP RM'000	COMPANY RM'000
Profit net of tax	126,464	55,079
Profit attributable to:		
Owners of the parent	121,809	55,079
Non-controlling interests	4,655	-
	126,464	55,079

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

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

DIRECTORS' REPORT
Cont'd

DIVIDENDS

The dividend paid by the Company since 30 June 2016 was as follows:

	RM'000
In respect of the financial year ended 30 June 2016:	
Final single tier dividend of 2 sen per share on 669,880,418 (net of ESS Trust shares) ordinary shares paid on 8 December 2016	**13,398**

At the forthcoming Annual General Meeting, a final single tier dividend in respect of the financial year ended 30 June 2017, of 2 sen per share on 669,880,418 (net of ESS Trust shares) ordinary shares, amounting to a dividend payable of RM13,397,608 will be proposed for shareholders' approval. The financial statements for the current financial year do not reflect this proposed dividend. Such dividend, if approved by the shareholders, will be accounted for in shareholders' equity as an appropriation of retained profits in the financial year ending 30 June 2018.

DIRECTORS

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

YBhg Tan Sri Quek Leng Chan	*(Chairman)*
Mr Raymond Choong Yee How	
YBhg Datuk Edmund Kong Woon Jun	*(Group Managing Director)*
YBhg Dato' Paul Poh Yang Hong	
YBhg Tan Sri Nik Mohamed bin Nik Yaacob	
Mr Peter Ho Kok Wai	
Encik Zulkiflee bin Hashim	
Ms Patricia Chua Put Moy	

The names of the directors of the Company's subsidiaries are set out in the respective subsidiary's statutory accounts and the said information is deemed incorporated herein by such reference and made a part thereof.

DIRECTORS' INTERESTS

According to the register of directors' shareholdings, the interests of directors in office at the end of the financial year in the ordinary shares, preference shares, options over ordinary shares and/or loan stocks in the Company and/or its related corporations during the financial year were as follows:

	Shareholdings in which directors have direct interests Number of ordinary shares/preference shares/ordinary shares issued or to be issued or acquired arising from the exercise of options*/ conversion of redeemable convertible unsecured loan stocks**/ redeemable convertible cumulative preference shares***				
	Nominal value per share RM	As at 1.7.2016	Acquired	Sold	As at 30.6.2017
Interests of YBhg Tan Sri Quek Leng Chan in:					
GuocoLand (Malaysia) Berhad	(1)	19,506,780	-	-	**19,506,780**
Hong Leong Company (Malaysia) Berhad	(1)	390,000	-	-	**390,000**
Guoco Group Limited	USD0.50	1,056,325	-	-	**1,056,325**
GuocoLand Limited	(2)	13,333,333	-	-	**13,333,333**
Hong Leong Financial Group Berhad	(1)	5,438,664	-	-	**5,438,664**
GL Limited	USD0.20	735,000	-	-	**735,000**
The Rank Group Plc	GBP13$^{8/9}$p	285,207	-	-	**285,207**
Interest of Mr Raymond Choong Yee How in:					
Hong Leong Financial Group Berhad	(1)	3,996,400	-	-	**3,996,400**

DIRECTORS' REPORT
Cont'd

DIRECTORS' INTERESTS cont'd

	Nominal value per share RM	Shareholdings in which directors have indirect interests Number of ordinary shares/preference shares/ordinary shares issued or to be issued or acquired arising from the exercise of options*/ conversion of redeemable convertible unsecured loan stocks**/ redeemable convertible cumulative preference shares*** As at 1.7.2016	Acquired	Sold	As at 30.6.2017
Interests of YBhg Tan Sri Quek Leng Chan in:					
Hong Leong Company (Malaysia) Berhad	(1)	13,233,455 (7)	-	5,532,000 (13)	**7,701,455** (7)
Hong Leong Financial Group Berhad	(1)	900,889,232 (7)	-	4,730,506 (13)	**896,158,726** (7)
Hong Leong Capital Berhad	(1)	200,805,058	-	-	**200,805,058**
Hong Leong Bank Berhad	(1)	1,346,237,169	-	-	**1,346,237,169**
Hong Leong MSIG Takaful Berhad	(1)	65,000,000	-	-	**65,000,000**
Hong Leong Assurance Berhad	(1)	140,000,000	-	-	**140,000,000**
Hong Leong Industries Berhad	(1)	245,435,003 (7)	-	2,019,333 (13)	**243,415,670** (7)
		200,000 *(7)	-	-	**200,000** *(7)
Hong Leong Yamaha Motor Sdn Bhd	(1)	17,352,872	-	-	**17,352,872**
Guocera Tile Industries (Meru) Sdn Bhd	(1)	19,600,000	-	-	**19,600,000**
Hong Leong Maruken Sdn Bhd (In members' voluntary liquidation)	(1)	1,750,000	-	1,750,000 (10)	**-**
Century Touch Sdn Bhd (In members' voluntary liquidation)	(1)	6,545,001	-	-	**6,545,001**
Varinet Sdn Bhd (In members' voluntary liquidation)	(1)	10,560,627	-	-	**10,560,627**
Malaysian Pacific Industries Berhad	(1)	112,217,857 (7)	-	2,509,850 (7)	**108,950,757**
				757,250 (13)	
Carter Resources Sdn Bhd	(1)	5,640,607	-	-	**5,640,607**
Carsem (M) Sdn Bhd	(1)	84,000,000	-	-	**84,000,000**
	(1)	22,400 (8)	-	-	**22,400** (8)
Hume Industries Berhad ("HIB")	(1)	353,447,487 (7)	-	1,029,950 (11)	**350,231,658** (7)
				2,185,879 (13)	
		100,000 *(7)	-	-	**100,000** *(7)

DIRECTORS' INTERESTS cont'd

	Nominal value per share RM	Shareholdings in which directors have indirect interests Number of ordinary shares/preference shares/ordinary shares issued or to be issued or acquired arising from the exercise of options*/ conversion of redeemable convertible unsecured loan stocks**/ redeemable convertible cumulative preference shares*** As at 1.7.2016	Acquired	Sold	As at 30.6.2017
Interests of YBhg Tan Sri Quek Leng Chan in: cont'd					
Guoco Group Limited	USD0.50	237,124,930	-	-	**237,124,930**
GuocoLand Limited	(2)	817,911,030	-	-	**817,911,030**
		100,000 *(7)	320,000 *(7)	-	**420,000** *(7)
Southern Steel Berhad	(1)	299,541,202	-	7,371,493 (13)	**292,169,709**
	(1)	141,627,296 **	-	1,550,959 **	**140,076,337** **
Southern Pipe Industry (Malaysia) Sdn Bhd	(1)	118,822,953	4,550,000	-	**123,372,953**
	(1)	20,000,000 ***(9)	-	20,000,000 ***(9)(16)	**-**
TPC Commercial Pte Ltd (formerly known as Belmeth Pte Ltd)	(2)	40,000,000	149,600,000	-	**189,600,000**
TPC Hotel Pte Ltd (formerly known as Guston Pte Ltd)	(2)	8,000,000	-	-	**8,000,000**
Wallich Residence Pte Ltd (formerly known as Perfect Eagle Pte Ltd)	(2)	24,000,000	-	-	**24,000,000**
GLL Chengdu Pte Ltd	(2)	149,597,307 (14)	-	-	**149,597,307** (15)
Beijing Minghua Property Development Co., Ltd (In members' voluntary liquidation)	(3)	150,000,000	-	-	**150,000,000**
Shanghai Xinhaojia Property Development Co., Ltd	(3)	3,150,000,000	-	-	**3,150,000,000**
Shanghai Xinhaozhong Property Development Co., Ltd	(4)	19,600,000	-	-	**19,600,000**
Lam Soon (Hong Kong) Limited	(6)	140,008,659	-	-	**140,008,659**
Guangzhou Lam Soon Food Products Limited	(5)	6,570,000	-	-	**6,570,000**

DIRECTORS' REPORT
Cont'd

DIRECTORS' INTERESTS cont'd

	Nominal value per share RM	Shareholdings in which directors have indirect interests Number of ordinary shares/preference shares/ordinary shares issued or to be issued or acquired arising from the exercise of options*/ conversion of redeemable convertible unsecured loan stocks**/ redeemable convertible cumulative preference shares*** As at 1.7.2016	Acquired	Sold	As at 30.6.2017
Interests of YBhg Tan Sri Quek Leng Chan in: cont'd					
GuocoLand (Malaysia) Berhad	[1]	455,698,596	376,200	500,000 [13]	**455,574,796**
Guoman Hotel & Resort Holdings Sdn Bhd	[1]	277,000,000	-	-	**277,000,000**
JB Parade Sdn Bhd	[1]	28,000,000	-	-	**28,000,000**
	[1]	68,594,000 [8]	-	-	**68,594,000** [8]
Continental Estates Sdn Bhd	[1]	34,408,000	-	-	**34,408,000**
	[1]	123,502,605 [8]	-	-	**123,502,605** [8]
GL Limited	USD0.20	933,073,825	4,258,300	11,578,991 [13]	**925,753,134**
		100,000 *[7]	-	-	**100,000** *[7]
The Rank Group Plc	GBP13 8/9p	219,282,221	-	-	**219,282,221**

Legend:

[1] Concept of par value was abolished with effect from 31 January 2017 pursuant to the Malaysia Companies Act 2016
[2] Concept of par value was abolished with effect from 30 January 2006 pursuant to the Singapore Companies (Amendment) Act, 2005
[3] Capital contribution in RMB
[4] Capital contribution in USD
[5] Capital contribution in HK$
[6] Concept of par value was abolished with effect from 3 March 2014 pursuant to the New Companies Ordinance (Chapter 622), Hong Kong
[7] Inclusive of interest pursuant to Section 59(11)(c) of the Companies Act 2016 in shares held by family member
[8] Redeemable Preference Shares
[9] The redeemable convertible cumulative preference shares ("RCCPS") are convertible into ordinary shares at the option of the holder of RCCPS on the basis of 400 ordinary shares for every RCCPS
[10] Dissolved during the financial year
[11] Transfer of free ordinary shares in HIB to the grant holders upon vesting
[12] Interest pursuant to Section 59(11)(c) of the Companies Act 2016 in shares held by family member
[13] Cessation of deemed interest pursuant to Section 8(4) of the Companies Act 2016
[14] A wholly owned subsidiary
[15] Became a non-wholly owned subsidiary during the financial year
[16] Redemption of RCCPS

None of the other directors in office at the end of the financial year had any interest in the ordinary shares, preference shares, options over ordinary shares and/or loan stocks in the Company or its related corporations during the financial year.

DIRECTORS' BENEFITS

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

Since the end of the previous financial year, no director has received or became entitled to receive a benefit (other than benefits included in the aggregate amount of emoluments received or due and receivable by the directors or the fixed salary of a full-time employee of the Company as shown in Note 11 to the financial statements) by reason of a contract made by the Company or a related corporation with any director or with a firm of which the director is a member, or with a company in which the director has a substantial financial interest, except for YBhg Tan Sri Quek Leng Chan who may be deemed to derive a benefit by virtue of those transactions, contracts and agreements for the acquisitions and/or disposal of stocks and shares, stocks-in-trade, products, parts, accessories, plants, chattels, fixtures, buildings, land and other properties or any interest in any properties; and/or for the provision of services, including but not limited to project and sales management and any other management and consultancy services; and/or for construction, development, leases, tenancy, licensing, dealership and distributorship; and/or for the provision of treasury functions, advances in the conduct of normal trading, banking, insurance, investment, stockbroking and/or other businesses between the Company or its related corporations and corporations in which YBhg Tan Sri Quek Leng Chan is deemed to have interests; and as disclosed in Note 43 to the financial statements.

The fees and other benefits in cash and/or in kind of the Directors of the Company are disclosed in Note 11 to the financial statements whilst the fees and other benefits of the Directors of the Company's subsidiaries are set out in the respective subsidiaries' financial statements and the said information is deemed incorporated herein by such reference and made a part thereof.

INDEMNITY AND INSURANCE COSTS

During the financial year, the Directors and Officers of Guoco Group Limited, together with its subsidiaries ("GGL Group", which includes the Company and its subsidiaries) are covered under the Directors' and Officers' Liability Insurance ("D&O Insurance") in respect of liabilities arising from acts committed in their respective capacity as, inter alia, the Directors and Officers of the GGL Group subject to the terms of the D&O policy. The total amount of D&O Insurance effected for the Directors and Officers of the GGL Group was USD15,000,000 (equivalent to approximately RM60,000,000). The total amount of premium paid for the D&O Insurance by the GGL Group was RM99,750, and the apportioned amount of the said premium paid by the Company was RM4,865. No indemnity was given to or insurance effected for auditors of the Company.

EXECUTIVE SHARE SCHEME ("ESS")

(a) Executive Share Option Scheme ("ESOS")

At an Extraordinary General Meeting ("EGM") held on 11 October 2011, the shareholders of the Company had approved the establishment of a new executive share option scheme ("ESOS").

The Company is a subsidiary of GuocoLand Limited, which in turn is a subsidiary of Guoco Group Limited ("GGL"), a corporation listed on The Stock Exchange of Hong Kong Limited ("HKSE"). Under the HKSE Listing Rules, all schemes involving the grant of options by GGL and its subsidiaries to, or for the benefit of, specified participants would have to comply with the provisions of the HKSE Listing Rules, with appropriate modifications. The HKSE Listing Rules further provide that where the shares of the listed issuer or the subsidiary concerned are also listed on another stock exchange, the more onerous requirements shall prevail and be applied in the event of a conflict or inconsistency between the requirements of the HKSE Listing Rules and the requirements of the other stock exchange.

DIRECTORS' REPORT
Cont'd

EXECUTIVE SHARE SCHEME ("ESS") cont'd

(a) Executive Share Option Scheme ("ESOS") cont'd

Pursuant to the HKSE Listing Rules, the ESOS was further approved by the shareholders of GGL on 25 November 2011 ("Approval Date").

On 23 September 2011, the Company announced that Bursa Malaysia Securities Berhad ("Bursa Securities") had approved-in-principle the listing of new ordinary shares of the Company to be issued pursuant to the exercise of options under the ESOS at any time during the existence of the ESOS.

The ESOS was established on 21 March 2012 and shall be in force for a period of 10 years.

The ESOS would provide an opportunity for eligible executives who had contributed to the growth and development of the Group to participate in the equity of the Company.

Subsequently, at an EGM held on 21 October 2013, the shareholders of the Company had approved the establishment of an executive share grant scheme ("ESGS").

Pursuant to the HKSE Listing Rules, the amendments to the Bye-Laws of the ESOS to incorporate the ESGS were approved by the shareholders of GGL on 19 November 2013.

On 18 September 2013, the Company announced that Bursa Securities had approved-in-principle the listing of new ordinary shares of the Company to be issued pursuant to the vesting of shares of the Company under the ESGS at any time during the existence of the ESGS.

The ESGS was established on 28 February 2014. The ESGS would reward the eligible executives for their contribution to the Group with grants without any consideration payable by the eligible executives.

The ESOS together with the ESGS have been renamed as the Executive Share Scheme ("ESS"). For ease of administration, the Bye-Laws of the ESOS were amended to incorporate the ESGS to form the consolidated Bye-Laws of the ESS ("GLM Bye-Laws").

The main features of the ESS are, inter alia, as follows:

1. Eligible executives are those executives of the Group who have been confirmed in service on the date of offer or directors (executive or non-executive) of the Company and its subsidiaries. The Board of Directors of the Company ("Board") may from time to time at its discretion select and identify suitable eligible executives to be offered options or grants.

2. The aggregate number of shares to be issued under the ESS and any other ESOS established by the Company shall not exceed 10% of the issued and paid-up ordinary share capital (excluding treasury shares) of the Company at any one time ("Maximum Aggregate"). In compliance with the HKSE Listing Rules, the Maximum Aggregate shall be subjected to the provision that the total number of new shares of the Company which may be issued upon exercise of options under the ESS must not in aggregate exceed 10% of the issued and paid-up ordinary share capital of the Company as at the Approval Date unless approval shall have been obtained from the shareholders of GGL.

3. In compliance with the HKSE Listing Rules, no options may be granted to any eligible executive in any 12-month period that would enable such eligible executive becoming entitled to subscribe for new shares exceeding in nominal value of 1% of the issued and paid-up ordinary share capital of GLM in issue unless approval shall have been obtained from the shareholders of GGL.

EXECUTIVE SHARE SCHEME ("ESS") cont'd

(a) Executive Share Option Scheme ("ESOS") cont'd

The main features of the ESS are, inter alia, as follows: cont'd

4. The ESS shall be in force until 20 March 2022.

5. The option price shall not be at a discount of more than 10% (or such discount as the relevant authorities shall permit) from the 5-day weighted average market price of the shares of the Company preceding the date of offer and shall in no event be less than the par value of the shares of the Company.

6. No consideration is required to be payable by eligible executives for shares of the Company to be vested pursuant to share grants.

7. Option granted to an option holder is exercisable by the option holder only during his/her employment or directorship with the Group and within the option exercise period subject to any maximum limit as may be determined by the Board under the GLM Bye-Laws.

8. Shares of the Company granted to a share grant holder will be vested to the share grant holder only during his/her employment or directorship with the Group subject to any maximum limit as may be determined by the Board under the GLM Bye-Laws.

9. The exercise of options and the vesting of shares of the Company may, at the discretion of the Board, be satisfied by way of issuance of new shares, transfer of existing shares purchased by a trust established for the ESS ("ESS Trust"); or a combination of both new shares or existing shares.

There were no outstanding options and grant of shares under the ESS of the Company during the financial year.

(b) Value Creation Incentive Plan ("VCIP")

On 22 August 2011, the Company had established a Value Creation Incentive Plan ("VCIP") for selected key executives of the Group to incentivise them towards achieving long term performance targets through the grant of options over GLM shares, which options will be satisfied through the transfer of existing GLM shares held by the ESS Trust.

As the VCIP does not involve any issuance of new shares, the VCIP and the grant of options under the VCIP do not require the approval of shareholders of the Company and GGL.

There were no outstanding options and grant of options under the VCIP during the financial year.

The Board shall have the discretion to determine the aggregate allocation of shares to directors and senior management pursuant to the ESS and the VCIP, but in any case, it shall not exceed the Maximum Aggregate.

DIRECTORS' REPORT
Cont'd

OTHER STATUTORY INFORMATION

(a) Before the income statements, statements of comprehensive income and statements of financial position of the Group and of the Company were made out, the directors took reasonable steps:

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

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

(b) At the date of this report, the directors are not aware of any circumstances which would render:

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

(ii) the values attributed to the current assets in the financial statements of the Group and of the Company misleading.

(c) At the date of this report, the directors are not aware of any circumstances which have arisen which would render adherence to the existing method of valuation of assets or liabilities of the Group and of the Company misleading or inappropriate.

(d) At the date of this report, the directors are not aware of any circumstances not otherwise dealt with in this report or financial statements of the Group and of the Company which would render any amount stated in the financial statements misleading.

(e) As at the date of this report, there does not exist:

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

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

(f) In the opinion of the directors:

(i) no contingent or other liability has become enforceable or is likely to become enforceable within the period of twelve months after the end of the financial year which will or may affect the ability of the Group or of the Company to meet their obligations when they fall due; and

(ii) no item, transaction or event of a material and unusual nature has arisen in the interval between the end of the financial year and the date of this report which is likely to affect substantially the results of the operations of the Group or of the Company for the financial year in which this report is made.

AUDITORS AND AUDITORS' REMUNERATION

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

Auditors' remuneration are disclosed in Note 9 to the financial statements.

Signed on behalf of the Board in accordance with a resolution of the directors.

DATUK KONG WOON JUN
18 September 2017

TAN SRI NIK MOHAMED BIN NIK YAACOB

STATEMENT BY DIRECTORS

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

We, Datuk Kong Woon Jun and Tan Sri Nik Mohamed bin Nik Yaacob, being two of the directors of GuocoLand (Malaysia) Berhad, do hereby state that, in the opinion of the directors, the accompanying financial statements set out on pages 68 to 169 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 at 30 June 2017 and of their financial performance and cash flows for the financial year then ended.

The information set out in Note 46 on page 170 to the financial statements have been prepared in accordance with the Guidance on Special Matter No.1, Determination of Realised and Unrealised Profits or Losses in the Context of Disclosure Pursuant to Bursa Malaysia Securities Berhad Listing Requirements, as issued by the Malaysian Institute of Accountants.

Signed on behalf of the Board in accordance with a resolution of the directors.

DATUK KONG WOON JUN

TAN SRI NIK MOHAMED BIN NIK YAACOB

Kuala Lumpur
18 September 2017

STATUTORY DECLARATION

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

I, Quek Ting Chin, being the officer primarily responsible for the financial management of GuocoLand (Malaysia) Berhad, do solemnly and sincerely declare that the accompanying financial statements set out on pages 68 to 170 are, to the best of my knowledge and belief, correct, and I make this solemn declaration conscientiously believing the same to be true, and by virtue of the provisions of the Statutory Declarations Act, 1960.

Subscribed and solemnly declared
by the abovenamed Quek Ting Chin
at Kuala Lumpur in the Federal Territory
on 18 September 2017

QUEK TING CHIN

Before me,

VALLIAMAH A/P PERIAN
Pesuruhjaya Sumpah
Commissioner for Oaths
Kuala Lumpur

INDEPENDENT AUDITORS' REPORT

to the Members of **GUOCOLAND (MALAYSIA) BERHAD** (Incorporated in Malaysia)

REPORT ON THE FINANCIAL STATEMENTS

Opinion

We have audited the financial statements of GuocoLand (Malaysia) Berhad, which comprise the statements of financial position as at 30 June 2017 of the Group and of the Company, and 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 68 to 169.

In our opinion, the accompanying financial statements give a true and fair view of the financial position of the Group and of the Company as at 30 June 2017, and of their financial performance and their cash flows for the year then ended in accordance with Financial Reporting Standards and the requirements of the Companies Act 2016 in Malaysia.

Basis for opinion

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

Independence and other ethical responsibilities

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

Key audit matters

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

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

Valuation of investment properties

(Refer to Note 16 to the financial statements)

The Group adopts fair value model for its investment properties. When estimating the fair value of a property, the objective is to estimate the price that would be received from the sale of the investment property in an orderly transaction between market participants at the reporting date under current market conditions. In addition, the fair value should reflect, among other things, rental income from current leases and other assumptions that market participants would use when pricing the investment property under current market conditions, which are highly judgmental. Accordingly, we consider this to be an area of audit focus.

INDEPENDENT AUDITORS' REPORT
to the Members of **GUOCOLAND (MALAYSIA) BERHAD** (Incorporated in Malaysia)
Cont'd

REPORT ON THE FINANCIAL STATEMENTS cont'd

Key audit matters cont'd

Valuation of investment properties cont'd

How our audit addressed the matter

Our audit procedures focused on the valuations performed by firms of independent valuers, which included amongst others the following procedures:

- We considered the objectivity, independence and expertise of the firms of independent valuers;
- We obtained an understanding of the methodology adopted by the independent valuers in estimating the fair value of the investment properties and assessed whether such methodology is consistent with those used in the industry;
- As part of our evaluations of the fair values of investment properties, we had discussions with the independent valuers to obtain an understanding of the property related data used as input to the valuation models; and
- We also assessed whether the discount rate used to determine the present value of the cash flows reflects the return that investors would require if they were to choose an investment that would generate cash flows of amounts, timing and risk profile equivalent to those that the entity expects to derive.

Completed property development units classified as inventories

(Refer to Note 25 to the financial statements)

As at 30 June 2017, the carrying amount of inventories is RM756,156,000, representing approximately 24% of the Group's total assets. The Group continues to monitor the realisable value of these inventories to ensure that they are stated at the lower of cost and net realisable values. Net realisable value is the estimated selling price less estimated costs necessary to make the sale.

The estimates of net realisable values are based on most reliable evidence available at the time the estimates are made and take into consideration estimated fluctuations of future property prices as well as costs to be incurred to make the sale. Such estimates often involve a certain degree of subjectivity and accordingly, we consider this area to be an area of audit focus.

How our audit addressed the matter

Our audit procedures in evaluating management's assessment of net realisable values of completed properties included amongst others the following procedures:

- We obtained an understanding of the internal controls performed by management in estimating the net realisable value of these inventories; and
- We evaluated the estimated selling price less estimated costs necessary to make the sale by comparing to selling prices of inventories that were sold subsequent to year end and recent transacted prices of similar completed properties within the vicinity.

REPORT ON THE FINANCIAL STATEMENTS cont'd

Information other than the financial statements and auditors' report thereon

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

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

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

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

Responsibilities of the directors for the financial statements

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

INDEPENDENT AUDITORS' REPORT
to the Members of **GUOCOLAND (MALAYSIA) BERHAD** (Incorporated in Malaysia)
Cont'd

REPORT ON THE FINANCIAL STATEMENTS cont'd

Auditors' responsibilities for the audit of the financial statements cont'd

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: cont'd

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

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

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

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

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

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

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

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

INDEPENDENT AUDITORS' REPORT
to the Members of **GUOCOLAND (MALAYSIA) BERHAD** (Incorporated in Malaysia)
Cont'd

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 disclosed in Note 39 to the financial statements.

OTHER REPORTING RESPONSIBILITIES

The supplementary information set out in Note 46 on page 170 is disclosed to meet the requirement of Bursa Malaysia Securities Berhad and is not part of the financial statements. The directors are responsible for the preparation of the supplementary information in accordance with Guidance on Special Matter No. 1, Determination of Realised and Unrealised Profits or Losses in the Context of Disclosure Pursuant to Bursa Malaysia Securities Berhad Listing Requirements, as issued by the Malaysian Institute of Accountants ("MIA Guidance") and the directive of Bursa Malaysia Securities Berhad. In our opinion, the supplementary information is prepared, in all material respects, in accordance with the MIA Guidance and the directive of Bursa Malaysia Securities Berhad.

OTHER MATTERS

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

ERNST & YOUNG
AF: 0039
Chartered Accountants

NG KIM LING
No. 3236/04/18(J)
Chartered Accountant

Kuala Lumpur, Malaysia
18 September 2017

INCOME STATEMENTS
For the Financial Year Ended 30 June 2017

		GROUP		COMPANY	
		2017	2016	2017	2016
	Note	RM'000	RM'000	RM'000	RM'000
Revenue	4	**285,614**	315,077	**151,118**	346,270
Cost of sales	5	**(163,163)**	(192,463)	**-**	-
Gross profit		**122,451**	122,614	**151,118**	346,270
Selling and marketing expenses		**(17,350)**	(14,456)	**(8)**	-
Administrative expenses		**(58,056)**	(65,593)	**(1,883)**	(3,092)
Other net operating income/(loss)	6	**3,340**	129,433	**(99,422)**	(109)
Profit from operations		**50,385**	171,998	**49,805**	343,069
Finance income	7	**4,231**	1,262	**16,412**	17,374
Finance costs	8	**(39,597)**	(40,294)	**(7,647)**	(14,403)
Share of results of associates		**121,812**	7,200	**-**	-
Share of results of joint ventures		**(1,477)**	(194)	**-**	-
Profit before tax	9	**135,354**	139,972	**58,570**	346,040
Income tax expense	12	**(8,890)**	(21,276)	**(3,491)**	(1,412)
Profit net of tax		**126,464**	118,696	**55,079**	344,628
Profit attributable to:					
Owners of the parent		**121,809**	114,040	**55,079**	344,628
Non-controlling interests		**4,655**	4,656	**-**	-
		126,464	118,696	**55,079**	344,628
Earnings per share attributable to owners of the parent (sen per share):					
Basic	13	**18.18**	17.02		
Diluted	13	**18.18**	17.02		

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

STATEMENTS OF COMPREHENSIVE INCOME

For the Financial Year Ended 30 June 2017

	GROUP		COMPANY	
	2017	2016	2017	2016
	RM'000	RM'000	RM'000	RM'000
Profit net of tax	**126,464**	118,696	**55,079**	344,628
Other comprehensive income/(loss) to be reclassified to profit or loss in subsequent periods*:				
Fair value gain/(loss) on available-for-sale investments	**381**	(46)	**-**	-
Foreign currency translation	**(15)**	20	**-**	-
Other comprehensive income/(loss) representing total other comprehensive income/(loss)	**366**	(26)	**-**	-
Total comprehensive income for the year	**126,830**	118,670	**55,079**	344,628
Total comprehensive income attributable to:				
Owners of the parent	**122,175**	114,014	**55,079**	344,628
Non-controlling interests	**4,655**	4,656	**-**	-
	126,830	118,670	**55,079**	344,628

* *There is no tax effect arising from each of the components of the other comprehensive income.*

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

STATEMENTS OF FINANCIAL POSITION

As at 30 June 2017

		GROUP		COMPANY	
		2017	2016	2017	2016
	Note	RM'000	RM'000	RM'000	RM'000
NON-CURRENT ASSETS					
Property, plant and equipment	15	**523,832**	336,524	**79**	309
Investment properties	16	**544,318**	528,500	**-**	-
Land held for property development	17	**438,673**	303,322	**-**	-
Investments in subsidiaries	18	**-**	-	**1,085,193**	743,161
Investments in associates	19	**197,916**	200,183	**56,000**	56,000
Investments in joint ventures	20	**110,873**	112,645	**-**	-
Available-for-sale investments	21	**1,566**	1,830	**-**	-
Goodwill	22	**11,813**	13,297	**-**	-
Deferred tax assets	23	**7,347**	6,361	**-**	-
Derivative financial assets	24	**-**	255	**-**	-
		1,836,338	1,502,917	**1,141,272**	799,470
CURRENT ASSETS					
Inventories	25	**756,156**	823,914	**-**	-
Property development costs	26	**245,383**	235,689	**-**	-
Trade and other receivables	27	**108,308**	77,370	**89,699**	417,205
Other current assets	28	**894**	18,582	**-**	-
Tax recoverable		**7,548**	3,408	**-**	-
Other investment	29	**49**	6,746	**-**	-
Derivative financial assets	24	**118**	-	**-**	-
Cash and cash equivalents	30	**231,592**	218,061	**3,545**	441
		1,350,048	1,383,770	**93,244**	417,646
TOTAL ASSETS		**3,186,386**	2,886,687	**1,234,516**	1,217,116

STATEMENTS OF FINANCIAL POSITION
As at 30 June 2017
Cont'd

		GROUP		COMPANY	
		2017	2016	2017	2016
	Note	RM'000	RM'000	RM'000	RM'000
EQUITY AND LIABILITIES					
Equity attributable to owners of the parent					
Share capital	31	**385,318**	350,229	**385,318**	350,229
Reserves	32	**970,606**	896,918	**720,580**	713,988
Equity funds		**1,355,924**	1,247,147	**1,105,898**	1,064,217
Shares held by ESS Trust	33	**(23,883)**	(23,883)	**(23,883)**	(23,883)
		1,332,041	1,223,264	**1,082,015**	1,040,334
Non-controlling interests		**118,388**	113,733	**-**	-
TOTAL EQUITY		**1,450,429**	1,336,997	**1,082,015**	1,040,334
NON-CURRENT LIABILITIES					
Other payables	35	**8,674**	-	**141,401**	-
Loans and borrowings	34	**1,162,110**	869,894	**-**	-
Deferred tax liabilities	23	**32,244**	33,629	**-**	-
Derivative financial liabilities	24	**-**	307	**-**	-
		1,203,028	903,830	**141,401**	-
CURRENT LIABILITIES					
Trade and other payables	35	**271,122**	236,081	**618**	846
Loans and borrowings	34	**256,611**	404,226	**9,300**	175,043
Derivative financial liabilities	24	**103**	-	**-**	-
Tax payable		**5,093**	5,553	**1,182**	893
		532,929	645,860	**11,100**	176,782
TOTAL LIABILITIES		**1,735,957**	1,549,690	**152,501**	176,782
TOTAL EQUITY AND LIABILITIES		**3,186,386**	2,886,687	**1,234,516**	1,217,116

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

STATEMENTS OF CHANGES IN EQUITY

For the Financial Year Ended 30 June 2017

	Attributable to owners of the parent											
		Non-Distributable						Distributable				
	Share capital (Note 31) RM'000	Share premium (Note 32) RM'000	Exchange reserve (Note 32) RM'000	Fair value reserve (Note 32) RM'000	Merger reserve (Note 32) RM'000	Capital redemption reserve (Note 32) RM'000	Other reserve (Note 32) RM'000	Shares held by ESSTrust (Note 33) RM'000	Retained profits (Note 32) RM'000	Total RM'000	Non-controlling interests RM'000	Total equity RM'000
GROUP												
At 1 July 2015	350,229	35,089	3	434	(24,028)	17	-	(23,883)	784,787	1,122,648	109,077	1,231,725
Profit for the year	-	-	-	-	-	-	-	-	114,040	114,040	4,656	118,696
Other comprehensive income/(loss)	-	-	20	(46)	-	-	-	-	-	(26)	-	(26)
Total recognised income/ (expense) for the year	-	-	20	(46)	-	-	-	-	114,040	114,014	4,656	118,670
Transactions with owners:												
Transfer from retained profits	-	-	-	-	-	10	-	-	(10)	-	-	-
Dividend paid (Note 14)	-	-	-	-	-	-	-	-	(13,398)	(13,398)	-	(13,398)
At 30 June 2016	**350,229**	**35,089**	**23**	**388**	**(24,028)**	**27**	**-**	**(23,883)**	**885,419**	**1,223,264**	**113,733**	**1,336,997**
Profit for the year	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**121,809**	**121,809**	**4,655**	**126,464**
Other comprehensive (loss)/income	**-**	**-**	**(15)**	**381**	**-**	**-**	**-**	**-**	**-**	**366**	**-**	**366**
Total recognised (expense)/ income for the year	**-**	**-**	**(15)**	**381**	**-**	**-**	**-**	**-**	**121,809**	**122,175**	**4,655**	**126,830**
Transactions with owners:												
Effect of implementation of the Companies Act 2016	**35,089**	**(35,089)**	**-**	**-**	**-**	**(27)**	**27**	**-**	**-**	**-**	**-**	**-**
Dividend paid (Note 14)	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**(13,398)**	**(13,398)**	**-**	**(13,398)**
At 30 June 2017	**385,318**	**-**	**8**	**769**	**(24,028)**	**-**	**27**	**(23,883)**	**993,830**	**1,332,041**	**118,388**	**1,450,429**

STATEMENTS OF CHANGES IN EQUITY
For the Financial Year Ended 30 June 2017
Cont'd

		Non-Distributable			Distributable	
	Share capital (Note 31)	Share premium (Note 32)	Merger reserve (Note 32)	Shares held by ESS Trust (Note 33)	Retained profits (Note 32)	Total equity
	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000
COMPANY						
At 1 July 2015	350,229	35,089	68,219	(23,883)	279,450	709,104
Profit for the year	-	-	-	-	344,628	344,628
Transaction with owners:						
Dividend paid (Note 14)	-	-	-	-	(13,398)	(13,398)
At 30 June 2016	**350,229**	**35,089**	**68,219**	**(23,883)**	**610,680**	**1,040,334**
Profit for the year	**-**	**-**	**-**	**-**	**55,079**	**55,079**
Transactions with owners:						
Effect of implementation of the Companies Act 2016	**35,089**	**(35,089)**	**-**	**-**	**-**	**-**
Dividend paid (Note 14)	**-**	**-**	**-**	**-**	**(13,398)**	**(13,398)**
At 30 June 2017	**385,318**	**-**	**68,219**	**(23,883)**	**652,361**	**1,082,015**

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

STATEMENTS OF CASH FLOWS

For the Financial Year Ended 30 June 2017

	GROUP		COMPANY	
	2017	**2016**	**2017**	**2016**
	RM'000	**RM'000**	**RM'000**	**RM'000**
CASH FLOWS FROM OPERATING ACTIVITIES				
Profit before tax	**135,354**	139,972	**58,570**	346,040
Adjustments for:				
Bad debts written off	**-**	2	**-**	-
Net fair value (gain)/loss on derivative financial assets and liabilities	**(67)**	880	**-**	-
Property, plant and equipment:				
- depreciation	**6,724**	6,655	**73**	80
- written off	**1,071**	11	**157**	-
- gain on disposal	**(300)**	(21)	**(97)**	-
Net gain on fair value adjustments of investment properties	**(610)**	(24,590)	**-**	-
Gain on disposal of a subsidiary	**-**	(78,929)	**-**	-
Gain on disposal of investment properties	**-**	(16,680)	**-**	-
Gain on disposal of available-for-sale investments	**(691)**	-	**-**	-
Reversal of allowance for impairment on:				
- trade receivables	**-**	(11)	**-**	-
- other receivables	**(15)**	(64)	**-**	-
Allowance for impairment on trade receivables	**490**	107	**-**	-
Realisation of goodwill	**1,484**	341	**-**	-
Impairment loss on investment in subsidiaries	**-**	-	**99,371**	-
Dividend income	**(258)**	(18)	**(151,118)**	(346,270)
Finance costs	**39,597**	40,294	**7,647**	14,403
Finance income	**(4,231)**	(1,262)	**(16,412)**	(17,374)
Share of results of associates	**(121,812)**	(7,200)	**-**	-
Share of results of joint ventures	**1,477**	194	**-**	-
Unrealised profit arising from transactions with joint ventures	**295**	641	**-**	-
Operating profit/(loss) before working capital changes carried forward	**58,508**	60,322	**(1,809)**	(3,121)

STATEMENTS OF CASH FLOWS
For the Financial Year Ended 30 June 2017
Cont'd

	GROUP		COMPANY	
	2017	2016	2017	2016
	RM'000	RM'000	RM'000	RM'000
CASH FLOWS FROM OPERATING ACTIVITIES cont'd				
Operating profit/(loss) before working capital changes brought forward	58,508	60,322	(1,809)	(3,121)
Working capital changes:				
Inventories	107,073	12,961	-	-
Receivables	(26,329)	(22,628)	327,506	172
Property development costs	(39,642)	(25,441)	-	-
Payables	16,794	125,847	(228)	(3,380)
Associates balances	-	35	-	-
Joint ventures balances	(685)	85	-	-
Inter-company balances	40,212	(10,559)	137,213	(207,626)
Cash flows generated from/(used in) operations	155,931	140,622	462,682	(213,955)
Interest received	30	70	-	-
Interest paid	(56,185)	(60,285)	(3,459)	(8,270)
Tax paid	(15,861)	(17,722)	(3,202)	(713)
Net cash flows generated from/(used in) operating activities	83,915	62,685	456,021	(222,938)
CASH FLOWS FROM INVESTING ACTIVITIES				
Acquisitions of property, plant and equipment (Note a)	(188,165)	(69,002)	-	-
Additions in:				
- land held for property development	(135,351)	(349)	-	-
- investment properties and investment properties under construction (Note b)	(15,208)	(235,851)	-	-
Dividend income from:				
- subsidiaries	-	-	31,250	346,270
- associates	124,079	4,211	119,868	-
Addition in other investments	-	(6,728)	-	-
Purchase of additional unquoted shares in subsidiaries	-	-	(441,403)	(135,041)
Net cash flows (used in)/generated from investing activities carried forward	(214,645)	(307,719)	(290,285)	211,229

STATEMENTS OF CASH FLOWS
For the Financial Year Ended 30 June 2017
Cont'd

	GROUP		COMPANY	
	2017 RM'000	2016 RM'000	2017 RM'000	2016 RM'000
CASH FLOWS FROM INVESTING ACTIVITIES cont'd				
Net cash flows (used in)/generated from investing activities brought forward	**(214,645)**	(307,719)	**(290,285)**	211,229
Proceeds from disposals of:				
- investment properties	**-**	64,680	**-**	-
- property, plant and equipment	**581**	25	**97**	-
- a subsidiary	**-**	164,940	**-**	-
- investment securities	**8,291**	-	**-**	-
Interest received	**4,201**	1,192	**16,412**	17,374
Net cash flows (used in)/generated from investing activities	**(201,572)**	(76,882)	**(273,776)**	228,603
CASH FLOWS FROM FINANCING ACTIVITIES				
Drawdown of bank borrowings	**837,530**	690,191	**219,960**	212,465
Repayment of bank borrowings	**(686,826)**	(496,468)	**(382,455)**	(209,208)
Dividend paid	**(13,398)**	(13,398)	**(13,398)**	(13,398)
Net cash flows generated from/(used in) financing activities	**137,306**	180,325	**(175,893)**	(10,141)
NET INCREASE/(DECREASE) IN CASH AND CASH EQUIVALENTS	**19,649**	166,128	**6,352**	(4,476)
Effect of exchange rate changes	**(15)**	20	**-**	-
CASH AND CASH EQUIVALENTS AT BEGINNING OF FINANCIAL YEAR	**211,958**	45,810	**(2,807)**	1,669
CASH AND CASH EQUIVALENTS AT END OF FINANCIAL YEAR (Note 30)	**231,592**	211,958	**3,545**	(2,807)

STATEMENTS OF CASH FLOWS
For the Financial Year Ended 30 June 2017
Cont'd

Note:

(a) Additions of property, plant and equipment comprise the following:

	GROUP		COMPANY	
	2017 RM'000	2016 RM'000	2017 RM'000	2016 RM'000
Cash	**188,165**	69,002	**-**	-
Borrowing costs capitalised	**7,219**	3,318	**-**	-
Total additions (Note 15)	**195,384**	72,320	**-**	-

(b) Additions of investment properties and investment properties under construction comprise the following:

	GROUP	
	2017 RM'000	2016 RM'000
Cash	**15,208**	235,851
Borrowing costs capitalised	**-**	6,003
Disposal of a subsidiary	**-**	(111,154)
Total additions (Note 16)	**15,208**	130,700

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

NOTES TO THE FINANCIAL STATEMENTS

30 June 2017

1. CORPORATE INFORMATION

The Company is a public limited liability company, incorporated and domiciled in Malaysia, and is listed on the Main Market of Bursa Malaysia Securities Berhad. The registered office of the Company is located at Level 10, Wisma Hong Leong, 18 Jalan Perak, 50450 Kuala Lumpur. The principal place of business of the Company is located at Level 13, Wisma GuocoLand, Damansara City, No. 6, Jalan Damanlela, Bukit Damansara, 50490 Kuala Lumpur.

The immediate holding company is GLL (Malaysia) Pte Ltd, incorporated in the Republic of Singapore. The ultimate holding company is Hong Leong Company (Malaysia) Berhad ("HLCM"), incorporated in Malaysia.

Related companies in these financial statements refer to member companies in the HLCM Group.

The principal activity of the Company is investment holding. The principal activities of the subsidiaries are as stated in Note 39. There have been no significant changes in the nature of the principal activities during the financial year.

The financial statements were authorised for issue by the Board of Directors in accordance with a resolution of the directors on 18 September 2017.

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

2.1 Basis of preparation

The financial statements of the Group and of the Company have been prepared in accordance with Financial Reporting Standards ("FRS") and the requirements of the Companies Act 2016 in Malaysia. At the beginning of the current financial year, the Group and the Company adopted the new and revised FRSs which are mandatory for annual financial periods beginning on or after 1 January 2016 as described fully in Note 2.2.

The financial statements of the Group and of the Company have been prepared on a historical cost basis, unless otherwise indicated in the summary of significant accounting policies below.

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

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES cont'd

2.2 Changes in accounting policies

On 1 July 2016, the Group and the Company adopted the following new and amended FRSs and IC Interpretation mandatory for annual financial periods beginning on or after 1 January 2016.

Description	Effective for annual periods beginning on or after
Annual Improvements to FRSs 2012 – 2014 Cycle	1 January 2016
Amendments to FRS 116 and FRS 138: Clarification of Acceptable Methods of Depreciation and Amortisation	1 January 2016
Amendments to FRS 11: Accounting for Acquisitions of Interests in Joint Operations	1 January 2016
Amendments to FRS 127: Equity Method in Separate Financial Statements	1 January 2016
Amendments to FRS 101: Disclosure Initiatives	1 January 2016
Amendments to FRS 10, FRS 12 and FRS 128: Investment Entities: Applying the Consolidation Exception	1 January 2016
FRS 14 Regulatory Deferral Accounts	1 January 2016

Amendments to FRS 127: Equity Method in Separate Financial Statements

The amendments will allow entities to use the equity method to account for investments in subsidiaries, joint ventures and associate in their separate financial statements. Entities already applying FRS and electing to change to the equity method in its separate financial statements will have to apply this change retrospectively. For first-time adopters of FRS electing to use the equity method in its separate financial statements, they will be required to apply this method from the date of transition to FRS. These amendments do not have any impact on the Group's and the Company's financial statements.

Amendments to FRS 101: Disclosure Initiatives

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

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

The amendments do not have any impact on the Group's and the Company's financial statements.

NOTES TO THE FINANCIAL STATEMENTS
30 June 2017
Cont'd

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES cont'd

2.2 Changes in accounting policies cont'd

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

The amendments clarify that the exemption from presenting consolidated financial statements applies to a parent entity that is a subsidiary of an investment entity, when the investment entity measures all of its subsidiaries at fair value. The amendments further clarify that only a subsidiary that is not an investment entity itself and provides support services to the investment entity is consolidated. In addition, the amendments also provides that if an entity that is not itself an investment entity has an interest in an associate or joint venture that is an investment entity, the entity may, when applying the equity method, retain the fair value measurement applied by that investment entity associate or joint venture to the investment entity associate's or joint venture's interests in subsidiaries.

The amendments do not have any impact on the Group's financial statements as the Group does not apply the consolidation exception.

FRS 14 Regulatory Deferral Accounts

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

Annual Improvements to FRSs 2012–2014 Cycle

FRS 5 Non-current Assets Held for Sale and Discontinued Operations

The amendment to FRS 5 clarifies that changing from one disposal methods to the other should not be considered to be a new plan of disposal, rather it is a continuation of the original plan. There is therefore no interruption of the application of the requirements in FRS 5.

The amendment also clarifies that changing the disposal method does not change the date of classification. This amendment is applied prospectively.

FRS 7 Financial Instruments: Disclosures

The amendment clarifies that a servicing contract that includes a fee can constitute continuing involvement in a financial asset. An entity must assess the nature of the fee and arrangement against the guidance for continuing involvement in FRS 7 in order to assess whether the disclosures are required.

In addition, the amendment also clarifies that the disclosures in respect of offsetting of financial assets and financial liabilities are not required in the condensed interim financial report. This amendment is applied retrospectively.

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES cont'd

2.2 Changes in accounting policies cont'd

Annual Improvements to FRSs 2012–2014 Cycle cont'd

FRS 119 Employee Benefits

The amendment to FRS 119 clarifies that market depth of high quality corporate bonds is assessed based on the currency in which the obligation is denominated, rather than the country where the obligation is located. When there is no deep market for high quality corporate bonds in that currency, government bond rates must be used. This amendment is applied prospectively.

FRS 134 Interim Financial Reporting

The amendment states that the required interim disclosures must either be in the interim financial statements or incorporated by cross-reference between the interim financial statements and wherever they are included within the greater interim financial report (e.g., in the management commentary or risk report). The other information within the interim financial report must be available to users on the same terms as the interim financial statements and at the same time. This amendment is applied retrospectively.

2.3 Standards and interpretations issued but not yet effective

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

Description	Effective for annual periods beginning on or after
Amendments to FRS 107: Disclosure Initiative	1 January 2017
Amendments to FRS 112: Recognition of Deferred Tax Assets for Unrealised Losses	1 January 2017
Annual Improvements to FRS Standards 2014–2016 Cycle	1 January 2017
FRS 9: Financial Instruments	1 January 2018
Amendments to FRS 2: Classification and Measurement of Shared-based Payment Transactions	1 January 2018
Amendments to FRS 4: Applying FRS 9 Financial Instruments with FRS 4 Insurance Contracts	1 January 2018
Malaysian Financial Reporting Standards	1 January 2018
Amendments to FRS 140: Transfer of Investment Property	1 January 2018
Amendments to FRS 10 and FRS 128: Sale or Contribution of Assets between an Investor and its Associate or Joint Venture	Deferred

NOTES TO THE FINANCIAL STATEMENTS
30 June 2017
Cont'd

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES cont'd

2.3 Standards and interpretations issued but not yet effective cont'd

FRS 107 Disclosures Initiatives

The amendments to FRS 107 Statement of Cash Flows requires an entity to provide disclosures that enable users of financial statements to evaluate changes in liabilities arising from financing activities, including both changes arising from cash flows and non-cash changes. On initial application of this amendment, entities are not required to provide comparative information for preceding periods. These amendments are effective for annual periods beginning on or after 1 January 2017, with early application permitted. Application of amendments will result in additional disclosures to be provided by the Group and the Company.

FRS 112 Recognition of Deferred Tax for Unrealised Losses

The amendments clarify that an entity needs to consider whether tax law restricts the sources of taxable profits against which it may make deductions on the reversal of that deductible temporary difference. Furthermore, the amendments provide guidance on how an entity should determine future taxable profits and explain the circumstances in which taxable profit may include the recovery of some assets for more than their carrying amount.

Entities are required to apply the amendments retrospectively. However, on initial application of the amendments, the change in the opening equity of the earliest comparative period may be recognised in opening retained earnings (or in another component of equity, as appropriate), without allocating the change between retained earnings and other components of equity. Entities applying this relief must disclose that fact.

These amendments are effective for annual periods beginning on or after 1 January 2017 with early application permitted. If an entity applies this amendments for an earlier period, it must disclose that fact. These amendments are not expected to have any impact on the Group and on the Company.

FRS 9: Financial Instruments

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

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES cont'd

2.3 Standards and interpretations issued but not yet effective cont'd

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

The amendments clarify that:

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

- gains and losses resulting from transactions involving the sale or contribution of assets to an associate of a joint venture that constitute a business is recognised in full.

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

Malaysian Financial Reporting Standards ("MFRS")

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

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

On 2 September 2014, MASB announced that Transitioning Entities shall be required to apply the MFRS Framework for annual periods beginning on or after 1 January 2017. Subsequently on 28 October 2015, Transitioning Entities are allowed to defer adoption of MFRS Framework for an additional one year. Consequently, adoption of MFRS Framework by Transitioning Entities will be mandatory for annual periods beginning on or after 1 January 2018.

The Group and the Company fall within the scope definition of Transitioning Entities and accordingly, will be required to prepare financial statements using the MFRS Framework in their first MFRS financial statements for the financial year ending 30 June 2019. In presenting their first MFRS financial statements, the Group and the Company will be required to adjust the comparative financial statements prepared under the FRS to amounts reflecting the application of MFRS Framework. The majority of the adjustments required on transition will be made, retrospectively, against opening retained profits.

The Group and the Company have not completed their quantification of the financial effects of the differences between Financial Reporting Standards and accounting standards under the MFRS Framework. Accordingly, the financial performance and financial position as disclosed in these financial statements for the year ended 30 June 2017 could be different if prepared under the MFRS Framework.

The Group and the Company will achieve their scheduled milestones and expect to be in a position to fully comply with the requirements of the MFRS Framework for the financial year ending 30 June 2019.

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES cont'd

2.4 Basis of consolidation

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

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

(i) power over the investee (i.e existing rights that give it the current ability to direct the relevant activities of the investee);

(ii) exposure, or rights, to variable returns from its investment with the investee; and

(iii) the ability to use its power over the investee to affect its returns.

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

(i) the contractual arrangement with the other vote holders of the investee;

(ii) rights arising from other contractual arrangements; and

(iii) the Group's voting rights and potential voting rights.

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

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

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

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES cont'd

2.4 Basis of consolidation cont'd

Business combinations

Acquisitions of subsidiaries are accounted for by applying the acquisition method, except for business combinations which were accounted for using merger method of accounting as below:

(i) subsidiaries that were consolidated prior to 1 January 2002 using the merger method of accounting where these subsidiaries continue to be consolidated using the merger method of accounting; and

(ii) business combinations involving entities or businesses under common control.

Under the acquisition method, identifiable method, identifiable assets acquired and liabilities assumed in a business combination are measured initially at their fair values at the acquisition date. Acquisition-related costs are recognised as expenses in the periods in which the costs are incurred and the services are received.

In business combinations achieved in stages, previously held equity interests in the acquiree are re-measured to fair value at the acquisition date and any corresponding gain or loss is recognised in profit or loss.

The Group elects for each individual business combination, whether non-controlling interest in the acquiree (if any) is recognised on the acquisition date at fair value, or at the non-controlling interest's proportionate share of the acquiree net identifiable assets.

Any excess of the sum of the fair value of the consideration transferred in the business combination, the amount of non-controlling interest in the acquiree (if any), and the fair value of the Group's previously held equity interest in the acquiree (if any), over the net fair value of the acquiree's identifiable assets and liabilities is recorded as goodwill in the statement of financial position. The accounting policy for goodwill is set out in Note 2.13. In instances where the latter amount exceeds the former, the excess is recognised as a gain on bargain purchase in profit or loss on the acquisition date.

Subsidiaries are consolidated from the date of acquisition, being the date on which the Group obtains control, and continue to be consolidated until the date that such control ceases.

Business combinations involving entities under common control are accounted for by applying the merger method of accounting. The assets and liabilities of the combining entities are reflected at their carrying amounts reported in the consolidated financial statements of the controlling holding company. Any difference between the consideration paid and the share capital and capital reserves of the "acquired" entity is reflected within equity as merger reserve. The statement of comprehensive income reflects the results of the combining entities for the full year, irrespective of when the combination takes place. Comparatives are presented as if the entities had always been combined since the date the entities had come under common control.

NOTES TO THE FINANCIAL STATEMENTS
30 June 2017
Cont'd

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES cont'd

2.5 Transactions with non-controlling interest

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

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

2.6 Subsidiaries

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

2.7 Associates

An associate is an entity, not being a subsidiary or a joint venture, in which the Group has significant influence. An associate is equity accounted for from the date the Group obtains significant influence until the date the Group ceases to have significant influence over the associate.

The Group's investments in associates are accounted for using the equity method. Under the equity method, the investment in associates is measured in the statement of financial position at cost plus post-acquisition changes in the Group's share of net assets of the associates. Goodwill relating to associates is included in the carrying amount of the investment. Any excess of the Group's share of the net fair value of an associate's identifiable assets, liabilities and contingent liabilities over the cost of the investment is excluded from the carrying amount of the investment and is instead included as income in the determination of the Group's share of the associate's profit or loss for the period in which the investment is acquired. Unrealised profits arising from transactions with associates are eliminated.

When the Group's share of losses in an associate equals or exceeds its interest in the associate, the Group does not recognise further losses, unless it has incurred obligations or made payments on behalf of the associate.

After application of the equity method, the Group determines whether it is necessary to recognise an additional impairment loss on the Group's investment in its associates. The Group determines at each reporting date whether there is any objective evidence that the investment in the associate is impaired. If this is the case, the Group calculates the amount of impairment as the difference between the recoverable amount of the associate and its carrying value and recognises the amount in profit or loss.

The most recent available audited financial statements of the associates are used by the Group in applying the equity method. Where the dates of the audited financial statements used are not coterminous with those of the Group, the share of results is arrived at from the last audited financial statements available and management financial statements to the end of the accounting period. Uniform accounting policies are adopted for like transactions and other events in similar circumstances.

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES cont'd

2.7 Associates cont'd

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

2.8 Joint ventures

A joint venture is a type of joint arrangement whereby the parties that have joint control of the arrangement have rights to the net assets of the joint venture. Joint control is the contractually agreed sharing of control of an arrangement, which exists only when decisions about the relevant activities require the unanimous consent of the parties sharing control.

Investments in joint ventures are accounted for in the consolidated financial statements using the equity method of accounting as described in Note 2.7.

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

In the Company's separate financial statements, investments in joint ventures are stated at cost less impairment losses.

On disposal of such investments, the difference between net disposal proceeds and their carrying amounts is included in profit or loss.

2.9 Foreign currency

(a) Functional and presentation currency

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

(b) Foreign currency transactions

Transactions in foreign currencies are measured in the respective functional currencies of the Company and its subsidiaries and are recorded on initial recognition in the functional currencies at exchange rates approximating those ruling at the transaction dates. Monetary assets and liabilities denominated in foreign currencies are translated at the rate of exchange ruling at the reporting date.

Non-monetary items denominated in foreign currencies that are measured at historical cost are translated using the exchange rates as at the dates of the initial transactions. Non-monetary items denominated in foreign currencies measured at fair value are translated using the exchange rates at the date when the fair value was determined.

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES cont'd

2.9 Foreign currency cont'd

(b) Foreign currency transactions cont'd

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

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

(c) Foreign operations

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

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

2.10 Property, plant and equipment

All items of property, plant and equipment are initially recorded at cost. Subsequent costs are included in the asset's carrying amount or recognised as a separate asset, as appropriate, only when it is probable that future economic benefits associated with the item will flow to the Group and the Company and the cost of the item can be measured reliably. The carrying amount of the replaced part is derecognised. All other repairs and maintenance costs are recognised in profit or loss as incurred.

Subsequent to recognition, property, plant and equipment are stated at cost less accumulated depreciation and any accumulated impairment losses.

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES cont'd

2.10 Property, plant and equipment cont'd

Freehold land has an unlimited useful life and therefore is not depreciated. Assets under development are also not depreciated as these assets are not yet available for use. Long term leasehold land is amortised over the lease tenure of 93 years. Planting development expenditure is stated at cost incurred on land clearing activities up to the point of maturity. Upon maturity of crops, the planting development expenditure is amortised over 25 years. Depreciation of other property, plant and equipment is provided for on a straight-line basis to write off the cost of each asset to its residual value over the estimated useful life, at the following annual rates:

Buildings	2% - 4%
Building service plant and equipment	10% - 33%
Furniture and fittings	5% - 10%
Motor vehicles	20%

The residual values, useful life and depreciation method are reviewed, and adjusted if appropriate, at each reporting date.

An item of property, plant and equipment is derecognised upon disposal or when no future economic benefits are expected from its use or disposal. The difference between the net disposal proceeds, if any, and the net carrying amount is recognised in profit or loss.

2.11 Investment properties

Investment properties are properties which are held either to earn rental income or for capital appreciation or for both. Such properties are measured initially at cost, including transaction costs. Subsequent to initial recognition, investment properties are stated at fair value. Fair value is arrived at by reference to market evidence of transaction prices for similar properties.

Gains or losses arising from changes in the fair values of investment properties are recognised in profit or loss in the year in which they arise.

Investment properties are derecognised when either they have been disposed of or when the investment property is permanently withdrawn from use and no future economic benefit is expected from its disposal. Any gains or losses on the retirement or disposal of an investment property are recognised in profit or loss in the year of retirement or disposal.

The estimated value of future assets is based on the expected future income from the project, using risk adjusted yields that are higher than the current yields of similar completed property. The remaining expected costs of completion plus margin are deducted from the estimated future assets value.

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES cont'd

2.12 Land held for property development and property development costs

(a) Land held for property development

Land held for property development consists of land where no development activities have been carried out or where development activities are not expected to be completed within the normal operating cycle. Such land is classified within non-current assets and is stated at cost less any accumulated impairment losses. Where an indication of impairment exists, the carrying amount of the asset is assessed and written down immediately to its recoverable amount.

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

(b) Property development costs

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

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

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

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

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

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

2.13 Goodwill

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

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

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES cont'd

2.13 Goodwill cont'd

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

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

2.14 Impairment of non-financial assets

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

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

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

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

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

NOTES TO THE FINANCIAL STATEMENTS
30 June 2017
Cont'd

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES cont'd

2.15 Financial assets

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

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

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

(a) Financial assets at fair value through profit or loss

Financial assets are classified as financial assets at fair value through profit or loss if they are held for trading or are designated as such upon initial recognition. Financial assets held for trading are derivatives (including separated embedded derivatives) or financial assets acquired principally for the purpose of selling in the near term.

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

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

(b) Loans and receivables

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

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

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

(c) Held-to-maturity investments

Financial assets with fixed or determinable payments and fixed maturity are classified as held-to-maturity when the Group and the Company have the positive intention and ability to hold the investment to maturity.

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES cont'd

2.15 Financial assets cont'd

(c) Held-to-maturity investments cont'd

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

Held-to-maturity investments are classified as non-current assets, except for those having maturity within 12 months after the reporting date which are classified as current.

(d) Available-for-sale financial assets

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

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

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

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

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

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

2.16 Impairment of financial assets

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

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES cont'd

2.16 Impairment of financial assets cont'd

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

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

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

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

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

(b) Available-for-sale financial assets

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

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

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

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES cont'd

2.17 Inventories

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

Cost for trading inventories and consumables comprise costs of purchase and is determined using the weighted average method.

Cost of development properties held for sale comprises cost associated with the acquisition of land, direct costs and appropriate propositions of common costs.

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

2.18 Cash and cash equivalents

Cash and cash equivalents comprise cash at banks and on hand, demand deposits and short term highly liquid investment that are readily convertible to known amount of cash and which are subject to an insignificant risk of changes in value. These also include bank overdrafts that form an integral part of the Group's and of the Company's cash management.

2.19 Provisions

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

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

2.20 Financial liabilities

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

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

(a) Financial liabilities at fair value through profit or loss

Financial liabilities at fair value through profit or loss include financial liabilities held for trading and financial liabilities designated upon initial recognition as at fair value through profit or loss.

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES cont'd

2.20 Financial liabilities cont'd

(a) Financial liabilities at fair value through profit or loss cont'd

Financial liabilities held for trading include derivatives entered into by the Group and the Company that do not meet the hedge accounting criteria. Derivative liabilities are initially measured at fair value and subsequently stated at fair value, with any resultant gains or losses recognised in profit or loss. Net gains or losses on derivatives include exchange differences.

The Group and the Company have not designated any financial liabilities as at fair value through profit or loss.

(b) Other financial liabilities

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

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

Loans and borrowings are recognised initially at fair value, net of transaction costs incurred, and subsequently measured at amortised cost using the effective interest method.

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

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

2.21 Share capital and share issuance expenses

An equity instrument is any contract that evidences a residual interest in the assets of the Group and of the Company after deducting all of their liabilities. Ordinary stock units are equity instruments.

Ordinary stock units are recorded at the proceeds received, net of directly attributable incremental transaction costs. Dividends on ordinary stock units are recognised in equity in the period in which they are declared.

2.22 Trust for executive share schemes

The Company has established a trust for its executive share schemes ("ESS") and is administered by an appointed trustee. The trustee will be entitled from time to time to accept financial assistance from the Company upon such terms and conditions as the Company and the trustee may agree to purchase the Company's share from the open market for the purposes of this trust.

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES cont'd

2.22 Trust for executive share schemes cont'd

The shares purchased are measured and carried at the cost of purchase on initial recognition and subsequently. The ESS Trust is consolidated into the Group's consolidated financial statements as a deduction from equity and classified as "shares held by ESS Trust". Dividends received by the ESS Trust are eliminated against the dividend expense of the Company.

2.23 Borrowing costs

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

All other borrowing costs are recognised in profit or loss in the period they are incurred. Borrowing costs consist of interest and other costs that the Group and the Company incurred in connection with the borrowing of funds.

2.24 Leases

(a) As lessee

Finance leases which transfer to the Group and the Company substantially all the risks and rewards incidental to ownership of the leased item, are capitalised at the inception of the lease at the fair value of the leased asset or, if lower, at the present value of the minimum lease payments. Any initial direct costs are also added to the amount capitalised. Lease payments are apportioned between the finance charges and reduction of the lease liability so as to achieve a constant rate of interest on the remaining balance of the liability. Finance charges are charged to profit or loss. Contingent rents, if any, are charged as expenses in the periods in which they are incurred.

Leased assets are depreciated over the estimated useful life of the asset. However, if there is no reasonable certainty that the Group and the Company will obtain ownership by the end of the lease term, the asset is depreciated over the shorter of the estimated useful life and the lease term.

Operating lease payments are recognised as an expense in profit or loss on a straight-line basis over the lease term. The aggregate benefit of incentives provided by the lessor is recognised as a reduction of rental expense over the lease term on a straight-line basis.

(b) As lessor

Leases where the Group retains substantially all the risks and rewards of ownership of the asset are classified as operating leases. Initial direct costs incurred in negotiating an operating lease are added to the carrying amount of the leased asset and recognised over the lease term on the same basis as rental income. The accounting policy for rental income is set out in Note 2.25(c).

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2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES cont'd

2.25 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.

(a) Sales of properties under development, land and properties held for sale

Revenue from sale of properties under development is accounted for by the stage of completion method as described in Note 2.12(b).

Revenue from sale of land and properties held for sale are recognised net of discount and upon transfer of significant risks and rewards of ownership to the purchasers. Revenue is not recognised to the extent where there are significant uncertainties regarding recovery of the consideration due, associated costs or possible return of properties held for sale.

(b) Dividend income

Dividend income arising from investments in subsidiaries, jointly ventures, associates, long term investments and short term investments are recognised when the right to receive payment is established.

(c) Rental income

Revenue from rental of properties is recognised on the accrual basis unless collectability is in doubt, in which case, it is recognised on receipt basis.

(d) Hotel income

Revenue from hotel operations is recognised net of service taxes and discounts upon rendering of the relevant services.

(e) Interest income

Interest income is recognised on the accrual basis unless the collectability is in doubt, in which case, it is recognised on receipt basis.

(f) Management fee income

Management fee income is recognised on the accrual basis unless the collectability is in doubt, in which case, it is recognised on receipt basis.

(g) Sale of fresh fruit bunch

Revenue from sale of fresh fruit bunch is recognised upon the transfer of risks and rewards.

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES cont'd

2.26 Income tax

(a) Current tax

Current tax assets and liabilities are measured at the amount expected to be recovered from or paid to the taxation authorities. The tax rates and tax laws used to compute the amount are those that are enacted or substantively enacted by the reporting date.

Current taxes are recognised in profit or loss except to the extent that the tax relates to items recognised outside profit or loss, either in other comprehensive income or directly in equity.

(b) Deferred tax

Deferred tax is provided using the liability method on temporary differences at the reporting date between the tax bases of assets and liabilities and their carrying amounts for financial reporting purposes.

Deferred tax liabilities are recognised for all taxable temporary differences, except:

- where the deferred tax liability arises from the initial recognition of goodwill or of an asset or liability in a transaction that is not a business combination and, at the time of the transaction, affects neither the accounting profit nor taxable profit or loss; and

- in respect of taxable temporary differences associated with investments in subsidiaries, associates and interests in jointly controlled entities, where the timing of the reversal of the temporary differences can be controlled and it is probable that the temporary differences will not reverse in the foreseeable future.

Deferred tax assets are recognised for all deductible temporary differences, carry forward of unused tax credits and unused tax losses, to the extent that it is probable that taxable profit will be available against which the deductible temporary differences, and the carry forward of unused tax credits and unused tax losses can be utilised except:

- where the deferred tax asset relating to the deductible temporary difference arises from the initial recognition of an asset or liability in a transaction that is not a business combination and, at the time of the transaction, affects neither the accounting profit nor taxable profit or loss; and

- in respect of deductible temporary differences associated with investments in subsidiaries, associates and interests in jointly controlled entities, deferred tax assets are recognised only to the extent that it is probable that the temporary differences will reverse in the foreseeable future and taxable profit will be available against which the temporary differences can be utilised.

The carrying amount of deferred tax assets is reviewed at each reporting date and reduced to the extent that it is no longer probable that sufficient taxable profit will be available to allow all or part of the deferred tax asset to be utilised. Unrecognised deferred tax assets are reassessed at each reporting date and are recognised to the extent it has become probable that future taxable profit will allow the deferred tax assets to be utilised.

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES cont'd

2.26 Income tax cont'd

(b) Deferred tax cont'd

Deferred tax assets and liabilities are measured at the tax rates that are expected to apply to the year when the asset is realised or the liability is settled, based on tax rates and tax laws that have been enacted or substantially enacted at the reporting date.

Deferred tax relating to items recognised outside profit or loss is recognised outside profit or loss. Deferred tax items are recognised in correlation to the underlying transaction either in other comprehensive income or directly in equity and deferred tax arising from a business combination is adjusted against goodwill on acquisition.

Deferred tax assets and deferred tax liabilities are offset, if a legally enforceable right exists to set off current tax assets against current tax liabilities and the deferred taxes relate to the same taxable entity and the same taxation authority.

(c) Malaysian Goods and Services Tax ("GST'')

On and after 1 April 2015, revenues, expenses and assets are recognised net of the amount of GST except:

- where the GST incurred in a purchase of assets or services is not recoverable from the taxation authority, in which case the GST is recognised as part of the cost of acquisition of the asset or as part of the expense item as applicable; and

- receivables and payables that are stated with the amount of GST included.

The net amount of GST recoverable from, or payable to, the taxation authority is included as part of receivables or payables in the statement of financial position.

2.27 Employee benefits

(a) Short term benefits

Wages, salaries, paid annual leave and sick leave, bonuses and social security contributions are recognised as an expense in the year in which the associated services are rendered by employees.

(b) Defined contribution plans

Defined contribution plans are post-employment benefit plans under which the Group and the Company pay fixed contributions into separate entities or funds and will have no legal or constructive obligation to pay further contributions if any of the funds do not hold sufficient assets to pay all employee benefits relating to employee services in the current and preceding years. Such contributions are recognised as an expense in the profit or loss as incurred. As required by laws, companies in Malaysia make such contributions to the Employees Provident Fund ("EPF").

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES cont'd

2.27 Employee benefits cont'd

(c) Share-based payments

The Group and the Company operate equity-settled, share based compensation plans for the eligible executives of the Group and of the Company.

The fair value of the employee service received in exchange for the grant of the share options is recognised as an expense in the profit or loss over the vesting periods of the grant with a corresponding increase in equity. The proceeds received net of any directly attributable transaction costs are credited to equity when the options are exercised.

The total amount to be expensed over the vesting period is determined by reference to the fair value of the share options granted, excluding the impact of any non-market vesting conditions. Non-market vesting conditions are included in assumptions about the number of options that are expected to vest. At each reporting date, the Group and the Company revise their estimates of the number of share options that are expected to vest. They recognise the impact of the version of original estimates, if any, in the profit or loss, with a corresponding adjustment to equity.

2.28 Operating segments

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

2.29 Fair value measurement

The Group and the Company measure non-financial assets such as investment properties, at fair value at each reporting date.

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. The fair value measurement is based on the presumption that the transaction to sell the asset or transfer the liability takes place either:

(a) in the principal market for the asset or liability; or

(b) in the absence of a principal market, in the most advantageous market for the asset or liability.

The principal or the most advantageous market must be accessible to by the Group and the Company.

The fair value of an asset or a liability is measured using the assumptions that market participants would use when pricing the asset or liability, assuming that market participants act in their economic best interest.

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES cont'd

2.29 Fair value measurement cont'd

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

The Group and the Company use valuation techniques that are appropriate in the circumstances and for which sufficient data are available to measure fair value, maximising the use of relevant observable inputs and minimising the use of unobservable inputs.

All assets and liabilities for which fair value is measured or disclosed in the financial statements are categorised within the fair value hierarchy, described as follows, based on the lowest level input that is significant to the fair value measurement as a whole:

Level 1 Quoted (unadjusted) market prices in active markets for identical assets or liabilities

Level 2 Valuation techniques for which the lowest level input that is significant to the fair value measurement is directly or indirectly observable

Level 3 Valuation techniques for which the lowest level input that is significant to the fair value measurement is unobservable

For assets and liabilities that are recognised in the financial statements on a recurring basis, the Group and the Company determine whether transfers have occurred between levels in the hierarchy by re-assessing categorisation (based on the lowest level input that is significant to the fair value measurement as a whole) at the end of each reporting period.

The Group's and the Company's management determines the policies and procedures for both recurring fair value measurement, such as investment properties and unquoted AFS financial assets, and for non-recurring measurement, such as assets held for distribution in discontinued operation.

External valuers are involved for valuation of significant assets, such as properties and AFS financial assets, and significant liabilities, such as contingent consideration. Selection criteria of external valuers include market knowledge, reputation, independence and whether professional standards are maintained. The management decides, after discussions with the Group's and the Company's external valuers, which valuation techniques and inputs to use for each case.

At each reporting date, the management analyses the movements in the values of assets and liabilities which are required to be re-measured or re-assessed as per the Group's and the Company's accounting policies. For this analysis, the management verifies the major inputs applied in the latest valuation by agreeing the information in the valuation computation to contracts and other relevant documents.

The management, in conjunction with the Group's and the Company's external valuers, also compares the changes in the fair value of each asset and liability with relevant external sources to determine whether the change is reasonable.

For the purpose of fair value disclosures, the Group and the Company have determined classes of assets and liabilities on the basis of the nature, characteristics and risks of the asset or liability and the level of the fair value heirarchy as explained above.

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES cont'd

2.30 Current versus non-current classification

The Group and the Company present assets and liabilities in statement of financial position based on current/non-current classification. An asset is current when it is:

(i) expected to be realised or intended to be sold or consumed in normal operating cycle;

(ii) held primarily for the purpose of trading;

(iii) expected to be realised within twelve months after the reporting period; or

(iv) cash or cash equivalent unless restricted from being exchanged or used to settle a liability for at least twelve months after the reporting period.

All other assets are classified as non-current.

A liability is current when:

(i) it is expected to be settled in normal operating cycle;

(ii) it is held primarily for the purpose of trading;

(iii) it is due to be settled within twelve months after the reporting period; or

(iv) there is no unconditional right to defer the settlement of the liability for at least twelve months after the reporting period.

The Group and the Company classify all other liabilities as non-current. Deferred tax assets and liabilities are classified as non-current assets and liabilities.

3. SIGNIFICANT ACCOUNTING JUDGEMENTS AND ESTIMATES

The preparation of the Group's and of the Company's financial statements requires management to make judgements, estimates and assumptions that affect the reported amounts of revenues, expenses, assets and liabilities, and the disclosure of contingent liabilities at the reporting date. However, uncertainty about these assumptions and estimates could result in outcomes that could require a material adjustment to the carrying amount of the asset or liability affected in the future.

NOTES TO THE FINANCIAL STATEMENTS
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Cont'd

3. SIGNIFICANT ACCOUNTING JUDGEMENTS AND ESTIMATES cont'd

3.1 Critical judgements made in applying accounting policies

The following are critical judgements made by management in the process of applying the Group's and the Company's accounting policies that have the most significant effect on the amounts recognised in the financial statements:

(a) Operating lease commitments – the Group as lessor

The Group has entered into commercial property leases on its investment properties. The Group has determined that it retains all the significant risks and rewards of ownership of these properties which are leased out on operating leases.

(b) Classification between investment properties and property, plant and equipment

The Group has developed certain criteria based on FRS 140 in making judgement whether a property qualifies as an investment property. Investment property is a property held to earn rentals or for capital appreciation or both.

Some properties comprise a portion that is held to earn rentals or for capital appreciation and another portion that is held for use in the production or supply of goods or services or for administrative purposes.

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

3.2 Key sources of estimation uncertainty

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

(a) Depreciation of property, plant and equipment

The cost of hotel buildings are depreciated on a straight-line basis over 50 years with no residual values assumed at the end of their respective useful lives. This is due to the intention of management to continue running the hotel operations until the end of the respective expected useful lives. Changes in the upkeep and maintenance policies could impact the economic useful lives and the residual values of these assets and therefore, future depreciation charges on such assets could be revised.

(b) Property development

The Group recognises property development revenue and expenses in the profit or loss by using the stage of completion method. The stage of completion is determined by the proportion that property development costs incurred for work performed to date bear to the estimated total property development costs.

3. SIGNIFICANT ACCOUNTING JUDGEMENTS AND ESTIMATES cont'd

3.2 Key sources of estimation uncertainty cont'd

(b) Property development cont'd

Any impairment or expected loss on a development project is recognised as an expense immediately.

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

(c) Income taxes

(i) Deferred tax assets are recognised for all unused tax losses, unabsorbed capital allowances and unabsorbed investment tax allowances to the extent that it is probable that taxable profit will be available against which the losses, capital allowances and investment tax allowance can be utilised. Significant management judgement is required to determine the amount of deferred tax assets that can be recognised, based upon the likely timing and level of future taxable profits together with future tax planning strategies.

The total carrying value of recognised and unrecognised deferred tax assets of the Group are as disclosed in Note 23.

(ii) Significant judgement and estimates are used in arriving at taxable profits for the year and for prior years, including assessing the deductibility of expense items for tax purposes. Management are guided by tax laws/cases on such instances. Management believes that all deductions claimed, in arriving at taxable profits for current and prior years, are appropriate and justifiable.

(d) Unsold property inventories

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

Significant judgement is required in arriving at the net realisable value, particularly the estimated selling price of property inventories in the ordinary course of the business. The Group has considered all available information, including but not limited to property market conditions, locations of property inventories and target buyers.

Details of property inventories are disclosed in Note 25.

(e) Investment properties

The investment properties are stated at fair value based on the valuation performed by the independent professional valuers. The valuers have determined the fair value based on a method of valuation which involves certain estimates and assumptions.

Details of investment properties are disclosed in Note 16. Details of significant inputs used in the valuation are disclosed in Note 38.

NOTES TO THE FINANCIAL STATEMENTS
30 June 2017
Cont'd

3. SIGNIFICANT ACCOUNTING JUDGEMENTS AND ESTIMATES cont'd

3.2 Key sources of estimation uncertainty cont'd

(f) Impairment of investments in subsidiaries

The Company reviews its investments in subsidiaries when there are indicators of impairment. Impairment is measured by comparing the carrying amount of an investment with its recoverable amount. Significant judgement is required in determining the recoverable amount. The Company evaluates the recoverable amounts based on market performance, economic and political situation of the country in which the subsidiaries operate. During the financial year, the Company recognised impairment loss of investments in subsidiaries amounting to RM99,371,000. The carrying amount of investments in subsidiaries as at 30 June 2017 are RM1,085,193,000 (2016: RM743,161,000). Further details are disclosed in Note 18.

4. REVENUE

	GROUP		COMPANY	
	2017	2016	2017	2016
	RM'000	RM'000	RM'000	RM'000
Property development:				
- sale of properties under development	**33,435**	128,442	**-**	-
- sale of property inventories	**152,137**	110,408	**-**	-
Rental of properties	**10,268**	709	**-**	-
Revenue from hotel operations	**51,947**	53,126	**-**	-
Dividend income from:				
- investment in securities	**258**	18	**-**	-
- subsidiaries	**-**	-	**31,250**	346,270
- associate	**-**	-	**119,868**	-
Management fees	**16,570**	6,955	**-**	-
Sale of fresh fruit bunch	**20,999**	15,419	**-**	-
	285,614	315,077	**151,118**	346,270

5. COST OF SALES

	GROUP		COMPANY	
	2017 RM'000	2016 RM'000	2017 RM'000	2016 RM'000
Property development costs (Note 26)	**16,061**	71,479	**-**	-
Cost of property inventories sold (Note 25)	**98,270**	78,542	**-**	-
Services rendered	**41,050**	35,342	**-**	-
Cost of fresh fruit bunch sold	**7,782**	7,100	**-**	-
	163,163	192,463	**-**	-

6. OTHER NET OPERATING INCOME/(LOSS)

	GROUP		COMPANY	
	2017 RM'000	2016 RM'000	2017 RM'000	2016 RM'000
Property, plant and equipment:				
- written off	**(1,071)**	(11)	**(157)**	-
- gain on disposal	**300**	21	**97**	-
Rental income	**7,143**	9,616	**-**	-
Bad debts written off	**-**	(2)	**-**	-
Reversal of allowance for impairment on:				
- trade receivables (Note 27)	**-**	11	**-**	-
- other receivables (Note 27)	**15**	64	**-**	-
Allowance for impairment on:				
- trade receivables (Note 27)	**(490)**	(107)	**-**	-
Realisation of goodwill (Note 22)	**(1,484)**	(341)	**-**	-
Net gain on fair value adjustments of investment properties (Note 16)	**610**	24,590	**-**	-
Gain on disposal of investment properties	**-**	16,680	**-**	-
Net fair value gain/(loss) on derivative financial assets and liabilities (Note 24)	**67**	(880)	**-**	-
Net realised exchange gain/(loss)	**4**	(5)	**-**	(138)
Gain on disposal of a subsidiary (Note 18)	**-**	78,929	**-**	-
Gain on disposal of available-for-sale investments	**691**	-	**-**	-
Impairment loss on investment in subsidiaries (Note 18)	**-**	-	**(99,371)**	-
Other expenses	**(3,134)**	(148)	**-**	-
Other income	**689**	1,016	**9**	29
	3,340	129,433	**(99,422)**	(109)

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7. FINANCE INCOME

	GROUP		COMPANY	
	2017 RM'000	2016 RM'000	2017 RM'000	2016 RM'000
Interest income from:				
- subsidiaries	**-**	-	**15,774**	17,332
- late payment interests	**30**	70	**-**	-
- others	**4,201**	1,192	**638**	42
	4,231	1,262	**16,412**	17,374

8. FINANCE COSTS

	GROUP		COMPANY	
	2017 RM'000	2016 RM'000	2017 RM'000	2016 RM'000
Interest expense on:				
- loans and borrowings	**38,187**	39,738	**2,599**	7,837
- subsidiaries	**-**	-	**4,188**	6,133
Others	**1,410**	556	**860**	433
	39,597	40,294	**7,647**	14,403

9. PROFIT BEFORE TAX

The following amounts have been included in arriving at profit before tax:

	GROUP		COMPANY	
	2017 RM'000	2016 RM'000	2017 RM'000	2016 RM'000
Auditors' remuneration				
- statutory audit	**459**	357	**109**	74
- underprovision in previous years	**20**	57	**-**	-
Direct operating expenses of income generating investment properties	**9,705**	941	**-**	-
Depreciation of property, plant and equipment (Note 15)	**6,724**	6,655	**73**	80
Employee benefits expense (Note 10)	**43,072**	37,756	**130**	874
Non-executive directors' remuneration (Note 11)	**612**	450	**492**	410
Office rental	**1,488**	2,181	**218**	295

10. EMPLOYEE BENEFITS EXPENSE

	GROUP		COMPANY	
	2017 RM'000	2016 RM'000	2017 RM'000	2016 RM'000
Salaries and wages	**36,426**	32,871	**90**	517
Defined contribution plans	**4,240**	3,186	**14**	82
Social security contributions	**250**	229	**1**	9
Other benefits	**2,156**	1,470	**25**	266
	43,072	37,756	**130**	874

Included in employee benefits expense of the Group and of the Company are executive directors' remuneration excluding benefits-in-kind amounting to RM3,072,000 and RM Nil (2016: RM1,952,000 and RM Nil) respectively as disclosed in Note 11.

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11. DIRECTORS' REMUNERATION

The details of remuneration of the directors of the Group and of the Company during the financial year were as follows:

	GROUP		COMPANY	
	2017 RM'000	2016 RM'000	2017 RM'000	2016 RM'000
Executive:				
Salaries and other emoluments	2,734	1,740	-	-
Defined contribution plans	332	209	-	-
Fees	6	3	-	-
Estimated money value of benefits-in-kind	62	23	-	-
	3,134	1,975	-	-
Non-Executive:				
Fees	464	309	344	269
Other emoluments	148	141	148	141
	612	450	492	410
Total directors' remuneration	3,746	2,425	492	410
Total directors' remuneration excluding benefits-in-kind				
- Executive directors (Note 10)	3,072	1,952	-	-
- Non-executive directors (Note 9)	612	450	492	410
Total directors' remuneration excluding benefits-in-kind	3,684	2,402	492	410

11. DIRECTORS' REMUNERATION cont'd

The number of directors (including directors resigned/retired during the financial year) of the Company whose total remuneration during the financial year falls within the following bands is analysed below:

	Number of directors	
	2017	**2016**
Executive directors:		
RM750,001 - RM800,000	**-**	1
RM800,001 - RM1,200,000	**-**	-
RM1,200,001 - RM1,250,000	**-**	1
RM1,250,001 - RM2,700,000	**-**	-
RM2,700,001 - RM2,750,000	**1**	-
	1	2
Non-executive directors:		
RM50,000 and below	**2**	2
RM50,001 - RM100,000	**1**	1
RM100,001 - RM150,000	**4**	5
	7	8

12. INCOME TAX EXPENSE

The major tax components of income tax expense for the financial years ended 30 June 2017 and 2016 are:

	GROUP		COMPANY	
	2017 RM'000	**2016 RM'000**	**2017 RM'000**	**2016 RM'000**
Current income tax:				
- Malaysian income tax	**12,001**	15,615	**2,780**	1,643
- (Over)/underprovision in prior years	**(740)**	(2,029)	**711**	(231)
	11,261	13,586	**3,491**	1,412
Real property gains tax	**-**	8,309	**-**	-
	11,261	21,895	**3,491**	1,412

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12. INCOME TAX EXPENSE cont'd

	GROUP		COMPANY	
	2017 RM'000	2016 RM'000	2017 RM'000	2016 RM'000
Deferred tax (Note 23):				
- relating to origination and reversal of temporary differences	(1,117)	(2,254)	-	-
- (Over)/underprovision in prior year	(1,254)	1,635	-	-
	(2,371)	(619)	-	-
Income tax expense for the year	8,890	21,276	3,491	1,412

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

Taxation for other jurisdictions is calculated at the rates prevailing in the respective jurisdictions.

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

	GROUP		COMPANY	
	2017 RM'000	2016 RM'000	2017 RM'000	2016 RM'000
Profit before tax	135,354	139,972	58,570	346,040
Taxation at Malaysian statutory tax rate of 24% (2016: 24%)	32,485	33,593	14,057	83,050
Deferred tax recognised at different tax rates	(116)	(4,672)	-	-
Effect of lower tax rate	-	(10,634)	-	-
Tax effect on share of results of associates and joint ventures	(28,880)	(1,681)	-	-
Tax effect on dividend income from an associate	1,011	1,011	-	-
Income not subject to tax	(278)	(4,515)	(36,268)	(83,105)
Expenses not deductible for tax purposes	7,462	5,306	24,991	1,698
Utilisation of previously unrecognised deferred tax assets	(4,647)	(3,224)	-	-
Deferred tax assets not recognised during the year	3,847	6,486	-	-
(Over)/underprovision of income tax expense in prior years	(740)	(2,029)	711	(231)
(Over)/underprovision of deferred tax in prior year	(1,254)	1,635	-	-
Income tax expense for the year	8,890	21,276	3,491	1,412

13. EARNINGS PER SHARE

Basic earnings per share amounts are calculated by dividing profit for the year, net of tax, attributable to owners of the parent by the weighted average number of ordinary shares in issue during the financial year (net of ESS Trust shares).

Diluted earnings per share amounts are calculated by dividing the profit for the year, net of tax, attributable to owners of the parent by the weighted average number of ordinary shares in issue during the financial year (net of ESS Trust shares) plus the weighted average number of ordinary shares that would be issued on the conversion of all the dilutive ordinary shares into ordinary shares.

The following reflect the profit and share data used in the computation of basic and diluted earnings per share for the financial years ended 30 June:

	GROUP	
	2017 RM'000	**2016 RM'000**
Profit attributable to owners of the parent	**121,809**	114,040

	Number of shares '000	**Number of shares '000**
Weighted average number of ordinary shares for basic earnings per share computation	669,881	669,881
Earnings per share attributable to owners of the parent (sen per share):		
Basic	18.18	17.02
Diluted	18.18	17.02

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14. DIVIDEND

	Amount		Net dividend per share	
	2017 RM'000	**2016 RM'000**	**2017 Sen**	**2016 Sen**
GROUP/COMPANY				
In respect of financial year ended 30 June 2016				
- Final single tier dividend of 2 sen per share paid on 7 December 2016	**13,398**	-	**2.00**	-
In respect of financial year ended 30 June 2015				
- Final single tier dividend of 2 sen per share paid on 2 December 2015	**-**	13,398	**-**	2.00
	13,398	13,398	**2.00**	2.00

At the forthcoming Annual General Meeting, a final single tier dividend in respect of the financial year ended 30 June 2017, of 2 sen per share on 669,880,418 (net of ESS Trust shares) ordinary shares, will be proposed for shareholders' approval. The financial statements for the current financial year do not reflect this proposed dividend of RM13,397,608. Such dividend, if approved by the shareholders, will be accounted for in shareholders' equity as an appropriation of retained profits in the financial year ending 30 June 2018.

15. PROPERTY, PLANT AND EQUIPMENT

	Freehold land RM'000	Freehold land and buildings RM'000	Long term leasehold land RM'000	Hotel building on leasehold land RM'000	Freehold land and building under construction RM'000	Building service plant and equipment RM'000	Furniture and fittings RM'000	Motor vehicles RM'000	Planting and development expenditure RM'000	Total RM'000
GROUP										
Cost										
At 1 July 2016	2,272	82,485	5,250	108,461	158,890	21,936	19,339	1,996	5,223	405,852
Additions	-	-	-	-	186,713	5,559	1,688	906	518	195,384
Disposals	-	-	-	-	-	(39)	(121)	(1,081)	-	(1,241)
Written off	-	-	-	-	-	(1,272)	(1,067)	-	-	(2,339)
At 30 June 2017	2,272	82,485	5,250	108,461	345,603	26,184	19,839	1,821	5,741	597,656
Accumulated depreciation										
At 1 July 2016	-	10,302	1,072	28,917	-	14,016	13,028	1,605	388	69,328
Charge for the year (Note 9)	-	1,311	-	1,969	-	1,156	1,591	155	542	6,724
Disposals	-	-	-	-	-	(21)	(72)	(867)	-	(960)
Written off	-	-	-	-	-	(712)	(556)	-	-	(1,268)
At 30 June 2017	-	11,613	1,072	30,886	-	14,439	13,991	893	930	73,824
Net carrying amount										
At 30 June 2017	2,272	70,872	4,178	77,575	345,603	11,745	5,848	928	4,811	523,832

15. PROPERTY, PLANT AND EQUIPMENT cont'd

	Freehold land RM'000	Freehold land and buildings RM'000	Long term leasehold land RM'000	Hotel building on leasehold land RM'000	Freehold land and building under construction RM'000	Building service plant and equipment RM'000	Furniture and fittings RM'000	Motor vehicles RM'000	Planting and development expenditure RM'000	Total RM'000
GROUP										
Cost										
At 1 July 2015	2,272	82,312	5,250	108,461	89,695	21,627	17,989	1,704	4,391	333,701
Additions	-	173	-	-	69,195	342	1,350	428	832	72,320
Disposals	-	-	-	-	-	(4)	-	(136)	-	(140)
Written off	-	-	-	-	-	(29)	-	-	-	(29)
At 30 June 2016	2,272	82,485	5,250	108,461	158,890	21,936	19,339	1,996	5,223	405,852
Accumulated depreciation										
At 1 July 2015	-	8,989	1,072	26,949	-	12,516	11,521	1,600	180	62,827
Charge for the year (Note 9)	-	1,313	-	1,968	-	1,518	1,507	141	208	6,655
Disposals	-	-	-	-	-	-	-	(136)	-	(136)
Written off	-	-	-	-	-	(18)	-	-	-	(18)
At 30 June 2016	-	10,302	1,072	28,917	-	14,016	13,028	1,605	388	69,328
Net carrying amount										
At 30 June 2016	2,272	72,183	4,178	79,544	158,890	7,920	6,311	391	4,835	336,524

15. PROPERTY, PLANT AND EQUIPMENT cont'd

	Motor vehicles RM'000	Office equipment RM'000	Furniture and fittings RM'000	Total RM'000
COMPANY				
At 30 June 2017				
Cost				
At 1 July 2016	345	258	469	1,072
Disposals	(345)	-	-	(345)
Written off	-	-	(297)	(297)
At 30 June 2017	-	258	172	430
Accumulated depreciation				
At 1 July 2016	345	183	235	763
Charge for the year (Note 9)	-	29	44	73
Disposals	(345)	-	-	(345)
Written off	-	-	(140)	(140)
At 30 June 2017	-	212	139	351
Net carrying amount				
At 30 June 2017	-	46	33	79
At 30 June 2016				
Cost				
At 1 July 2015/30 June 2016	345	258	469	1,072
Accumulated depreciation				
At 1 July 2015	345	150	188	683
Charge for the year (Note 9)	-	33	47	80
At 30 June 2016	345	183	235	763
Net carrying amount				
At 30 June 2016	-	75	234	309

During the financial year, the borrowing costs capitalised into freehold land and building under construction of the Group amounted to RM7,219,000 (2016: RM3,318,000).

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15. PROPERTY, PLANT AND EQUIPMENT cont'd

The net carrying amounts of property, plant and equipment pledged for borrowings as referred to in Note 34 are as follows:

	GROUP	
	2017	**2016**
	RM'000	**RM'000**
Freehold land and buildings	**64,139**	64,139
Long term leasehold land	**3,739**	3,903
Hotel building on leasehold land	**77,575**	79,544
Freehold land and building under construction	**345,603**	158,890
	491,056	306,476

16. INVESTMENT PROPERTIES

Movements in the investment properties are as follows:

	GROUP	
	2017	**2016**
	RM'000	**RM'000**
At beginning of financial year	**528,500**	421,210
Additions from subsequent expenditure	**15,208**	130,700
Net gain on fair value adjustments (Note 6)	**610**	24,590
Disposal during the year	**-**	(48,000)
At end of financial year	**544,318**	528,500
Comprising:		
At valuation:		
Completed investment properties:		
- Leasehold land and buildings	**4,500**	5,600
- Freehold land and buildings	**539,818**	522,900
At end of financial year	**544,318**	528,500

The investment properties are stated at fair value of which has been determined based on valuation reports by accredited independent valuers as at reporting date. The fair value represents 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.

16. INVESTMENT PROPERTIES cont'd

The net carrying amounts of investment properties charged to financial institutions as collaterals for credit facilities granted to the Group as disclosed in Note 34 are as follows:

	GROUP	
	2017	2016
	RM'000	RM'000
Freehold land and buildings	539,818	522,900

During the financial year, there are no borrowing costs capitalised into investment properties of the Group (2016: RM6,003,000).

17. LAND HELD FOR PROPERTY DEVELOPMENT

	Freehold land	Development expenditure	Total
	RM'000	RM'000	RM'000
GROUP			
At 30 June 2017			
Cost			
At 1 July 2016	303,194	886	304,080
Additions	131,847	3,504	135,351
At 30 June 2017	435,041	4,390	439,431
Accumulated impairment losses			
At 1 July 2016/30 June 2017	758	-	758
Carrying amount at 30 June 2017	434,283	4,390	438,673

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17. LAND HELD FOR PROPERTY DEVELOPMENT cont'd

	Freehold land RM'000	Development expenditure RM'000	Total RM'000
GROUP			
At 30 June 2016			
Cost			
At 1 July 2015	358,269	10,137	368,406
Additions	-	349	349
Disposal during the year	(57,574)	(10,109)	(67,683)
Transfer from property development cost (Note 26)	2,499	509	3,008
At 30 June 2016	303,194	886	304,080
Accumulated impairment losses			
At 1 July 2015	5,944	-	5,944
Disposal during the year	(5,944)	-	(5,944)
Transfer from property development cost (Note 26)	758	-	758
At 30 June 2016	758	-	758
Carrying amount at 30 June 2016	302,436	886	303,322

18. INVESTMENTS IN SUBSIDIARIES

	COMPANY	
	2017 RM'000	2016 RM'000
Unquoted shares, at cost	**1,184,779**	743,376
Less: Accumulated impairment losses	**(99,586)**	(215)
	1,085,193	743,161

Details of the subsidiaries are disclosed in Note 39.

18. INVESTMENTS IN SUBSIDIARIES cont'd

The change of allowance for impairment in respect of investments in subsidiaries during the financial year is as follows:

	COMPANY	
	2017	2016
	RM'000	RM'000
At beginning of financial year	215	215
Add: Allowance for impairment (Note 6)	99,371	-
At end of financial year	99,586	215

Acquisition of a subsidiary

During the financial year, the Company acquired 100% equity interest in Titan Debut Sdn Bhd from its wholly-owned subsidiary, namely Astute Modernization Sdn Bhd for a total cash consideration of RM1. The acquisition did not have any material effect on the financial results and position of the Group.

Disposal of a subsidiary

During the previous financial year, the Group completed the disposal of its 100% equity interest in DC Tower Sdn Bhd ("DCT"), an indirect wholly-owned subsidiary of the Company, to a related party (Note 43(c)) for a total cash consideration of RM168,784,000. DCT was previously reported as part of the property investment segment.

The disposal had the following effects on the financial position and finance performance of the Group as at the date of disposal:

	2016
	RM'000
Investment properties	529,154
Trade and other receivables	1,866
Tax recoverable	3
Cash and bank balances	3,844
Loans and borrowings	(384,730)
Deferred tax liabilities	(8,489)
Trade and other payables	(51,793)
Net assets disposed	89,855
Total disposal proceeds (Note 43(c))	(168,784)
Gain on disposal to the Group (Note 6)	(78,929)
Disposal proceeds settled by cash	168,784

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18. INVESTMENTS IN SUBSIDIARIES cont'd

Disposal of a subsidiary cont'd

The disposal had the following effects on the financial position and finance performance of the Group as at the date of disposal: cont'd

	2016 RM'000
Cash inflow arising on disposal:	
Cash consideration	168,784
Cash and cash equivalents of subsidiary disposed of	(3,844)
Net cash inflow on disposal	164,940

Subscription of ordinary shares and/or redeemable preference shares ("RPS")

During the financial year, the Company completed the following transactions involving RPS:

a) Subscription of 40,650 RPS in Bedford Development Sdn Bhd at an issue price of RM1,000 each for a total consideration of RM40,650,000;

b) Subscription of 21,876 RPS in DC Town Square Sdn Bhd at an issue price of RM1,000 each for a total consideration of RM21,876,000;

c) Subscription of 84,300 RPS in GLM Real Estate Holdings Sdn Bhd at an issue price of RM1,000 each for a total consideration of RM84,300,000;

d) Subscription of 25,291,000 ordinary shares in GLM Equities Sdn Bhd at an issue price of RM1 each for a total consideration of RM25,291,000;

e) Subscription of 16,000 RPS in GLM Oval Sdn Bhd at an issue price of RM1,000 each for a total consideration of RM16,000,000;

f) Subscription of 6,516,472 ordinary shares in GLM Property Services Sdn Bhd at an issue price of RM1 each for a total consideration of RM6,516,472;

g) Subscription of 7,499,000 ordinary shares in GLM Alam Damai Sdn Bhd at an issue price of RM1 each for a total consideration of RM7,499,000;

h) Subscription of 47,001 RPS in GLM Alam Damai Sdn Bhd at an issue price of RM1,000 each for a total consideration of RM47,001,000;

i) Subscription of 159,470,000 RPS in Titan Debut Sdn Bhd at an issue price of RM1 each for a total consideration of RM159,470,000;

j) Subscription of 4,999,998 ordinary shares in Tujuan Optima Sdn Bhd at an issue price of RM1 each for a total consideration of RM4,999,998; and

k) Subscription of 27,800 RPS in Tujuan Optima Sdn Bhd at an issue price of RM1,000 for a total consideration of RM27,800,000.

18. INVESTMENTS IN SUBSIDIARIES cont'd

Subscription of ordinary shares and/or redeemable preference shares ("RPS") cont'd

During the previous financial year, the Company completed the following transactions involving ordinary shares and/or RPS:

a) Subscription of 88,343 RPS in Astute Modernization Sdn Bhd at an issue price of RM1,000 comprising par value of RM1.00 each and premium of RM999 each for a total consideration of RM88,343,000;

b) Subscription of 6,920 RPS in Bedford Development Sdn Bhd at an issue price of RM1,000 comprising par value of RM1.00 each and premium of RM999 each for a total consideration of RM6,920,000;

c) Subscription of 34,778 RPS in GLM Oval Sdn Bhd at an issue price of RM1,000 comprising par value of RM1.00 each and premium of RM999 each for a total consideration of RM34,778,000; and

d) Subscription of 5,000 RPS in GLM Alam Damai Sdn Bhd at an issue price of RM1,000 comprising par value of RM1.00 each and premium of RM999 each for a total consideration of RM5,000,000.

Winding up of a subsidiary

During the previous financial year, HL Bandar Sdn Bhd, a wholly-owned subsidiary of the Company, had been placed under member's voluntary winding-up pursuant to Section 254(1)(b) of the Companies Act, 1965.

None of the subsidiary with non-controlling interests is material to the Group. Accordingly, the disclosure requirements of FRS 12 Disclosure of Interests In Other Entities are not presented.

19. INVESTMENTS IN ASSOCIATES

	GROUP		COMPANY	
	2017 RM'000	2016 RM'000	2017 RM'000	2016 RM'000
Quoted shares in Malaysia, at cost	64,890	64,890	-	-
Unquoted shares in Malaysia, at cost	56,000	56,000	56,000	56,000
Unquoted shares outside Malaysia, at cost	6	6	-	-
Less: Accumulated impairment losses	(6)	(6)	-	-
	120,890	120,890	56,000	56,000
Share of post acquisition reserves	77,321	79,588	-	-
Share of post acquisition translation reserve	(295)	(295)	-	-
	197,916	200,183	56,000	56,000
Represented by:				
Share of net assets of associates	197,916	200,183	N/A	N/A
Market value of quoted shares	73,530	73,530	N/A	N/A

19. INVESTMENTS IN ASSOCIATES cont'd

Details of the associates are as follows:

Name of company	Country of incorporation	Effective equity interest 2017 %	Effective equity interest 2016 %	Principal activities
^ Luck Hock Venture Holdings, Inc.	Philippines	**28**	28	Dormant
^ Tower Real Estate Investment Trust ("Tower REIT")	Malaysia	**22**	22	Investment in real estate and real estate-related assets
Vintage Heights Sdn Bhd ("Vintage Heights")	Malaysia	**40**	40	Property development and operation of an oil palm estate

^ *Not audited by member firms of Ernst & Young Global.*

The Group has carried out a review on the recoverable amount of the investment in Tower REIT. The recoverable amount is determined based on value-in-use calculation using cash flow projections of future dividend income and the proceeds from the ultimate disposal of the investment.

The key assumptions used in the value-in-use calculation are as follows:

(i) Growth rates

Future dividend income is estimated to grow at 3% (2016: 3%) per annum over the next 5 years and thereafter, grow at a steady rate of 4.5% (2016: 4.5%) per annum for the next 10 years. The growth rates used are based on the average growth rates achieved in the previous years and adjusted to lower rates to account for the probability of any unfavourable market conditions.

(ii) Discount rate

Discount rate used is 7.05% (2016: 7.05%). This rate is pre-tax and reflects specific risks relating to the investment.

Based on the value-in-use calculation, management believes that the carrying amount of the investment in Tower REIT is fully recoverable.

19. INVESTMENTS IN ASSOCIATES cont'd

The Group's interest in the assets, liabilities, revenue and profit of associates are as follows:

	GROUP	
	2017	2016
	RM'000	RM'000
Assets and liabilities		
Non-current assets	**187,160**	184,851
Current assets	**35,112**	49,337
Total assets	**222,272**	234,188
Non-current liabilities	**(3,429)**	(26,413)
Current liabilities	**(20,927)**	(7,592)
Total liabilities	**(24,356)**	(34,005)
Results		
Revenue	**207,136**	19,122
Profit for the year	**121,812**	7,200

The following table summarises the information of the Group's material associates. The summarised financial information represents the amounts in the financial statements of the associates and not the Group's share of those amounts.

(i) Summarised statement of financial position

	Tower REIT		Vintage Heights		Total	
	2017	2016	2017	2016	2017	2016
	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000
Non-current assets	**559,000**	559,000	**165,138**	159,365	**724,138**	718,365
Current assets	**9,351**	9,300	**82,715**	118,305	**92,066**	127,605
Total assets	**568,351**	568,300	**247,853**	277,670	**816,204**	845,970
Non-current liabilities	**(15,829)**	(16,287)	**-**	(15,090)	**(15,829)**	(31,377)
Current liabilities	**(7,595)**	(7,186)	**(48,200)**	(57,210)	**(55,795)**	(64,396)
Total liabilities	**(23,424)**	(23,473)	**(48,200)**	(72,300)	**(71,624)**	(95,773)
Net assets	**544,927**	544,827	**199,653**	205,370	**744,580**	750,197

19. INVESTMENTS IN ASSOCIATES cont'd

(ii) Summarised statement of comprehensive income

	Tower REIT		Vintage Heights		Total	
	2017 RM'000	2016 RM'000	2017 RM'000	2016 RM'000	2017 RM'000	2016 RM'000
Revenue	**35,295**	37,191	**498,725**	27,663	**534,020**	64,854
Profit before tax	**19,533**	27,695	**386,808**	4,065	**406,341**	31,760
Profit for the year representing total comprehensive income	**19,533**	27,695	**293,953**	3,000	**313,486**	30,695

(iii) Reconciliation of the summarised financial information presented above to the carrying amount of the Group's interest in associates

	Tower REIT		Vintage Heights		Total	
	2017 RM'000	2016 RM'000	2017 RM'000	2016 RM'000	2017 RM'000	2016 RM'000
Net assets at 1 July	**544,827**	536,569	**205,370**	202,370	**750,197**	738,939
Profit for the year	**19,533**	27,695	**293,953**	3,000	**313,486**	30,695
Dividend paid during the year	**(19,433)**	(19,437)	**(299,670)**	-	**(319,103)**	(19,437)
Net assets at 30 June	**544,927**	544,827	**199,653**	205,370	**744,580**	750,197
Interest in associates as at year end	**21.66%**	21.66%	**40.00%**	40.00%		
Carrying value of Group's interest in associates	**118,032**	118,010	**79,862**	82,148	**197,894**	200,158

20. INVESTMENTS IN JOINT VENTURES

	GROUP	
	2017	**2016**
	RM'000	**RM'000**
Investments, at cost	**75,872**	75,872
Share of post acquisition reserves	**35,001**	36,773
	110,873	112,645

Details of the joint ventures are disclosed in Note 40.

The Group's interest in the assets, liabilities, revenue and expenses of joint ventures are as follows:

	GROUP	
	2017	**2016**
	RM'000	**RM'000**
Assets and liabilities		
Non-current assets	**130,993**	118,280
Current assets	**94,701**	108,801
Total assets	**225,694**	227,081
Non-current liabilities	**(35,859)**	(32,425)
Current liabilities	**(78,962)**	(82,011)
Total liabilities	**(114,821)**	(114,436)
Results		
Revenue	**8,982**	23,730
Expenses, including finance costs and income tax expense	**(10,459)**	(23,924)
Loss for the year	**(1,477)**	(194)

The Group has recorded elimination of intragroup transactions of RM295,000 (2016: RM641,000) during the financial year.

Investments in joint ventures are individually not material to the Group.

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20. INVESTMENTS IN JOINT VENTURES cont'd

Aggregate information of joint ventures that are individually not material are as follows:

	2017 RM'000	2016 RM'000
The Group's share of loss before tax	**(919)**	(195)
The Group's share of loss after tax, representing total comprehensive income	**(1,477)**	(194)

21. AVAILABLE-FOR-SALE INVESTMENTS

	GROUP	
	2017 RM'000	2016 RM'000
Long term investments		
At fair value:		
Quoted shares in Malaysia, representing total available-for-sale investments	**1,566**	1,830

The change in the carrying amount of quoted equity instruments was as a result of remeasurement to its current fair value as at reporting date.

22. GOODWILL

	GROUP	
	2017 RM'000	2016 RM'000
At beginning of financial year	**13,297**	13,638
Realisation during the year (Note 6)	**(1,484)**	(341)
At end of financial year	**11,813**	13,297

On 26 October 2007, the Group, through its wholly-owned subsidiary, Astute Modernization Sdn Bhd, acquired 100% interest in Titan Debut Sdn Bhd. The acquisition was accounted for as a business combination in accordance with FRS 3 Business Combination. Accordingly, paragraph 15(b)(i) of FRS 112 Income Taxes requires deferred tax liability to be recognised for all taxable temporary differences arising from initial recognition of an asset or liability in a transaction which is a business combination. Such temporary differences arose from the differences between the fair value of assets and liabilities acquired in a business combination and their respective tax bases. Accordingly, the acquisition of the said subsidiary had resulted in the recognition of deferred tax liability amounting to RM17,732,000 with the corresponding debit being recognised as additional goodwill. Consequently, to the extent that such deferred tax liability is reversed, the corresponding goodwill will also be realised.

22. GOODWILL cont'd

During the current financial year, the Group recognised such realisation of goodwill amounting to RM1,484,000 (2016: RM341,000) due to the reversal of the deferred tax liability relating to the property inventories sold during the current financial year.

23. DEFERRED TAX

	GROUP	
	2017 RM'000	2016 RM'000
At beginning of financial year	**27,268**	27,887
Recognised in the profit or loss (Note 12)	**(2,371)**	(619)
At end of financial year	**24,897**	27,268

Presented after appropriate offsetting as follows:

	GROUP	
	2017 RM'000	2016 RM'000
Deferred tax assets	**(7,347)**	(6,361)
Deferred tax liabilities	**32,244**	33,629
	24,897	27,268

The components and movements of Group's deferred tax liabilities and assets during the financial year prior to offsetting are as follows:

Deferred tax liabilities of the Group

	Inventories RM'000	Land held for development RM'000	Investment properties RM'000	Accelerated capital allowances RM'000	Total RM'000
At 1 July 2015	13,638	-	18,104	1,055	32,797
Recognised in the profit or loss	(341)	13,286	(12,077)	(36)	832
At 30 June 2016/1 July 2016	13,297	13,286	6,027	1,019	33,629
Recognised in the profit or loss	(1,484)	-	36	63	(1,385)
At 30 June 2017	**11,813**	**13,286**	**6,063**	**1,082**	**32,244**

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23. DEFERRED TAX cont'd

Deferred tax assets of the Group

	Unused tax losses and unabsorbed capital allowances RM'000	Development properties RM'000	Total RM'000
At 1 July 2015	(162)	(4,748)	(4,910)
Recognised in the profit or loss	-	(1,451)	(1,451)
At 30 June 2016/1 July 2016	(162)	(6,199)	(6,361)
Recognised in the profit or loss	-	(986)	(986)
At 30 June 2017	**(162)**	**(7,185)**	**(7,347)**

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

	GROUP	
	2017 RM'000	2016 RM'000
Unused tax losses	**168,171**	172,426
Unabsorbed capital allowances	**69,063**	68,141
Unabsorbed investment tax allowances	**152,700**	152,700
Others	**1,869**	1,869
	391,803	395,136

The unused tax losses, unabsorbed capital allowances and unabsorbed investment tax allowances are available indefinitely for offset against future taxable profits of the subsidiaries in which those items arose. Deferred tax assets have not been recognised in respect of these items as they may not be used to offset taxable profits of other subsidiaries in the Group and they have arisen in subsidiaries that have a recent history of losses.

24. DERIVATIVE FINANCIAL ASSETS/(LIABILITIES)

	GROUP		
	Contract/ Notional amount RM'000	Assets RM'000	Liabilities RM'000
As at 30 June 2017			
Non-hedging derivatives:			
Current			
Interest rate swaps	**126,000**	**118**	**(103)**
As at 30 June 2016			
Non-hedging derivatives:			
Non-current			
Interest rate swaps	236,000	255	(307)

The Group uses interest rate swaps and foreign exchange forward contracts to manage some of the transaction exposure. These contracts are not designated as cash flow or fair value hedges and are entered into for periods consistent with fair value changes exposure and foreign exchange transaction exposure. Such derivatives do not qualify for hedge accounting.

The interest rate swaps are used to hedge cash flow interest rate risk arising from various floating rate bank loans with a total amount of RM595,752,000 (2016: RM629,975,000) (Notes 34 and 37(b)). These interest rate swaps receive floating interest equal to Kuala Lumpur Interbank Offered Rate ("KLIBOR") per annum, pay fixed rates of interest ranging from 3.33% to 3.82% per annum (2016: 3.33% to 3.82%). The remaining term to maturity of the interest rate swaps are less than 5 years.

During the financial year, the Group recognised a net gain of RM67,000 (2016: net loss of RM880,000) (Note 6) arising from fair value changes of derivative financial assets and financial liabilities. The fair value changes are attributable to changes in KLIBOR and foreign exchange spot and forward rate. The method and assumptions applied in determining the fair value of derivatives are disclosed in Note 37(h). The fair value hierarchy of derivatives is disclosed in Note 38.

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25. INVENTORIES

	GROUP	
	2017 RM'000	2016 RM'000
At cost		
Property inventories	**714,376**	821,406
Saleable merchandise	**604**	739
Operating supplies	**950**	591
	715,930	822,736
At net realisable value		
Property inventories	**40,226**	1,178
	756,156	823,914

The cost of property inventories of the Group recognised as cost of sales during the financial year amounted to RM98,270,000 (2016: RM78,542,000) as disclosed in Note 5.

As at the reporting date, the carrying amount of property inventories of RM708,647,000 (2016: RM815,806,000) have been pledged as securities for the borrowing facilities granted to the Group as disclosed in Note 34.

26. PROPERTY DEVELOPMENT COSTS

	GROUP	
	2017	**2016**
	RM'000	**RM'000**
Cumulative property development costs		
At beginning of financial year:		
Freehold land	**127,033**	171,452
Leasehold land	**34,807**	34,807
Development costs	**269,046**	450,892
	430,886	657,151
Cost incurred during the year:		
Development costs	**65,071**	169,329
Less: Accumulated impairment losses		
At beginning of financial year	**(20,859)**	(21,617)
Transferred to land held for property development (Note 17)	**-**	758
At end of financial year	**(20,859)**	(20,859)
Cumulative cost recognised in the profit or loss:		
At beginning of financial year	**(174,338)**	(102,859)
Recognised during the year (Note 5)	**(16,061)**	(71,479)
At end of financial year	**(190,399)**	(174,338)
Transfers to:		
Land held for property development (Note 17)	**-**	(3,008)
Inventories	**(39,316)**	(392,586)
	(39,316)	(395,594)
Property development costs at end of financial year	**245,383**	235,689

During the financial year, the borrowing costs capitalised into property development costs of the Group amounted to RM9,369,000 (2016: RM10,670,000).

As at the reporting date, the carrying amounts of freehold land and related development costs pledged as securities for the borrowing facilities granted to the Group as disclosed in Note 34 amounted to RM225,672,000 (2016: RM216,156,000).

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27. TRADE AND OTHER RECEIVABLES

	GROUP		COMPANY	
	2017 RM'000	2016 RM'000	2017 RM'000	2016 RM'000
Trade receivables	82,989	42,784	-	-
Less: Allowance for impairment	(1,007)	(517)	-	-
	81,982	42,267	-	-
Other receivables	27,060	23,245	259	173
Less: Allowance for impairment	(2,056)	(2,071)	-	-
	25,004	21,174	259	173
Subsidiaries	-	-	89,440	417,024
Related companies	511	13,929	-	8
Associate company	126	-	-	-
Joint venture	685	-	-	-
Total trade and other receivables	108,308	77,370	89,699	417,205
Total trade and other receivables	108,308	77,370	89,699	417,205
Less: GST receivable	(11,978)	(9,359)	(129)	(43)
Add: Cash and cash equivalents (Note 30)	231,592	218,061	3,545	441
Total loans and receivables	327,922	286,072	93,115	417,603

Trade receivables are non-interest bearing and are generally on 7 to 90 days (2016: 7 to 90 days) term. They are recognised at their original invoice amounts which represent their fair values on initial recognition.

The amounts due from related companies, associates and joint ventures are unsecured, non-interest bearing and have no fixed terms of repayments.

The amounts due from subsidiaries are unsecured, repayable on demand and bore interest at rates ranging 4.27% to 4.42% (2016: 4.34% to 4.51%) per annum.

There is no significant concentration of credit risk that may arise from exposures to a single debtor or to groups of debtors except for the amounts due from related companies and subsidiaries in respect of the Group and of the Company respectively, with the amount of maximum credit risk exposure equivalent to the respective debtors' carrying amounts as at the reporting date.

27. TRADE AND OTHER RECEIVABLES cont'd

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

	Nominal amounts 2017 RM'000	Allowance for impairment 2017 RM'000	Nominal amounts 2016 RM'000	Allowance for impairment 2016 RM'000
GROUP				
Not past due	**72,771**	**-**	23,273	-
Past due 1 to 30 days	**7,506**	**-**	14,630	-
Past due 31 to 90 days	**1,640**	**-**	4,357	-
More than 90 days past due	**1,072**	**(1,007)**	524	(517)
	82,989	**(1,007)**	42,784	(517)

Generally, the Group does not renegotiate the terms of trade receivables. There were no renegotiated balances outstanding as at financial year end. Due to the good credit standing of the trade receivables and based on historical default rates, the Group believes that generally no further allowance for impairment is necessary in respect of trade receivables that are past due.

The Group's trade receivables that are impaired at the reporting date and the movement of the allowance accounts used to record the impairment are as follows:

	GROUP 2017 RM'000	GROUP 2016 RM'000
Trade receivables - nominal amounts	**1,007**	517
Less: Allowance for impairment	**(1,007)**	(517)
Net impaired trade receivable	**-**	-

The change of allowance for impairment in respect of trade receivables during the financial year is as follows:

	GROUP 2017 RM'000	GROUP 2016 RM'000
At beginning of financial year	**517**	421
Add: Allowance for impairment (Note 6)	**490**	107
Less: Reversal of impairment (Note 6)	**-**	(11)
At end of financial year	**1,007**	517

27. TRADE AND OTHER RECEIVABLES cont'd

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

The change of allowance for impairment in respect of other receivables during the financial year is as follows:

	GROUP	
	2017 RM'000	2016 RM'000
At beginning of financial year	**2,071**	2,135
Less: Reversal of impairment (Note 6)	**(15)**	(64)
At end of financial year	**2,056**	2,071

28. OTHER CURRENT ASSETS

	GROUP	
	2017 RM'000	2016 RM'000
Accrued billings in respect of property development costs	**-**	17,998
Prepayments	**894**	584
	894	18,582

29. OTHER INVESTMENT

Other investment represents income management fund investment managed by a licensed financial institution.

	GROUP	
	2017 RM'000	2016 RM'000
Short term investment		
Cash fund, representing total amount of fair value through profit or loss	**49**	6,746

30. CASH AND CASH EQUIVALENTS

	GROUP		COMPANY	
	2017 RM'000	2016 RM'000	2017 RM'000	2016 RM'000
Deposits placed with licensed banks	**206,071**	190,912	**345**	334
Cash and bank balances	**25,521**	27,149	**3,200**	107
Cash and cash equivalents (Note 27 and Note 41)	**231,592**	218,061	**3,545**	441
Bank overdrafts (Note 34)	**-**	(6,103)	**-**	(3,248)
Cash and cash equivalents as per statements of cash flows	**231,592**	211,958	**3,545**	(2,807)
Of which the balances of amounts placed with a related company, which is a licensed financial institution, are as follows:				
- deposits	**79,755**	190,190	**-**	-
- bank balances	**9,997**	12,591	**156**	105

Cash and bank balances of the Group include RM4,486,000 (2016: RM11,182,000) held pursuant to Section 7A of the Housing Development (Control and Licensing) Act 1966 and are restricted from use in other operations.

The effective interest rates of deposits placed with licensed banks of the Group and of the Company as at the reporting date range from 0.50% to 3.85% (2016: 0.40% to 4.15%) per annum and 3.00% (2016: 3.20%) per annum respectively.

The maturities of deposits placed with licensed banks of the Group and of the Company as at the reporting date range from 1 to 94 days (2016: 1 to 92 days) and 94 days (2016: 92 days) respectively.

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31. SHARE CAPITAL

	GROUP/COMPANY			
	Ordinary shares			
	2017 Number of shares '000	2016 Number of shares '000	2017 Amount RM'000	2016 Amount RM'000
Authorised				
At beginning of the financial year/end of the financial year	-*	3,000,000	-*	1,500,000
Issued and fully paid				
At beginning of the financial year	**700,459**	700,459	**350,229**	350,229
Effect of implementation of Companies Act 2016	**-**	-	**35,089**	-
At end of the financial year	**700,459**	700,459	**385,318**	350,229

* *The Companies Act 2016 which came into operation on 31 January 2017, abolished the concept of authorised share capital and par value of share capital.*

32. RESERVES

		GROUP		COMPANY	
	Note	2017 RM'000	2016 RM'000	2017 RM'000	2016 RM'000
Non-distributable:					
Share premium	(a)	**-**	35,089	**-**	35,089
Exchange reserve	(b)	**8**	23	**-**	-
Fair value reserve	(c)	**769**	388	**-**	-
Merger reserve	(d)	**(24,028)**	(24,028)	**68,219**	68,219
Capital redemption reserve	(e)	**-**	27	**-**	-
Other reserve		**27**	-	**-**	-
		(23,224)	11,499	**68,219**	103,308
Distributable:					
Retained profits	(f)	**993,830**	885,419	**652,361**	610,680
		970,606	896,918	**720,580**	713,988

32. RESERVES cont'd

(a) Share premium

The new Companies Act 2016 ("Act"), which came into operation on 31 January 2017, abolished the concept of authorised share capital and par value of share capital.

Consequently, the amount standing to the credit of the Company's share premium account of RM35,089,000 becomes part of the Company's share capital pursuant to the transitional provision set out in Section 618(2) of the Act. Notwithstanding this provision, the Company may within 24 months from the commencement of the Act, use the amount standing to the credit of its share premium account for purposes as set out in Section 618(3) of the Act. There is no impact on the number of shares in issue or the relative entitlement of any members of the Company as a result of this transaction.

(b) Exchange reserve

Exchange differences arising on translation of financial statements of subsidiaries whose functional currencies are different from that of the Group's presentation currency are taken into exchange reserve.

(c) Fair value reserve

Fair value reserve represents the cumulative net change in the fair value of available-for-sale financial assets until they are disposed of or impaired.

(d) Merger reserve

The merger reserve of the Group arose as a result of business combinations involving entities under common control accounted for by applying the merger method of accounting. The negative merger reserve as at the reporting date represents the excess of the consideration paid over the share capital and capital reserves of the subsidiaries as at the acquisition date.

The merger reserve of the Company represents the premium arising on the shares issued in respect of the subsidiaries accounted for under the merger method of accounting which is credited to the merger reserve account in accordance with the relief granted by Section 60(4) of the Companies Act, 1965.

(e) Capital redemption reserve

Capital redemption reserve arises from the redemption of redeemable preference shares in accordance with Section 61(5) of Companies Act 1965.

(f) Retained profits

The Company may distribute dividends out of its entire retained profits as at 30 June 2017 under the single tier system.

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33. SHARES HELD BY ESS TRUST

In the previous financial years, the Company established a trust ("ESS Trust") for its eligible executives pursuant to the establishment of the executive share schemes ("ESS").

The ESS Trust is administered by an appointed trustee. The trustee will be entitled from time to time to accept financial assistance from the Company, its subsidiaries or a third party upon such terms and conditions as the Company and the trustee may agree to purchase shares in the Company from the open market for the purposes of this trust. The shares purchased for the benefit of the ESS holders are recorded as "Shares held by ESS Trust" in the Group's and the Company's statements of financial position as a deduction in arriving at the shareholders' equity.

Details of the shares acquired during previous financial years are as follows:

	Lowest	Share price Highest	Average	Number of shares	Total consideration
	RM	RM	RM	'000	RM'000
At 1 July 2016/30 June 2017	**0.62**	**1.72**	**0.78**	**30,578**	**23,883**

The main features and the details of the ESS are disclosed in Note 36.

34. LOANS AND BORROWINGS

	GROUP		COMPANY	
	2017	2016	2017	2016
	RM'000	RM'000	RM'000	RM'000
Current				
Bank overdrafts - secured (Note 30)	**-**	2,850	**-**	-
Bank overdrafts - unsecured (Note 30)	**-**	3,253	**-**	3,248
Revolving credits - secured	**108,320**	30,000	**-**	-
Revolving credits - unsecured	**9,300**	165,565	**9,300**	165,565
Term loans - secured	**138,991**	46,328	**-**	-
Term loans - unsecured	**-**	156,230	**-**	6,230
	256,611	404,226	**9,300**	175,043
Non-current				
Term loans - secured	**1,162,110**	869,894	**-**	-
Total loans and borrowings (Note 35 and Note 41)	**1,418,721**	1,274,120	**9,300**	175,043

34. LOANS AND BORROWINGS cont'd

The maturity of loans and borrowings are as follows:

	GROUP		COMPANY	
	2017 RM'000	2016 RM'000	2017 RM'000	2016 RM'000
On demand or within 1 year	**256,611**	404,226	**9,300**	175,043
More than 1 year but less than 2 years	**205,583**	160,811	**-**	-
More than 2 years but less than 5 years	**612,950**	338,548	**-**	-
More than 5 years	**343,577**	370,535	**-**	-
	1,418,721	1,274,120	**9,300**	175,043

The bank overdrafts of the Group are secured by a second legal charge over the long term leasehold land and a second fixed and floating charge over the assets of a subsidiary. The bank overdrafts of the Group and of the Company bore effective interest at rates ranging from 7.15% to 7.45% (2016: 6.85% to 7.70%) and 7.15% to 7.45% (2016: 7.35% to 7.70%) respectively per annum during the financial year.

The revolving credits of the Group and of the Company are obtained by a negative pledge over all assets of the Company. The revolving credits of the Group and of the Company bore effective interest at rates ranging from 3.94% to 4.80% (2016: 4.07% to 4.95%) and 3.94% to 4.65% (2016: 4.07% to 4.65%) respectively per annum.

The revolving credits of the Group are secured by legal charges on certain property, plant and equipment, land held for property development and development properties as disclosed in Notes 15, 17 and 26 as well as fixed and floating charges on assets of certain subsidiaries.

The term loans of the Group are secured by legal charges on certain property, plant and equipment, investment properties, land held for property development, inventories and development properties as disclosed in Notes 15, 16, 17, 25 and 26 as well as fixed and floating charges on assets of certain subsidiaries.

The term loans of the Group are repayable over the periods from years 2015 to 2024 (2016: 2015 to 2023) and bore interest at rates ranging from 4.18% to 4.75% (2016: 4.25% to 5.17%) per annum during the financial year.

In the previous financial year, the term loans of the Company were repayable over the periods from years 2014 to 2017 and bore interest at rates ranging from 4.45% to 4.50% per annum.

Interest rate swaps with total notional amount of RM126,000,000 (2016: RM236,000,000) are used to manage the Group's exposure to interest rate risk arising from the Group's floating rate term loans.

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35. TRADE AND OTHER PAYABLES

	GROUP		COMPANY	
	2017 RM'000	2016 RM'000	2017 RM'000	2016 RM'000
Current				
Trade payables	23,203	63,628	-	-
Associates	137	137	-	-
Related companies	31,258	4,338	-	-
Provision for foreseeable loss in land and development	6,035	6,035	-	-
Provision for liquidated ascertained damages	15	15	-	-
Accrual for further cost	124,416	80,465	-	-
Retention sum	45,462	44,461	-	-
Accrued operating expenses	17,855	17,628	565	663
Deposits received	2,276	7,618	-	-
Other payables	20,465	11,756	53	183
	271,122	236,081	618	846
Non current				
Other payables	8,674	-	-	-
Amounts due to subsidiaries	-	-	141,401	-
	8,674	-	141,401	-
Total trade and other payables	279,796	236,081	142,019	846
Total trade and other payables	279,796	236,081	142,019	846
Less: Provision for foreseeable loss in land and development	(6,035)	(6,035)	-	-
Less: Provision for liquidated ascertained damages	(15)	(15)	-	-
Less: GST payable	(422)	(526)	-	-
Add: Loans and borrowings (Note 34)	1,418,721	1,274,120	9,300	175,043
Total financial liabilities carried at amortised cost	1,692,045	1,503,625	151,139	175,889

The normal credit terms granted by the trade payables range from 30 to 60 days (2016: 30 to 60 days).

Amounts due to associates and related companies are unsecured, non-interest bearing and have no fixed terms of repayments.

35. TRADE AND OTHER PAYABLES cont'd

Amounts due to subsidiaries are unsecured, bore interest at rate 3.00% per annum during the financial year and are not expected to be repaid within the foreseeable future.

The movements in provision for foreseeable loss in land and development are as follows:

	GROUP	
	2017 RM'000	2016 RM'000
At beginning/end of financial year	**6,035**	6,035

Provision made is in respect of foreseeable losses for certain property development activities undertaken by the subsidiaries of the Group. A provision is recognised for expected losses from the development of low cost units, deterioration of market value or undesirable condition of land which will increase future development costs.

The movements in provision for liquidated ascertained damages in land and development are as follows:

	GROUP	
	2017 RM'000	2016 RM'000
At beginning/end of financial year	**15**	15

36. EMPLOYEE BENEFITS

EXECUTIVE SHARE SCHEME ("ESS")

(a) Executive Share Option Scheme ("ESOS")

At an Extraordinary General Meeting ("EGM") held on 11 October 2011, the shareholders of the Company had approved the establishment of a new executive share option scheme ("ESOS").

The Company is a subsidiary of GuocoLand Limited, which in turn is a subsidiary of Guoco Group Limited ("GGL"), a corporation listed on The Stock Exchange of Hong Kong Limited ("HKSE"). Under the HKSE Listing Rules, all schemes involving the grant of options by GGL and its subsidiaries to, or for the benefit of, specified participants would have to comply with the provisions of the HKSE Listing Rules, with appropriate modifications. The HKSE Listing Rules further provide that where the shares of the listed issuer or the subsidiary concerned are also listed on another stock exchange, the more onerous requirements shall prevail and be applied in the event of a conflict or inconsistency between the requirements of the HKSE Listing Rules and the requirements of the other stock exchange.

Pursuant to the HKSE Listing Rules, the ESOS was further approved by the shareholders of GGL on 25 November 2011 ("Approval Date").

36. EMPLOYEE BENEFITS cont'd

EXECUTIVE SHARE SCHEME ("ESS") cont'd

(a) Executive Share Option Scheme ("ESOS") cont'd

On 23 September 2011, the Company announced that Bursa Malaysia Securities Berhad ("Bursa Securities") had approved-in-principle the listing of new ordinary shares of the Company to be issued pursuant to the exercise of options under the ESOS at any time during the existence of the ESOS.

The ESOS was established on 21 March 2012 and shall be in force for a period of 10 years.

The ESOS would provide an opportunity for eligible executives who had contributed to the growth and development of the Group to participate in the equity of the Company.

Subsequently, at an EGM held on 21 October 2013, the shareholders of the Company had approved the establishment of an executive share grant scheme ("ESGS'').

Pursuant to the HKSE Listing Rules, the amendments to the Bye-Laws of the ESOS to incorporate the ESGS were approved by the shareholders of GGL on 19 November 2013.

On 18 September 2013, the Company announced that Bursa Securities had approved-in-principle the listing of new ordinary shares of the Company to be issued pursuant to the vesting of shares of the Company under the ESGS at any time during the existence of the ESGS.

The ESGS was established on 28 February 2014. The ESGS would reward the eligible executives for their contribution to the Group with grants without any consideration payable by the eligible executives.

The ESOS together with the ESGS have been renamed as the Executive Share Scheme ("ESS"). For ease of administration, the Bye-Laws of the ESOS were amended to incorporate the ESGS to form the consolidated Bye-Laws of the ESS ("GLM Bye-Laws").

The main features of the ESS are, inter alia, as follows:

1. Eligible executives are those executives of the Group who have been confirmed in service on the date of offer or directors (executive or non-executive) of the Company and its subsidiaries. The Board of Directors of the Company ("Board") may from time to time at its discretion select and identify suitable eligible executives to be offered options or grants.

2. The aggregate number of shares to be issued under the ESS and any other ESOS established by the Company shall not exceed 10% of the issued and paid-up ordinary share capital (excluding treasury shares) of the Company at any one time ("Maximum Aggregate"). In compliance with the HKSE Listing Rules, the Maximum Aggregate shall be subjected to the provision that the total number of new shares of the Company which may be issued upon exercise of options under the ESS must not in aggregate exceed 10% of the issued and paid-up ordinary share capital of the Company as at the Approval Date unless approval shall have been obtained from the shareholders of GGL.

3. In compliance with the HKSE Listing Rules, no options may be granted to any eligible executive in any 12-month period that would enable such eligible executive becoming entitled to subscribe for new shares exceeding in nominal value of 1% of the issued and paid-up ordinary share capital of GLM in issue unless approval shall have been obtained from the shareholders of GGL.

36. EMPLOYEE BENEFITS cont'd

EXECUTIVE SHARE SCHEME ("ESS") cont'd

(a) Executive Share Option Scheme ("ESOS") cont'd

4. The ESS shall be in force until 20 March 2022.

5. The option price shall not be at a discount of more than 10% (or such discount as the relevant authorities shall permit) from the 5-day weighted average market price of the shares of the Company preceding the date of offer and shall in no event be less than the par value of the shares of the Company.

6. No consideration is required to be payable by eligible executives for shares of the Company to be vested pursuant to share grants.

7. Option granted to an option holder is exercisable by the option holder only during his/her employment or directorship with the Group and within the option exercise period subject to any maximum limit as may be determined by the Board under the GLM Bye-Laws.

8. Shares of the Company granted to a share grant holder will be vested to the share grant holder only during his/her employment or directorship with the Group subject to any maximum limit as may be determined by the Board under the GLM Bye-Laws.

9. The exercise of options and the vesting of shares of the Company may, at the discretion of the Board, be satisfied by way of issuance of new shares, transfer of existing shares purchased by a trust established for the ESS ("ESS Trust"); or a combination of both new shares or existing shares.

There were no outstanding options and grant of shares under the ESS of the Company during the financial year.

(b) Value Creation Incentive Plan ("VCIP")

On 22 August 2011, the Company had established a Value Creation Incentive Plan ("VCIP") for selected key executives of the Group to incentivise them towards achieving long term performance targets through the grant of options over GLM shares, which options will be satisfied through the transfer of existing GLM shares held by the ESS Trust.

As the VCIP does not involve any issuance of new shares, the VCIP and the grant of options under the VCIP do not require the approval of shareholders of the Company and GGL.

There were no outstanding options and grant of options under the VCIP during the financial year.

The Board shall have the discretion to determine the aggregate allocation of shares to directors and senior management pursuant to the ESS and the VCIP, but in any case, it shall not exceed the Maximum Aggregate.

37. FINANCIAL INSTRUMENTS

(a) Financial risk management objectives and policies

The Group's and the Company's financial risk management objectives seek to ensure that adequate financial resources are available for the development of the Group's and the Company's businesses whilst managing their interest rate, credit, liquidity, foreign currency and equity price risks. The Group's and the Company's policy is not to engage in speculative transactions.

(b) Interest rate risk

Interest rate risk is the risk that the fair value or future cash flows of the Group's and of the Company's financial instruments will fluctuate because of changes in market interest rates.

The Group's and the Company's exposure to interest rate risk arises primarily from their loans and borrowings and loans at floating rates given to subsidiaries. All of the Group's and of the Company's financial assets and liabilities at floating rates are contractually re-priced at intervals of less than 6 months (2016: less than 6 months) from the reporting date.

The Group's and the Company's policy is to manage interest cost using a mix of fixed and floating rate debts. To manage this mix in a cost-efficient manner, the Group enters into interest rate swaps. At the reporting date, after taking into account the effect of the interest rate swaps, approximately 9% (2016: 19%) of the Group's borrowings are at fixed rates of interest.

<u>Sensitivity analysis for fixed rate instruments</u>

The Group and the Company do not account for any fixed rate instruments at fair value through the profit or loss. Therefore, a change in interest rates at the reporting date would not affect the profit or loss.

<u>Sensitivity analysis for variable rate instruments</u>

At the reporting date, the management does not expect any fluctuation in interest rates. Accordingly, the sensitive analysis of the effect on profit before tax is not presented.

37. FINANCIAL INSTRUMENTS cont'd

(c) Effective interest rates and repricing analysis

The range of effective interest rates of the interest-earning financial assets and interest-bearing financial liabilities of the Group and of the Company and the periods in which they will be repriced or matured, are as follows:

	Effective interest rate %	Floating interest RM'000	Fixed interest rate RM'000	Total RM'000
GROUP				
Financial assets				
At 30 June 2017:				
Deposits placed with licensed banks	**0.50 - 3.85**	**-**	**206,071**	**206,071**
At 30 June 2016:				
Deposits placed with licensed banks	0.40 - 4.15	-	190,912	190,912
Financial liabilities				
At 30 June 2017:				
Loans and borrowings	**3.94 - 7.45**	**1,418,721**	**-**	**1,418,721**
At 30 June 2016:				
Loans and borrowings	4.07 - 7.70	1,274,120	-	1,274,120
COMPANY				
Financial assets				
At 30 June 2017:				
Deposits placed with licensed banks	**3.00**	**-**	**345**	**345**
Due from subsidiaries	**4.31 - 4.39**	**89,440**	**-**	**89,440**
At 30 June 2016:				
Deposits placed with licensed banks	3.20	-	334	334
Due from subsidiaries	4.34 - 4.51	417,024	-	417,024

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37. FINANCIAL INSTRUMENTS cont'd

(c) Effective interest rates and repricing analysis cont'd

	Effective interest rate %	Floating interest RM'000	Fixed interest rate RM'000	Total RM'000
COMPANY cont'd				
Financial liabilities				
At 30 June 2017:				
Loans and borrowings	**3.94 - 7.45**	**9,300**	**-**	**9,300**
Due to subsidiaries	**3.00**	**141,401**	**-**	**141,401**
At 30 June 2016:				
Loans and borrowings	4.07 - 7.70	175,043	-	175,043

(d) Credit risk

Credit risk is the risk of loss that may arise on outstanding financial instruments should a counterparty default on its obligations. The Group's and the Company's exposure to credit risk arises primarily from trade and other receivables. For other financial assets (including investment in securities, cash and bank balances and derivatives), the Group and the Company minimise credit risk by dealing exclusively with high credit rating counterparties.

Management has a credit policy in place and the exposure to credit risk is monitored on an on-going basis. Credit evaluations are performed on all customers requiring credit over a certain amount.

As at reporting date, the maximum exposures to credit risk for the Group and the Company are represented by the carrying amount of each financial asset.

As at reporting date, the Group and the Company do not have any significant exposure or concentration of credit risk that may arise from exposures to a single debtor or to groups of debtors as disclosed in Note 27.

(e) Liquidity risk

Liquidity risk is the risk that the Group or the Company will encounter difficulty in meeting financial obligations due to shortage of funds. The Group's and the Company's exposure to liquidity risk arises primarily from mismatches of the maturities of financial assets and liabilities. The Group's and the Company's objective is to maintain a balance between continuity of funding and flexibility through the use of stand-by credit facilities.

The Group and the Company manage their liquidity risk by maintaining adequate reserves, access to a number of sources of banking facilities which are sufficient to meet anticipated funding requirements, and reserve borrowing facilities by continuously monitoring their forecasts and actual cash flows and matching the maturity profiles of financial assets and liabilities.

37. FINANCIAL INSTRUMENTS cont'd

(e) Liquidity risk cont'd

Analysis of financial instruments by remaining contractual maturities

The table below summarises the maturity profile of the Group's and of the Company's liabilities at the reporting date based on contractual undiscounted repayment obligations.

	On demand or within one year RM'000	One to five years RM'000	Over five years RM'000	Total RM'000
At 30 June 2017				
GROUP				
Financial liabilities:				
Trade and other payables	265,072	8,674	-	273,746
Loans and borrowings	303,484	948,655	356,199	1,608,338
Total undiscounted financial liabilities	568,556	957,329	356,199	1,882,084
COMPANY				
Financial liabilities:				
Trade and other payables	618	-	-	618
Amounts due to subsidiaries	-	141,401	-	141,401
Loans and borrowings	9,673	-	-	9,673
Total undiscounted financial liabilities	10,291	141,401	-	151,692

37. FINANCIAL INSTRUMENTS cont'd

(e) Liquidity risk cont'd

Analysis of financial instruments by remaining contractual maturities cont'd

	On demand or within one year RM'000	One to five years RM'000	Over five years RM'000	Total RM'000
At 30 June 2016				
GROUP				
Financial liabilities:				
Trade and other payables	230,031	-	-	230,031
Loans and borrowings	458,242	606,332	394,175	1,458,749
Total undiscounted financial liabilities	688,273	606,332	394,175	1,688,780
COMPANY				
Financial liabilities:				
Trade and other payables	846	-	-	846
Loans and borrowings	182,923	-	-	182,923
Total undiscounted financial liabilities	183,769	-	-	183,769

(f) Foreign currency risk

Foreign currency risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in foreign exchange rates.

The Group and the Company are not significantly exposed to foreign currency risk as majority of the Group's and of the Company's transactions, assets and liabilities are denominated in Ringgit Malaysia except for currency translation risk arising from its net investments in foreign operations in Labuan, which are held for long term investment purposes.

37. FINANCIAL INSTRUMENTS cont'd

(f) Foreign currency risk cont'd

The Group's exposures to foreign currencies against the functional currencies at the reporting date are as follows:

	SGD RM'000
GROUP	
At 30 June 2017	
Cash and cash equivalents	**88**
At 30 June 2016	
Cash and cash equivalents	106
Other payables	1,420
Net currency exposure	1,526

As at reporting date, the Group did not enter into forward exchange contracts to hedge the Group's foreign exchange exposure.

(g) Equity price risk

Equity price risk is the risk that the fair value or future cash flows of the Group's financial instruments will fluctuate because of changes in market prices of equity instruments. The Group is exposed to equity price risk arising from its investment in quoted equity instruments. The Group has available-for-sale investment securities listed in Malaysia.

Sensitivity analysis

A 5% (2016: 5%) increase in the equity prices at the reporting date would increase the fair value reserve by RM78,300 (2016: RM91,500). A 5% (2016: 5%) decrease in the equity prices would have equal and opposite effect. This analysis assumes that all other variables remain constant.

37. FINANCIAL INSTRUMENTS cont'd

(h) Fair values of financial instruments

The following are classes of financial instruments that are not carried at fair value and whose carrying amounts are reasonable approximation of fair value:

	Note
Trade and other receivables (current)	27
Loans and borrowings (current)	34
Loans and borrowings (non-current - variable rate)	34
Trade and other payables (current)	35

The carrying amounts of these financial assets and liabilities are reasonable approximation of fair values, either due to their short-term nature or that they are floating rate instruments that are re-priced to market interest rates on or near to the reporting date.

Derivatives

The fair value of interest rate swaps is based on broker quotes. Those quotes are tested for reasonableness by discounting estimated future cash flows based on the terms and maturity of each contract and using market interest rates for a similar instrument at the measurement date.

Cash fund

The fair value of cash fund is based on net assets value as at reporting date.

Available-for-sale investments

The fair value of available-for-sale investments is based on quoted market price as at reporting date.

38. FAIR VALUE MEASUREMENT

The Group measures fair values using the following fair value hierarchy that reflects the significance of the inputs used in making the measurements:

Level 1
Quoted (unadjusted) market prices in active markets for identical assets or liabilities.

Level 2
Valuation techniques for which the lowest level input that is significant to the fair value measurement is directly or indirectly observable.

Level 3
Valuation techniques for which the lowest level input that is significant to the fair value measurement is unobservable.

38. FAIR VALUE MEASUREMENT cont'd

The following table provides the fair value measurement hierarchy of the Group's assets and liabilities:

	Level 1 RM'000	Level 2 RM'000	Level 3 RM'000	Total RM'000
At 30 June 2017				
GROUP				
Investment properties:				
- Completed	**-**	**-**	**544,318**	**544,318**
Investments in associates	**73,530**	**-**	**-**	**73,530**
Other investments	**49**	**-**	**-**	**49**
Available-for-sale investments	**1,566**	**-**	**-**	**1,566**
Derivative financial assets	**-**	**118**	**-**	**118**
Derivative financial liabilities	**-**	**(103)**	**-**	**(103)**
	75,145	**15**	**544,318**	**619,478**
At 30 June 2016				
GROUP				
Investment properties:				
- Completed	-	-	528,500	528,500
Investments in associates	73,530	-	-	73,530
Other investments	6,746	-	-	6,746
Available-for-sale investments	1,830	-	-	1,830
Derivative financial assets	-	255	-	255
Derivative financial liabilities	-	(307)	-	(307)
	82,106	(52)	528,500	610,554

There have been no transfers between the fair value hierarchy during the financial years ended 2017 and 2016.

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38. FAIR VALUE MEASUREMENT cont'd

Fair value reconciliation of investment properties measured at Level 3

	Commercial RM'000
At 30 June 2017	
At 1 July 2016	
Measured at valuation	528,500
Re-measurement recognised in profit or loss	610
Additions from subsequent expenditure	15,208
At 30 June 2017	544,318
Valuation gains for the year included in profit or loss (recognised in other operating income)	610

	Commercial RM'000	Under construction RM'000	Total RM'000
At 30 June 2016			
At 1 July 2015			
Measured at valuation	52,610	368,600	421,210
Re-measurement recognised in profit or loss	964	23,626	24,590
Additions from subsequent expenditure and transferred from property development costs	-	130,700	130,700
Disposal during the year	(48,000)	-	(48,000)
Transferred from/(to) investment properties under construction	522,926	(522,926)	-
At 30 June 2016	528,500	-	528,500
Valuation gains for the year included in profit or loss (recognised in other operating income)	964	23,626	24,590

38. FAIR VALUE MEASUREMENT cont'd

Description of valuation techniques used and key inputs to valuation on investment properties measured at Level 3:

Property category	Valuation method	Significant unobservable inputs	Range (Weighted average)
As at 30 June 2017			
Completed	Investment method	Estimated rental value per square foot per month	RM1.25 - RM25.80
		Estimated outgoings per square foot per month	RM1.25 - RM3.65
		Void allowance	5.00%
		Yield	5.50% - 6.00%
		Capitalisation rate - term	5.50% - 6.00%
		Capitalisation rate - reversionary	5.75% - 6.25%
Completed	Comparison method	The comparison method entails analysing recent transactions and asking prices of similar properties in and around the locality for comparison purposes with adjustments made for differences in location, visibility, size and tenure.	-40% to 10%
As at 30 June 2016			
Completed	Comparison method	The comparison method entails analysing recent transactions and asking prices of similar properties in and around the locality for comparison purposes with adjustments made for differences in location, visibility, size and tenure.	-35% to 20%

Comparison method

Under the comparison method, a property's fair value is estimated based on comparable transactions. This approach is based upon the principle of substitution under which a potential buyer will not pay more for the property than it will cost to buy a comparable substitute property. In theory, the best comparable sale would be an exact duplicate of the subject property and would indicate, by the known selling price of the duplicate, the price for which the subject property could be sold.

Investment method

A property's fair value is estimated using explicit assumptions regarding the benefits and liabilities of ownership over the asset's life including an exit or terminal value. As an accepted method within the income approach to valuation, the investment method involves the projection of a series of cash flows on a real property interest. To this projected cash flow series, an appropriate, market-derived discount rate is applied to establish the present value of the income stream associated with the real property.

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38. FAIR VALUE MEASUREMENT cont'd

Investment method cont'd

The duration of the cash flow and the specific timing of inflows and outflows are determined by events such as rent reviews, lease renewal and related lease up periods, re-letting, redevelopment, or refurbishment. The appropriate duration is typically driven by market behaviour that is a characteristic of the class of real property. In the case of investment properties, periodic cash flow is typically estimated as gross income less vacancy, non recoverable expenses, collection losses, lease incentives, maintenance cost, agent and commission costs and other operating and management expenses. The series of periodic net operating incomes, along with an estimate of the terminal value anticipated at the end of the projection period, is then discounted.

Significant increases/(decreases) in estimated rental value and outgoings per annum in isolation would result in a significant higher/(lower) fair value of the properties. Significant increases/(decreases) in market yield and discount rate in isolation would result in a significantly lower/(higher) fair value.

Generally, a change in the assumption made for the estimated rental value is accompanied by a directionally similar change in the rent growth per annum and discount rate.

39. SUBSIDIARIES

The subsidiaries are as follows:

		% of ownership interest held by				
		Group		Non-controlling interest		
Name of company	Country of incorporation	2017 %	2016 %	2017 %	2016 %	Principal activities
Guoman Hotel & Resort Holdings Sdn Bhd and its subsidiaries:	Malaysia	**70**	70	**30**	30	Investment holding
^+ PD Resort Sdn Bhd	Malaysia	**70**	70	**30**	30	Property investment and development and hotel operations
Kiapeng Development Sdn Bhd	Malaysia	**70**	70	**30**	30	Property development and property investment
^ Guoman Philippines, Inc.	Philippines	**70**	70	**30**	30	Dormant

39. SUBSIDIARIES cont'd

		% of ownership interest held by				
		Group		Non-controlling interest		
Name of company	**Country of incorporation**	**2017 %**	**2016 %**	**2017 %**	**2016 %**	**Principal activities**
Guoman Hotel & Resort Holdings Sdn Bhd and its subsidiaries: cont'd						
^ Megawise International Limited (formerly known as Guoman International Limited)	Jersey, Channel Islands	**70**	70	**30**	30	Dormant
Guoman International Sdn Bhd	Malaysia	**70**	70	**30**	30	In members' voluntary liquidation
JB Parade Sdn Bhd	Malaysia	**49**	49	**51**	51	Investment holding and hotel operations
JB Parade Condominium Sdn Bhd	Malaysia	**70**	49	**30**	51	Property development
Bedford Development Sdn Bhd and its subsidiaries:	Malaysia	**100**	100	**-**	-	Investment holding and property development
Corebright Housing Sdn Bhd	Malaysia	**100**	100	**-**	-	Provision of construction management services
+ Bedford Industrial Development Sdn Bhd	Malaysia	**100**	100	**-**	-	Property development

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39. SUBSIDIARIES cont'd

	Name of company	Country of incorporation	% of ownership interest held by Group 2017 %	Group 2016 %	Non-controlling interest 2017 %	Non-controlling interest 2016 %	Principal activities
	Bedford Development Sdn Bhd and its subsidiaries: cont'd						
^+	Pembinaan Sri Jati Sdn Berhad and its subsidiary:	Malaysia	**100**	100	**-**	-	Investment holding and property development
	Continental Estates Sdn Bhd	Malaysia	**68**	68	**32**	32	Property development and operation of an oil palm estate
	Sabna Development Sdn Bhd	Malaysia	**100**	100	**-**	-	Property development
	Ace Acres Sdn Bhd	Malaysia	**100**	100	**-**	-	Property development
^	Astute Modernization Sdn Bhd	Malaysia	**100**	100	**-**	-	Investment holding
^	Titan Debut Sdn Bhd	Malaysia	**100**	100	**-**	-	Acquisition, enhancement and resale of properties
^	GLM Alam Damai Sdn Bhd	Malaysia	**100**	100	**-**	-	Property development and property investment
^+	PJ Corporate Park Sdn Bhd	Malaysia	**100**	100	**-**	-	Property development
^+	PJ City Development Sdn Bhd	Malaysia	**100**	100	**-**	-	Property development and property investment

39. SUBSIDIARIES cont'd

Name of company	Country of incorporation	% of ownership interest held by Group 2017 %	Group 2016 %	Non-controlling interest 2017 %	Non-controlling interest 2016 %	Principal activities
GLM Real Estate Holdings Sdn Bhd and its subsidiaries:	Malaysia	**100**	100	**-**	-	Investment holding
^ Bedford Land Sdn Bhd and its subsidiaries:	Malaysia	**100**	100	**-**	-	Investment holding
BLV Fashions Sdn Bhd	Malaysia	**100**	100	**-**	-	Property investment
^ Guobena Development Sdn Bhd	Malaysia	**100**	100	**-**	-	Property investment
HL Bandar Sdn Bhd	Malaysia	**100**	100	**-**	-	In members' voluntary liquidation
Prophills Development Sdn Bhd	Malaysia	**100**	100	**-**	-	In members' voluntary liquidation
DC Offices Sdn Bhd	Malaysia	**100**	100	**-**	-	Property investment
DC Hotel Sdn Bhd	Malaysia	**100**	100	**-**	-	Hotel operations
Damansara City Sdn Bhd	Malaysia	**100**	100	**-**	-	Property development and property investment
DC Town Square Sdn Bhd	Malaysia	**100**	100	**-**	-	Property investment
DC Parking Sdn Bhd	Malaysia	**100**	100	**-**	-	Car park operations and property investment

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39. SUBSIDIARIES cont'd

	Name of company	Country of incorporation	% of ownership interest held by Group 2017 %	Group 2016 %	Non-controlling interest 2017 %	Non-controlling interest 2016 %	Principal activities
	GLM Equities Sdn Bhd	Malaysia	**100**	100	**-**	-	Investment holding
^	HLL Overseas Limited and its subsidiary:	Jersey, Channel Islands	**100**	100	**-**	-	Investment holding and trading in securities
	^ Positive Vision Labuan Limited	Malaysia	**100**	100	**-**	-	Investment holding
^	GLM Oval Sdn Bhd	Malaysia	**100**	100	**-**	-	Property investment
^	GLM Property Services Sdn Bhd	Malaysia	**100**	100	**-**	-	Provision of property management services
^	GLM Property Management Co Sdn Bhd	Malaysia	**100**	100	**-**	-	Provision of property management services
^	GLM REIT Management Sdn Bhd	Malaysia	**100**	100	**-**	-	Provision of management services
^	Raikon Building Management Co Sdn Bhd	Malaysia	**100**	100	**-**	-	Provision of property-related services
	Tujuan Optima Sdn Bhd	Malaysia	**100**	100	**-**	-	Property development
	GLM IHT Sdn Bhd	Malaysia	**100**	100	**-**	-	Provision of management services

\+ *Subsidiaries consolidated under merger method of accounting.*
^ *Not audited by member firms of Ernst & Young Global.*

40. JOINT VENTURES

The details of joint ventures are as follows:

Name of joint venture	Country of incorporation	Effective equity interest 2017 %	Effective equity interest 2016 %	Principal activities
Bedford Damansara Heights Development Sdn Bhd and its subsidiaries:	Malaysia	**50**	50	Investment holding
Promakmur Development Sdn Bhd	Malaysia	**50**	50	Property development
^ Kota Selatan Indah Sdn Bhd	Malaysia	**50**	50	Property development

^ *Not audited by member firms of Ernst & Young Global.*

41. CAPITAL MANAGEMENT

The primary objective of the Group's and of the Company's capital management is to ensure that they maintain a strong credit rating and healthy capital ratios in order to support their business and maximise shareholders' value.

The Group and the Company manage their capital structure and make adjustments to it, in light of changes in economic conditions. No changes were made in the objectives, policies or processes during the financial years ended 30 June 2017 and 30 June 2016.

The Group and the Company monitor capital using Equity : Debt Ratio. The Group's and the Company's policy is to keep the Equity : Debt Ratio at an acceptable level.

	GROUP		COMPANY	
	2017 RM'000	**2016 RM'000**	**2017 RM'000**	**2016 RM'000**
Equity attributable to the owners of the parent	**1,332,041**	1,223,264	**1,082,015**	1,040,334
Loans and borrowings (Note 34)	**1,418,721**	1,274,120	**9,300**	175,043
Less: Cash and cash equivalents (Note 30)	**(231,592)**	(218,061)	**(3,545)**	(441)
Net debt	**1,187,129**	1,056,059	**5,755**	174,602
Equity : Debt Ratio	**53 : 47**	54 : 46	**99 : 1**	86 : 14

42. SEGMENT INFORMATION

For management purposes, the Group is organised into business units based on their products and services and comprises four major business segments:

(i) Property development - the development of residential properties and commercial properties for sale;

(ii) Property investment - investments in residential and commercial properties and investment in Real Estate Investment Trusts;

(iii) Hotels - management and operations of hotels; and

(iv) Plantation - operation of oil palm estates and sale of fresh fruit bunches.

Other business segments include provision of management services, investment holdings and trading in securities.

The directors are of the opinion that all inter-segment transactions have been entered into in the normal course of business and have been established under terms that are not more favourable than those arranged with independent parties.

42. SEGMENT INFORMATION cont'd

	Property development		Property investment		Hotels		Plantation		Others		Elimination		Consolidated	
	2017	2016	2017	2016	2017	2016	2017	2016	2017	2016	2017	2016	2017	2016
	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000
Revenue														
External sales	**185,572**	238,850	**10,268**	709	**51,947**	53,126	**20,999**	15,419	**16,828**	6,973	**-**	-	**285,614**	315,077
Inter-segment sales	**-**	19,842	**-**	-	**-**	-	**-**	-	**188,576**	473,915	**(188,576)**	(493,757)	**-**	-
Total revenue	**185,572**	258,692	**10,268**	709	**51,947**	53,126	**20,999**	15,419	**205,404**	480,888	**(188,576)**	(493,757)	**285,614**	315,077
Results														
Segment results	**40,150**	81,105	**659**	34,364	**1,485**	4,867	**13,025**	8,031	**184,401**	538,824	**(188,576)**	(493,757)	**51,144**	173,434
Unallocated corporate expenses													**(759)**	(1,436)
Profit from operations													**50,385**	171,998
Finance income	**2,384**	5,707	**1,629**	262	**340**	26	**496**	275	**44,377**	25,910	**(44,995)**	(30,918)	**4,231**	1,262
Finance costs													**(39,597)**	(40,294)
Share of results of associates	**118,159**	-	**4,231**	6,000	**-**	-	**(578)**	1,200	**-**	-	**-**	-	**121,812**	7,200
Share of results of joint ventures	**(1,477)**	(194)	**-**	-	**-**	-	**-**	-	**-**	-	**-**	-	**(1,477)**	(194)
Income tax expense	**(25)**	(6,869)	**(341)**	(1,160)	**(1)**	-	**(2,375)**	(1,853)	**(6,148)**	(11,394)	**-**	-	**(8,890)**	(21,276)
Profit net of tax													**126,464**	118,696
Non-controlling interests													**(4,655)**	(4,656)
Net profit for the year attributable to the owners of the parent													**121,809**	114,040

42. SEGMENT INFORMATION cont'd

	Property development		Property investment		Hotels		Plantation		Others		Elimination		Consolidated	
	2017	2016	2017	2016	2017	2016	2017	2016	2017	2016	2017	2016	2017	2016
	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000
Assets														
Segment assets	**1,400,511**	1,176,549	**571,126**	551,154	**539,655**	348,381	**321,794**	310,159	**28,050**	176,017	**-**	-	**2,861,136**	2,562,260
Investments in associates	**-**	-	**118,032**	118,010	**-**	-	**79,862**	82,148	**22**	25	**-**	-	**197,916**	200,183
Available-for-sale investments	**-**	-	**-**	-	**-**	-	**-**	-	**1,566**	1,830	**-**	-	**1,566**	1,830
Investments in joint ventures	**110,873**	112,645	**-**	-	**-**	-	**-**	-	**-**	-	**-**	-	**110,873**	112,645
Deferred tax assets													**7,347**	6,361
Tax recoverable													**7,548**	3,408
Consolidated total assets													**3,186,386**	2,886,687
Liabilities														
Segment liabilities	**130,849**	127,725	**62,615**	82,659	**78,411**	14,593	**945**	2,382	**7,079**	9,029	**-**	-	**279,899**	236,388
Loans and borrowings													**1,418,721**	1,274,120
Deferred tax liabilities													**32,244**	33,629
Tax payable													**5,093**	5,553
Consolidated total liabilities													**1,735,957**	1,549,690
Other Information														
Additions in non-current assets:														
- Property, plant and equipment	**21**	-	**-**	-	**190,515**	70,958	**547**	961	**6,377**	401	**-**	-	**197,460**	72,320
- Investment properties	**-**	26	**15,208**	130,674	**-**	-	**-**	-	**-**	-	**-**	-	**15,208**	130,700

42. SEGMENT INFORMATION cont'd

	Property development		Property investment		Hotels		Plantation		Others		Elimination		Consolidated	
	2017	2016	2017	2016	2017	2016	2017	2016	2017	2016	2017	2016	2017	2016
	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000
Other Information cont'd														
Depreciation	**9**	8	**2**	2	**5,299**	5,190	**643**	308	**771**	1,147	**-**	-	**6,724**	6,655
Net gain from fair value adjustments on investment properties	**-**	-	**(610)**	(24,590)	**-**	-	**-**	-	**-**	-	**-**	-	**(610)**	(24,590)
Realisation of goodwill	**1,484**	341	**-**	-	**-**	-	**-**	-	**-**	-	**-**	-	**1,484**	341
Property, plant and equipment written off	**-**	-	**-**	10	**-**	-	**4**	1	**1,067**	-	**-**	-	**1,071**	11
Allowance for impairment on trade and other receivables	**427**	-	**-**	-	**43**	107	**-**	-	**20**	-	**-**	-	**490**	107
Loss/(gain) on disposal of property, plant and equipment	**-**	2	**-**	-	**(85)**	-	**-**	-	**(215)**	(23)	**-**	-	**(300)**	(21)
Reversal of allowance for impairment on trade and other receivables	**(15)**	(71)	**-**	-	**-**	(4)	**-**	-	**-**	-	**-**	-	**(15)**	(75)
Net fair value (gain)/loss on derivative financial assets	**(79)**	(121)	**42**	989	**(30)**	12	**-**	-	**-**	-	**-**	-	**(67)**	880
Gain on disposal of a subsidiary	**-**	-	**-**	(78,929)	**-**	-	**-**	-	**-**	-	**-**	-	**-**	(78,929)
Gain on disposal of investment properties	**-**	-	**-**	(16,680)	**-**	-	**-**	-	**-**	-	**-**	-	**-**	(16,680)

Segmental reporting by geographical location has not been presented as the Group's operations are substantially carried out in Malaysia.

43. SIGNIFICANT RELATED PARTY TRANSACTIONS

(a) Related parties

The Group has related party transactions with corporations which are related to the directors and/or major shareholders of the Company and/or persons connected with them.

Hong Leong Company (Malaysia) Berhad ("HLCM") is the ultimate holding company of the Company through GLL (Malaysia) Pte Ltd. YBhg Tan Sri Quek Leng Chan is a director and major shareholder of the Company and HLCM. HLCM is a person connected with YBhg Tan Sri Quek Leng Chan.

The related parties and their relationship with the Group are as follows:

Related parties	Relationship
Hong Leong Financial Group Berhad and subsidiaries ("HLFG Group")	Subsidiaries of HLCM
HLCM Assets Sdn Bhd and subsidiaries ("HLCM Assets Group")	Subsidiaries of HLCM
HL Management Co Sdn Bhd and subsidiaries ("HLMC Group")	Subsidiaries of HLCM
HLCM Capital Sdn Bhd	Subsidiary of HLCM
GL Limited and subsidiaries ("GL Group")	Subsidiaries of HLCM
Hong Leong Industries Berhad and subsidiaries ("HLI Group")	Subsidiaries of HLCM
Hume Furniture Industries Sdn Bhd ("HFI")	Subsidiary of HLCM
HLMG Management Co Sdn Bhd ("HLMG")	Subsidiary of HLCM
Guardian Security Consultants Sdn Bhd ("GSC")	Associated company of HLCM
Tower Real Estate Investment Trust ("Tower REIT")	An investment trust in which the Group, HLCM and certain directors have interests
Vintage Heights Sdn Bhd	Associated company of the Company
Bedford Damansara Heights Development Sdn Bhd and subsidiaries	Joint ventures in which certain directors have interests

43. SIGNIFICANT RELATED PARTY TRANSACTIONS cont'd

(b) Transactions within the Group

	COMPANY	
	2017	**2016**
	RM'000	**RM'000**
Dividend income	**151,118**	346,270
Interest income	**15,774**	17,332
Interest expense	**(4,188)**	(6,133)

(c) Related party transactions

	GROUP	
	2017	**2016**
	RM'000	**RM'000**
Management services income received/receivable from joint ventures	**989**	1,930
Rental income received/receivable from:		
- HLFG Group	**18**	27
- HLMG	**-**	23
Management services income received/receivable from:		
- GL Group	**122**	409
- Tower REIT	**2,004**	2,110
Property management fees received/receivable from:		
- HLFG Group	**855**	838
- Tower REIT	**40**	48
Sale of property to HLMG	**33,400**	17,142
Sale of a subsidiary to HLFG Group (Note 18)	**-**	168,784
Interest income received/receivable from HLFG Group	**2,158**	746
Dividend income from:		
- associates	**124,079**	4,211
Security guard services fees paid/payable to GSC	**(1,665)**	(508)
Management services fees paid/payable to GL Group	**(2,075)**	(2,344)
Office rental paid/payable to:		
- HLFG Group	**(80)**	-
- Tower REIT	**(1,371)**	(1,964)
Financial and treasury services fees paid/payable to HLMC Group	**(810)**	(5,733)
Shares, warrants and ESS administration services fees paid/payable to HLMC Group	**(11)**	(104)
Sale of property to related parties of directors of HLCM	**11,569**	2,819

43. SIGNIFICANT RELATED PARTY TRANSACTIONS cont'd

(c) Related party transactions cont'd

The above transactions have been carried out on normal commercial terms consistent with the usual business practices and policies of the Group and of the Company and on terms not more favourable to the related parties than those generally available to and/or from the public and are not detrimental to the minority shareholders.

Information regarding the outstanding balances arising from related party transactions as at 30 June 2017 are disclosed in Notes 27 and 35.

(d) Compensation of key management personnel

The directors of the Company are key management personnel who have the authority and responsibility for planning, directing and controlling the activities of the Group and of the Company directly or indirectly. Directors' remunerations are as disclosed in Note 11.

44. CAPITAL COMMITMENTS

	GROUP	
	2017	**2016**
	RM'000	**RM'000**
Capital expenditure		
Approved and contracted for:		
Property, plant and equipment	**7,022**	119,175

45. LEASE COMMITMENTS

(a) The Group as lessee

The Group has entered into non-cancellable operating lease agreements for the use of buildings. These leases have an average life of between 1 to 3 years with no purchase option included in the contracts. There are no restrictions placed on the Group by entering into these leases.

The future aggregate minimum lease payments under non-cancellable operating leases contracted for as at the reporting date but not recognised as liabilities are as follows:

	GROUP	
	2017	**2016**
	RM'000	**RM'000**
Not later than 1 year	**29**	744
Later than 1 year and not later than 5 years	**29**	-
After 5 years	**14**	-
	72	744

45. LEASE COMMITMENTS cont'd

(b) The Group as lessor

The Group has entered into non-cancellable operating lease agreements on its investment property portfolio.

The future aggregate minimum lease receivable under non-cancellable operating leases contracted for as at the reporting date but not recognised as receivables are as follows:

	GROUP	
	2017 RM'000	2016 RM'000
Not later than 1 year	24,124	-
Later than 1 year and not later than 5 years	26,954	-
After 5 years	16,328	-
	67,406	-

46. SUPPLEMENTARY INFORMATION - BREAKDOWN OF RETAINED PROFITS INTO REALISED AND UNREALISED

The determination of realised and unrealised profits is based on the Guidance of Special Matter No. 1, Determination of Realised and Unrealised Profits or Losses in the Context of Disclosure Pursuant to Bursa Malaysia Securities Berhad Listing Requirements, issued by the Malaysian Institute of Accountants on 20 December 2010.

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

	GROUP		COMPANY	
	2017	2016	2017	2016
	RM'000	RM'000	RM'000	RM'000
Total retained profits of the Company and its subsidiaries:				
- Realised	**402,654**	369,236	**652,361**	610,680
- Unrealised	**122,487**	242,915	**-**	-
	525,141	612,151	**652,361**	610,680
Total share of retained profits from associates:				
- Realised	**36,602**	34,971	**-**	-
- Unrealised	**16,468**	20,367	**-**	-
	53,070	55,338	**-**	-
Total share of retained profits from joint ventures				
- Realised	**35,001**	36,773	**-**	-
Total unadjusted retained profits	**613,212**	704,262	**652,361**	610,680
Add: Consolidation adjustments	**380,618**	181,157	**-**	-
Total retained profits	**993,830**	885,419	**652,361**	610,680

OTHER INFORMATION

1. TOP 10 PROPERTIES HELD BY THE SUBSIDIARIES AS AT 30 JUNE 2017

	Location	Tenure	Approximate Land Area (acres)	Approximate Age (Years)	Net Book Value (RM'000)	Date of Acquisition
1	**Damansara City** Integrated commercial development at Lot 58303 Bukit Damansara Kuala Lumpur	Freehold	8.0	-	1,201,381	9/11/1994
2	**OVAL Kuala Lumpur** Oval condominium at Seksyen 63, Bandar & Daerah Kuala Lumpur Wilayah Persekutuan Kuala Lumpur	Freehold	1.7	-	355,078	8/08/2007
3	Vacant land at Mukim of Jasin Melaka Darul Amin	Freehold	3,869.0	-	291,948	22/05/1996
4	**Emerald Hills** Residential development at Lot 7585 to 7589 Lot 7597 to 7600 and PT 15231 Mukim Petaling Wilayah Persekutuan Kuala Lumpur	Freehold	47.4	-	154,008	13/04/2012
5	**Emerald Square** Integrated development at Lot 809 and 810 Cheras Batu 8 1/4 and Batu 8 1/2, Jalan Cheras Daerah Hulu Langat Selangor	Freehold	11.8	-	135,321	5/07/2016
6	**PJ Corporate Park** Commercial development at Lot 13507 Seksyen 32 Bandar Petaling Jaya Daerah Petaling Selangor	Leasehold Expiry Date: 12/12/2107	3.2	-	110,979	10/09/2004

OTHER INFORMATION
Cont'd

1. TOP 10 PROPERTIES HELD BY THE SUBSIDIARIES AS AT 30 JUNE 2017 cont'd

	Location	Tenure	Approximate Land Area (acres)	Approximate Age (Years)	Net Book Value (RM'000)	Date of Acquisition
7	**Thistle Johor Bahru** Land with a 382-room hotel Jalan Sg. Gelam Off Jalan Sg. Chat District of Johor Bahru Johor Darul Takzim	Leasehold Expiry Date: 10/10/2087	5.9	23	88,273	23/08/1994^
8	**Thistle Port Dickson Resort** Land with a 251-room hotel resort & 9-hole golf course at Mukim of Pasir Panjang District of Port Dickson Negeri Sembilan Darul Khusus	Freehold	57.3	21	75,022	7/08/1996^
9	**Bukit Rahman Putra** Mixed development at Mukim of Sg. Buloh Selangor Darul Ehsan	Freehold	21.7	-	21,961	2/03/1993
10	**Amandarii** Residential development at Seksyen 9, Tempat Sungai Kantan, Kajang Daerah Hulu Langat Selangor Darul Ehsan	Freehold	1.8	-	13,311	10/08/2006

Notes :
^ Date of certificate of Fitness obtained

2. LANDBANK OF JOINT VENTURES AND ASSOCIATES AS AT 30 JUNE 2017

	Location	Tenure	Approximate Land Area (acres)	Approximate Age (Years)	Net Book Value (RM'000)	Date of Acquisition
1	*Promakmur Development Sdn Bhd* **Emerald West** Residential development at Mukim of Rawang Districts of Gombak & Ulu Selangor Selangor Darul Ehsan	Freehold	539.3	-	244,658	31/05/2000
2	*Vintage Heights Sdn Bhd* **Pantai Sepang Putra** Residential development at Mukim of Sepang Districts of Sepang & Kuala Langat Selangor Darul Ehsan	Freehold	3,073.7	-	186,451	27/03/1992
3	*Kota Selatan Indah Sdn Bhd* **Emerald East** Residential development at Mukim of Rawang Districts of Gombak & Ulu Selangor Selangor Darul Ehsan	Freehold	26.5	-	17,423	11/10/1999

OTHER INFORMATION
Cont'd

3. ANALYSIS OF SHAREHOLDINGS AS AT 30 AUGUST 2017

Class of Shares : Ordinary shares
Voting Rights : 1 vote for each share held

Distribution Schedule of Shareholders

Size of Holdings	No. of Shareholders	%	No. of Shares	%
Less than 100	411	4.17	15,619	0.00
100 – 1,000	2,461	24.98	2,254,523	0.32
1,001 – 10,000	5,139	52.15	23,593,213	3.37
10,001 – 100,000	1,625	16.49	50,725,619	7.24
100,001 – less than 5% of issued shares	217	2.20	168,362,764	24.04
5% and above of issued shares	1	0.01	455,506,780	65.03
	9,854	100.00	700,458,518	100.00

Thirty Largest Shareholders

Name of Shareholders	No. of Shares	%
1. GLL (Malaysia) Pte Ltd	455,506,780	65.03
2. Assets Nominees (Tempatan) Sdn Bhd *- Exempt AN for GuocoLand (Malaysia) Berhad (ESOS)*	30,578,100	4.37
3. Citigroup Nominees (Asing) Sdn Bhd *- CBNY for The Bank of Nova Scotia*	21,729,500	3.10
4. YBhg Tan Sri Quek Leng Chan	19,506,780	2.78
5. CIMSEC Nominees (Asing) Sdn Bhd *- Exempt AN for CIMB Securities (Singapore) Pte Ltd (Retail Clients)*	10,347,348	1.48
6. UOB Kay Hian Nominees (Asing) Sdn Bhd *- Exempt AN for UOB Kay Hian Pte Ltd (A/C Clients)*	6,894,037	0.99
7. HSBC Nominees (Asing) Sdn Bhd *- Exempt AN for Credit Suisse (HK BR-TST-Asing)*	3,192,000	0.46
8. Citigroup Nominees (Asing) Sdn Bhd *- Exempt AN for OCBC Securities Private Limited (Client A/C-NR)*	2,967,768	0.42
9. Citigroup Nominees (Asing) Sdn Bhd *- CBNY for Dimensional Emerging Markets Value Fund*	2,797,700	0.40
10. HSBC Nominees (Asing) Sdn Bhd *- Exempt AN for Credit Suisse (SG BR-TST-Asing)*	2,521,700	0.36

3. ANALYSIS OF SHAREHOLDINGS AS AT 30 AUGUST 2017 cont'd

Thirty Largest Shareholders cont'd

Name of Shareholders	No. of Shares	%
11. RHB Capital Nominees (Tempatan) Sdn Bhd *- Pledged Securities Account for Poh Soon Sim (CEB)*	2,443,300	0.35
12. Tan Liew Cheun	2,085,200	0.30
13. Lee Sik Pin	2,051,900	0.29
14. CIMB Group Nominees (Tempatan) Sdn Bhd *- CIMB Commerce Trustee Berhad – Hong Leong Strategic Opportunity Fund*	1,811,900	0.26
15. Goh Cheah Hong	1,776,500	0.25
16. AMSEC Nominees (Asing) Sdn Bhd *- Lim & Tan Securities Pte Ltd for Low Check Kian*	1,638,200	0.23
17. Citigroup Nominees (Asing) Sdn Bhd *- CBNY for DFA Emerging Markets Small Cap Series*	1,578,400	0.23
18. DB (Malaysia) Nominee (Tempatan) Sendirian Berhad *- Deutsche Trustees Malaysia Berhad for Hong Leong Strategic Fund*	1,487,700	0.21
19. UOB Kay Hian Nominees (Asing) Sdn Bhd *- Exempt AN for UOB Kay Hian (Hong Kong) Limited (A/C Clients)*	1,480,000	0.21
20. Chua Holdings Sdn Bhd	1,428,465	0.20
21. HLB Nominees (Tempatan) Sdn Bhd *- Pledged Securities Account for Surinder Singh A/L Wassan Singh*	1,405,000	0.20
22. AMSEC Nominees (Tempatan) Sdn Bhd *- AmBank (M) Berhad (Hedging)*	1,270,200	0.18
23. Low Keng Boon @ Lau Boon Sen	1,026,740	0.15
24. RHB Nominees (Asing) Sdn Bhd *- Exempt AN for RHB Securities Singapore Pte Ltd (A/C Clients)*	1,005,630	0.14
25. Citigroup Nominees (Asing) Sdn Bhd *- CBNY for Emerging Market Core Equity Portfolio DFA Investment Dimensions Group Inc*	910,900	0.13
26. Low Keng Boon Holdings Sdn Bhd	873,700	0.13
27. Citigroup Nominees (Tempatan) Sdn Bhd *- Pledged Securities Account for Lee Kwong Joo (471898)*	865,860	0.12
28. Affin Hwang Nominees (Asing) Sdn Bhd *- Exempt AN for DBS Vickers Securities (Singapore) Pte Ltd (Clients)*	847,687	0.12
29. DB (Malaysia) Nominee (Tempatan) Sendirian Berhad *- Hong Leong Asset Management Berhad for Gibraltar BSN Life Berhad (LifeFund-PARPIF)*	844,800	0.12
30. Lee Kuan Hua	807,000	0.12
	583,680,795	83.33

OTHER INFORMATION
Cont'd

3. ANALYSIS OF SHAREHOLDINGS AS AT 30 AUGUST 2017 cont'd

Substantial Shareholders

According to the Register of Substantial Shareholders, the substantial shareholders of the Company as at 30 August 2017 are as follows:

		Direct		Indirect	
Names of Shareholders		No. of Shares	%	No. of Shares	%
1.	Hong Leong Company (Malaysia) Berhad	-	-	455,574,796	65.04*A
2.	HL Holdings Sdn Bhd	-	-	455,574,796	65.04*B
3.	Tan Sri Quek Leng Chan	19,506,780	2.78	455,574,796	65.04*B
4.	Kwek Leng Beng	-	-	456,074,796	65.11*C
5.	Kwek Holdings Pte Ltd	-	-	456,074,796	65.11*C
6.	Hong Realty (Private) Limited	-	-	456,074,796	65.11*C
7.	Hong Leong Investment Holdings Pte Ltd	-	-	456,074,796	65.11*C
8.	Kwek Leng Kee	-	-	456,074,796	65.11*C
9.	Davos Investment Holdings Private Limited	-	-	456,074,796	65.11*C
10.	GLL (Malaysia) Pte Ltd	455,506,780	65.03	-	-
11.	GuocoLand Limited	-	-	455,506,780	65.03*D
12.	GuocoLand Assets Pte Ltd	-	-	455,506,780	65.03*D
13.	Guoco Group Limited	-	-	455,506,780	65.03*D
14.	GuoLine Overseas Limited	-	-	455,506,780	65.03*D
15.	GuoLine Capital Assets Limited	-	-	455,506,780	65.03*D

Notes:
*A Held through subsidiaries
*B Held through Hong Leong Company (Malaysia) Berhad
*C Held through Hong Leong Company (Malaysia) Berhad and a company in which the substantial shareholder has interest
*D Held through GLL (Malaysia) Pte Ltd

4. DIRECTORS' INTERESTS AS AT 30 AUGUST 2017

Subsequent to the financial year end, there is no change, as at 30 August 2017, to the Directors' interests in the ordinary shares, preference shares and/or options over ordinary shares of the Company and/or its related corporations (other than wholly-owned subsidiaries), appearing in the Directors' Report on pages 53 to 56 as recorded in the Register of Directors' Shareholdings kept by the Company under Section 59 of Companies Act 2016 except for the change set out below:

Indirect Interest	Number of ordinary shares	%
YBhg Tan Sri Quek Leng Chan in:		
Southern Pipe Industry (Malaysia) Sdn Bhd	124,964,153	96.13

5. MATERIAL CONTRACTS

There are no material contracts (not being contracts entered into the ordinary course of business) which have been entered into by the Company and its subsidiaries involving the interest of Directors, chief executive and major shareholders, either still subsisting at the end of the financial year or entered into since the end of the previous financial year pursuant to Item 21, Part A, Appendix 9C of the Main Market Listing Requirements of Bursa Malaysia Securities Berhad.

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GuocoLand (Malaysia) Berhad (300-K)

A Member of the Hong Leong Group

FORM OF PROXY

I/We ____

NRIC/Passport/Company No. ____

of ____

being a member of **GuocoLand (Malaysia) Berhad** ("Company"), hereby appoint ____

____

____

NRIC/Passport No. ____

of ____

____

or failing him/her ____

____

____

NRIC/Passport No. ____

of ____

____

or failing him/her, the Chairman of the meeting as my/our proxy/proxies to vote for me/us on my/our behalf at the Ninety-third Annual General Meeting of the Company to be held at the Theatrette, Level 1, Wisma Hong Leong, 18 Jalan Perak, 50450 Kuala Lumpur on Thursday, 26 October 2017 at 11.00 a.m. and at any adjournment thereof.

My/Our proxy/proxies is/are to vote on a poll as indicated below with an "X":

NO.	RESOLUTIONS	FOR	AGAINST
1.	To declare a final single tier dividend of 2 sen per share		
2.	To approve the payment of Director Fees and Directors' Other Benefits		
3.	To re-elect YBhg Dato' Paul Poh Yang Hong as a Director		
4.	To re-elect Mr Peter Ho Kok Wai as a Director		
5.	To re-appoint YBhg Tan Sri Quek Leng Chan as a Director		
6.	To re-appoint Messrs Ernst & Young as Auditors and authorise the Directors to fix their remuneration		
	Special Business		
7.	To approve YBhg Tan Sri Nik Mohamed bin Nik Yaacob to continue in office as an Independent Non-Executive Director		
8.	To approve the ordinary resolution on authority to Directors to allot shares		
9.	To approve the ordinary resolution on the proposed renewal of shareholders' mandate for recurrent related party transactions of a revenue or trading nature with Hong Leong Company (Malaysia) Berhad ("HLCM") and persons connected with HLCM		
10.	To approve the ordinary resolution on the proposed renewal of and new shareholders' mandate for recurrent related party transactions of a revenue or trading nature with the Directors and major shareholders of the Company and persons connected with them		
11.	To approve the ordinary resolution on the proposed renewal of shareholders' mandate for recurrent related party transactions of a revenue or trading nature with Tower Real Estate Investment Trust		

Dated this ____________________ day of ____________________________ 2017

____
Number of shares held

____
Signature(s) of Member

Fold This Flap For Sealing

Then Fold Here

Affix
Stamp

The Company Secretary
GuocoLand (Malaysia) Berhad (300-K)
Level 10, Wisma Hong Leong
18 Jalan Perak
50450 Kuala Lumpur
Malaysia

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NOTES:

1. For the purpose of determining members' eligibility to attend this meeting, only members whose names appear in the Record of Depositors as at 20 October 2017 shall be entitled to attend this meeting or appoint proxy(ies) to attend and vote on their behalf.
2. If you wish to appoint other person(s) to be your proxy, insert the name(s) and address(es) of the person(s) desired in the space so provided.
3. If there is no indication as to how you wish your vote(s) to be cast, the proxy will vote or abstain from voting at his/her discretion.
4. A proxy may but need not be a member of the Company.
5. Save for a member who is an exempt authorised nominee, a member shall not be entitled to appoint more than two (2) proxies to attend, participate, speak and vote at the same meeting. Where a member of the Company is an authorised nominee as defined under the Securities Industry (Central Depositories) Act, 1991, it may appoint not more than two (2) proxies in respect of each securities account it holds with ordinary shares of the Company standing to the credit of the said securities account. A member who is an exempt authorised nominee for multiple beneficial owners in one securities account ("Omnibus Account") may appoint any number of proxies in respect of the Omnibus Account.
6. Where two (2) or more proxies are appointed, the proportions of shareholdings to be represented by each proxy must be specified in the instrument appointing the proxies, failing which, the appointments shall be invalid (please see note 9 below).
7. In the case where a member is a corporation, this Form of Proxy must be executed under its Common Seal or under the hand of its Attorney.
8. All Forms of Proxy must be duly executed and deposited at the Registered Office of the Company at Level 10, Wisma Hong Leong, 18 Jalan Perak, 50450 Kuala Lumpur not less than 24 hours before the time appointed for holding of the meeting or adjourned meeting.
9. In the event two (2) or more proxies are appointed, please fill in the ensuing section:

Name of Proxies	% of shareholdings to be represented

10. Pursuant to Paragraph 8.29A(1) of the Main Market Listing Requirements of Bursa Malaysia Securities Berhad, all resolutions set out in the Notice of the Ninety-third Annual General Meeting will be put to a vote by way of a poll.

GuocoLand (Malaysia) Berhad (300-K)

Level 13
Wisma GuocoLand
Damansara City
No. 6, Jalan Damanlela
Bukit Damansara
50490 Kuala Lumpur
Tel : 03-2726 1000
Fax : 03-2726 1001

www.guocoland.com.my