LAND & GENERAL BERHAD
(5507-H)

Annual Report 2017

Building Value For Tomorrow

CONTENTS

Corporate Information

DIRECTORS

Dato' Hj Zainal Abidin Putih, *Chairman*
Low Gay Teck, *Managing Director*
Ferdaus Mahmood
Dato' Ir Dr A Bakar Jaafar
Dato' Hj Ikhwan Salim Dato' Hj Sujak
YM Tengku Maruan Tengku Ariff
Chiu Andrew Wah Wai
Hoong Cheong Thard
Chai Keng Wai

AUDIT COMMITTEE
Dato' Hj Ikhwan Salim Dato' Hj Sujak, *Chairman*
Dato' Ir Dr A Bakar Jaafar
Hoong Cheong Thard

NOMINATING COMMITTEE
Dato' Hj Zainal Abidin Putih, *Chairman*
Dato' Ir Dr A Bakar Jaafar
YM Tengku Maruan Tengku Ariff

REMUNERATION COMMITTEE
Dato' Ir Dr A Bakar Jaafar, *Chairman*
Hoong Cheong Thard
Chiu Andrew Wah Wai

SECRETARY
Lee Siw Yeng (MAICSA 7048942)

REGISTERED OFFICE
8trium, Level 21 Menara 1
Jalan Cempaka SD 12/5
Bandar Sri Damansara
52200 Kuala Lumpur
T : 603 6279 8000
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52200 Kuala Lumpur
T : 603 6279 8000
F : 603 6277 7061
E : lgb@land-general.com
W : www.land-general.com

AUDITORS
Ernst & Young
Chartered Accountants

LISTING
Main Market of Bursa Malaysia Securities Berhad

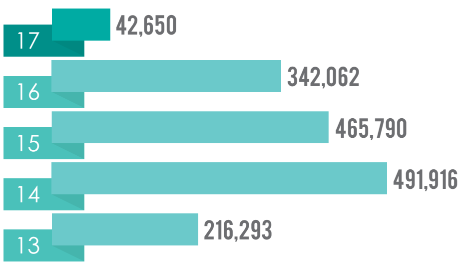
SHARE / ICULS REGISTRARS
Symphony Share Registrars Sdn Bhd
(Company No. 378993-D)
Level 6, Symphony House
Pusat Dagangan Dana 1
Jalan PJU 1A/46
47301 Petaling Jaya
Selangor
T : 603 7849 0777
F : 603 7841 8151/8152
E : ssr.helpdesk@symphony.com.my

Five-Year
Performance Highlights

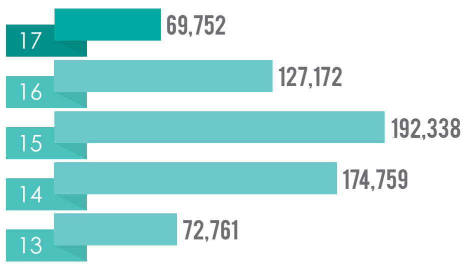
	2017	2016	2015	2014	2013
OPERATING RESULTS (RM'000)					
Revenue	42,650	342,062	465,790	491,916	216,293
Profit before tax and interest (EBIT)	73,562	129,551	195,014	176,820	74,478
Profit before tax	69,752	127,172	192,338	174,759	72,761
Profit after tax	51,558	91,592	143,414	128,677	57,177
Profit attributable to owners of the Company	35,526	95,002	105,428	75,329	43,969
KEY FINANCIAL POSITION DATA (RM'000)					
Total assets	1,108,455	1,125,876*	1,008,101*	742,330	549,657
Total borrowings (included ICULS - liability portion)	91,736	83,505	83,800	23,004	66,764
Shareholders' fund	656,314	697,392	624,843	481,792	327,018
Total equity	672,867	701,771	691,855	545,811	349,586
Issued and paid up share capital	272,032	218,618	214,599	127,105	119,661
SHARE INFORMATION (RM)					
Basic earnings per share	0.03	0.09	0.12	0.12	0.07
Net assets per share	0.58	0.64	0.58	0.76	0.55
Share price as at 31 March	0.33	0.35	0.50	0.50	0.41
('000)					
Number of ordinary shares issued as at 31 March	1,122,585	1,093,091	1,072,994	635,524	598,305
Weighted average number of ordinary shares in issue	1,108,471	1,086,509	883,555	612,732	598,305
FINANCIAL RATIOS					
After Tax Return on Equity (%)	7.86%	13.13%	22.95%	26.71%	17.48%
Return (EBIT) on Total Assets (%)	6.64%	11.51%	19.34%	23.82%	13.55%
Gearing ratio (times)	0.14	0.12	0.13	0.05	0.20
Price to earnings ratio (times)	10.83	3.83	4.17	4.17	5.86

* as restated

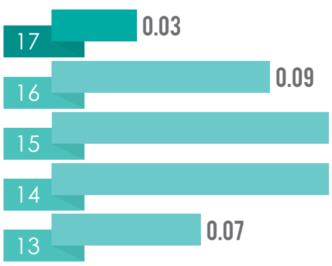
REVENUE
(RM'000)



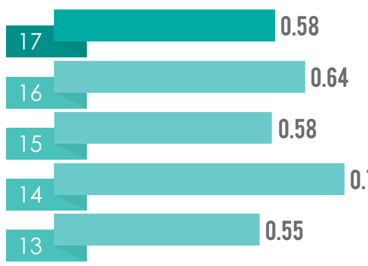
PROFIT BEFORE TAX
(RM'000)



BASIC EARNINGS PER SHARE
(RM)



NET ASSETS PER SHARE
(RM)



Corporate Diary

2016

7 September 2016
53rd Annual General Meeting

14 September 2016
Announcement on the Supplemental Agreement to the Share Sale Agreement dated 10 June 2015 in relation to the proposed acquisition of the entire issued and paid up capital in Pembinaan Jaya Megah Sdn Bhd by Victory Vista Sdn Bhd, a wholly-owned subsidiary of Land & General Berhad ("L&G") at a purchase consideration of RM90.0 million

15 November 2016
Announcement on the Proposed Acquisitions and Option, Proposed Rights Issue and Proposed Exemption to be undertaken by the Company as follows:-

(i) Proposed Acquisitions by the Company from Malaysia Land Properties Sdn Bhd ("Mayland" or "Vendor") of the following:

a) entire equity interests in Primal Milestone Sdn Bhd ("PMSB") for a cash consideration of approximately RM128.47 million ("Proposed PMSB Acquisition");
b) entire equity interests in Quantum Bonus Sdn Bhd ("QBSB") for a cash consideration of approximately RM5.97 million ("Proposed QBSB Acquisition");
c) entire equity interests in Triumph Bliss Sdn Bhd ("TBSB") for a cash consideration of approximately RM118.15 million ("Proposed TBSB Acquisition"); and
d) entire equity interests in Forward Esteem Sdn Bhd ("FESB") for a cash consideration of approximately RM45.73 million ("Proposed FESB Acquisition"),

and the settlement of respective outstanding inter-company balances owing by PMSB, QBSB, TBSB and FESB to Mayland and its subsidiaries as at the completion date of the Proposed Acquisitions;

(ii) Proposed Call Option granted by Mayland in favour of the Company for the acquisition of the entire equity interests in Soho Prestige Sdn Bhd ("SPSB") for a cash consideration of RM37.25 million ("Option") ("Proposed Option") and the settlement of outstanding inter-company balances owing by SPSB to the Mayland Group as at the completion date of the Proposed Acquisition upon exercise of the Option;

(iii) Proposed Renounceable Rights Issue of up to 1,914,063,296 new ordinary shares of RM0.20 each in L&G ("L&G Shares") ("Rights Shares") at an issue price to be determined later on the basis of eight (8) Rights Shares for every five (5) existing L&G Shares held on an entitlement date to be determined and announced later ("Entitlement Date") based on a minimum subscription level of 820,000,000 Rights Shares ("Proposed Rights Issue"); and

(iv) Proposed Exemption to Mayland Parkview Sdn Bhd ("MPSB"), the major shareholder of the Company under Paragraph 4.08 of the Rules on Take-Overs, Mergers and Compulsory Acquisitions from the obligation to undertake a mandatory take-over offer for all the remaining L&G Shares and convertible securities in the Company not already owned by MPSB and person(s) acting in concert with MPSB (if any) upon completion of the Proposed Rights Issue ("Proposed Exemption").

Hereinafter, the Proposed Acquisitions and Option, Proposed Rights Issue and Proposed Exemption are collectively referred to as the "Multiple Corporate Proposals".

Corporate Diary
(Cont'd)

2017

3 January 2017
Announcement on the Novation Agreement entered into by L&G in relation to the Multiple Corporate Proposals. All final salient terms of the Novation Agreement are the same as disclosed in the announcement dated 15 November 2016

4 January 2017
Announcement on the submission of listing application to Bursa Malaysia Securities Berhad ("Bursa Securities") for the listing of and quotation for the Rights Shares in relation to the Multiple Corporate Proposals on the Main Market of Bursa Securities

18 January 2017
Announcement on the completion of acquisition of the entire issued and paid up capital in Pembinaan Jaya Megah Sdn Bhd by Victory Vista Sdn Bhd, a wholly-owned subsidiary of L&G

27 February 2017
Announcement on the approval for the listing of and quotation for the Rights Shares by Bursa Securities and Notice of Extraordinary General Meeting in relation to the Multiple Corporate Proposals

9 March 2017
Announcement on the declaration of a special interim single tier dividend of 2.0 sen per ordinary share in respect of the financial year ending 31 March 2017

15 March 2017
Extraordinary General Meeting

20 March 2017
Announcement on the fixing of issue price of the Right Shares and the approval on exemption application by Securities Commission in relation to the Multiple Corporate Proposals

31 March 2017
Announcement on the important relevant dates for Renounceable Rights Issue, Notice of Book Closure for the entitlement of Renounceable Rights Issue and Notice of Book Closure in relation to the adjustment of ICULS conversion price

13 April 2017
Announcement on the registration and submission of Abridged Prospectus in relation to the Rights Issue together with the Notice of Provisional Allotment and the Rights Subscription Form with Securities Commission Malaysia on 12 April 2017 and Companies Commission of Malaysia on 13 April 2017, respectively

14 April 2017
Announcement on the Abridged Prospectus in relation to the Rights Issue together with the Notice of Provisional Allotment and the Rights Subscription Form

Corporate Diary
(Cont'd)

2017

18 April 2017
Announcement on the Notice of Book Closure for the special interim single tier dividend of 2.0 sen per ordinary share in respect of the financial year ended 31 March 2017 and Notice to ICULS holders in relation to the adjustment to the conversion price of outstanding ICULS

11 May 2017
Announcement on the total valid acceptances and excess applications received in relation to the Rights Shares

17 May 2017
Additional listing on the issuance of 1,798,854,888 new ordinary shares on 12 May 2017 arising from the renounceable rights issue and the latest total issued and paid up capital of L&G of 2,926,208,497 equivalent to RM603,531,957.80

17 May 2017
- Announcement on change of substantial shareholder's interest by Mayland Parkview Sdn Bhd ("MPSB") through the issuance of 649,685,900 new L&G ordinary shares on 12 May 2017 arising from the renounceable rights issue and the total direct interest after change of 993,476,900 ordinary shares
- Announcement on change of Mr Chiu Andrew Wah Wai's deemed interest via MPSB in relation to the issuance of 649,685,900 new L&G ordinary shares on 12 May 2017 arising from the renounceable rights issue and his total indirect interest after change of 993,476,900 ordinary shares in L&G

18 May 2017
Announcement on the completion of Rights Issue following the listing of and quotation of 1,798,854,888 rights shares on the Main Market of Bursa Securities on 18 May 2017

22 May 2017
Announcement on the completion of acquisitions of Primal Milestone Sdn Bhd, Quantum Bonus Sdn Bhd, Triumph Bliss Sdn Bhd and Forward Esteem Sdn Bhd in relation to the Multiple Corporate Proposals

30 June 2017
Additional listing on the issuance of 34,105,657 new ordinary shares fully paid on various dates from 1 July 2016 to 30 June 2017 arising from several conversions of ICULS and the latest total issued and paid up capital of L&G of 2,928,953,862 ordinary shares equivalent to RM604,081,030.80

31 July 2017
Notice of 54th Annual General Meeting

13 September 2017
54th Annual General Meeting

Directors' Profile

DATO' HJ ZAINAL ABIDIN PUTIH

Independent Non-Executive Chairman

Dato' Hj Zainal Abidin Putih, a Malaysian male aged 71, was appointed as Chairman of L&G on 1 June 2010. He is a Fellow of the Institute of Chartered Accountants in England and Wales (ICAEW), a member of the Malaysian Institute of Certified Public Accountants (MICPA) and the Malaysian Institute of Accountants (MIA).

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

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

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

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

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

Dato' Hj Zainal is also the Chairman of Mobile Money International Sdn Bhd, Touch 'n Go Sdn Bhd and a director of several private limited companies. He is a trustee of the National Heart Institute Foundation (IJNF).

Dato' Hj Zainal does not have any family relationship with any Director and/or major shareholder of L&G and he does not have any conflict of interest with L&G. He has no conviction for any offences over the last five (5) years and has not been imposed with any public sanction or penalty by the relevant regulatory bodies during the financial year 2017.

He attended nine (9) out of ten (10) Board Meetings held during the financial year ended 31 March 2017.

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

Directors' Profile
(Cont'd)

LOW GAY TECK
Managing Director

Mr Low Gay Teck, a Malaysian male aged 52, was appointed as Director of L&G on 15 October 2007 and was redesignated as the Managing Director of L&G on 1 January 2008. Mr Low holds a Bachelor of Civil Engineering from Footscray Institute of Technology (now known as Victoria University), Australia.

Prior to joining L&G, Mr Low was with the Mayland Group since 1996. In 2002, he was appointed Director of the Mayland Group and assumed the position of Managing Director in 2005. Mr Low has been involved in property development and project management for the past 25 years, handling and implementing projects such as residential, commercial, shopping complex, hotel, golf course, condominium and serviced apartments.

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

Mr Low does not have any family relationship with any Director and/or major shareholder of L&G and he does not have any conflict of interest with L&G. He has no conviction for any offences over the last five (5) years and has not been imposed with any public sanction or penalty by the relevant regulatory bodies during the financial year 2017.

He attended ten (10) out of ten (10) Board Meetings held during the financial year ended 31 March 2017.

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

FERDAUS MAHMOOD
Non-Independent Non-Executive Director

Encik Ferdaus Mahmood, a Malaysian male aged 62, was appointed as Executive Director of L&G on 16 June 2008 and was redesignated as Non-Independent Non-Executive Director on 1 January 2016 following his retirement as Executive Director on 31 December 2015.

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

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

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

Currently, he sits on the Board of a few subsidiaries of L&G.

Encik Ferdaus does not have any family relationship with any Director and/or major shareholder of L&G and he does not have any conflict of interest with L&G. He has no conviction for any offences over the last five (5) years and has not been imposed with any public sanction or penalty by the relevant regulatory bodies during the financial year 2017.

He attended ten (10) out of ten (10) Board Meetings held during the financial year ended 31 March 2017.

Directors' Profile
(Cont'd)

DATO' IR DR A BAKAR JAAFAR

Senior Independent Non-Executive Director

Dato' Ir Dr A Bakar Jaafar, a Malaysian male aged 67, was appointed as Director of L&G on 18 October 1999 and redesignated as the Senior Independent Director of L&G on 28 November 2012. He is an engineer by profession and holds a Bachelor of Engineering (Honours) degree in Mechanical Engineering from the University of Newcastle, Australia, a Master of Environmental Science from Miami University and a Doctorate in Marine Geography from the University of Hawaii at Manoa.

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

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

Dato' Ir Dr A Bakar does not have any family relationship with any Director and/or major shareholder of L&G and he does not have any conflict of interest with L&G. He has no conviction for any offences over the last five (5) years and has not been imposed with any public sanction or penalty by the relevant regulatory bodies during the financial year 2017.

He attended nine (9) out of ten (10) Board Meetings held during the financial year ended 31 March 2017.

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

DATO' HJ IKHWAN SALIM DATO' HJ SUJAK

Independent Non-Executive Director

Dato' Hj Ikhwan Salim Dato' Hj Sujak, a Malaysian male aged 60, was appointed as Director of L&G on 1 December 2007. He holds a Bachelor of Science (Economics & Accounts) from Queen's University Belfast, United Kingdom.

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

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

Dato' Hj Ikhwan does not have any family relationship with any Director and/or major shareholder of L&G and he does not have any conflict of interest with L&G. He has no conviction for any offences over the last five (5) years and has not been imposed with any public sanction or penalty by the relevant regulatory bodies during the financial year 2017.

He attended ten (10) out of ten (10) Board Meetings held during the financial year ended 31 March 2017.

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

Directors' Profile
(Cont'd)

YM TENGKU MARUAN TENGKU ARIFF

Independent Non-Executive Director

YM Tengku Maruan Tengku Ariff, a Malaysian male aged 64, was appointed as Director of L&G on 1 July 2008 and was redesignated as Independent Non-Executive Director on 24 August 2011. He holds a Bachelor of Mechanical Engineering (Design) Degree from University of Huddersfield, United Kingdom.

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

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

YM Tengku Maruan does not have any family relationship with any Director and/or major shareholder of L&G and he does not have any conflict of interest with L&G. He has no conviction for any offences over the last five (5) years and has not been imposed with any public sanction or penalty by the relevant regulatory bodies during the financial year 2017.

He attended ten (10) out of ten (10) Board Meetings held during the financial year ended 31 March 2017.

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

HOONG CHEONG THARD

Non-Independent Non-Executive Director

Mr Hoong Cheong Thard, a Malaysian male aged 48, was appointed as Director of L&G on 1 June 2010. He is a member of the Institute of Chartered Accountants in England and Wales (ICAEW) and holds a Bachelor in Mechanical Engineering degree from Imperial College, University of London, United Kingdom.

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

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

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

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

Mr Hoong does not have any family relationship with any Director and/or major shareholder of L&G and he does not have any conflict of interest with L&G. He has no conviction for any offences over the last five (5) years and has not been imposed with any public sanction or penalty by the relevant regulatory bodies during the financial year 2017.

He attended seven (7) out of ten (10) Board Meetings held during the financial year ended 31 March 2017.

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

Directors' Profile
(Cont'd)

CHIU ANDREW WAH WAI

Non-Independent Non–Executive Director

Mr Chiu Andrew Wah Wai, a male Chinese citizen of Hong Kong SAR aged 28, was appointed as Director of L&G on 1 April 2014.

Mr Chiu started his career as Property Executive with DTZ Hong Kong in 2008 and joined Far East Consortium International Limited ("FECIL") as Project Manager in 2009. Later, he became the Assistant to Chairman of FECIL.

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

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

He does not have any conflict of interest with L&G. He has no conviction for any offences over the last five (5) years and has not been imposed with any public sanction or penalty by the relevant regulatory bodies during the financial year 2017.

He attended seven (7) out of ten (10) Board Meetings held during the financial year ended 31 March 2017.

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

CHAI KENG WAI

Non-Independent Non–Executive Director

Mr Chai Keng Wai, a Malaysian male aged 40, was appointed as Director of L&G on 1 June 2015. He holds a Bachelor of Civil Engineering (Honours) degree from University Putra Malaysia.

Mr Chai is the Managing Director of Country Garden Properties (M) Sdn Bhd ("Country Garden") since 23 December 2011. Prior to joining Country Garden, Mr Chai held senior position in Mayland Group from year 2009 to end of year 2011, after serving as a Project Manager in GuocoLand (M) Berhad since year 2005.

Mr Chai has more than 18 years of experience in property development and project management and has extensive experience in handling township and integrated mixed developments.

He does not have any family relationship with any Director and/or major shareholder of L&G and he does not have any conflict of interest with L&G. He has no conviction for any offences over the last five (5) years and has not been imposed with any public sanction or penalty by the relevant regulatory bodies during the financial year 2017.

He attended nine (9) out of ten (10) Board Meetings held during the financial year ended 31 March 2017.

Key Senior Management
Profile

Wong Keet Loy
Chief Financial Officer

Mr Wong Keet Loy, a Malaysian male aged 52, was appointed as Chief Financial Officer of L&G on 2 March 2015. He graduated from Kolej Tunku Abdul Rahman with a Diploma in Commerce (Financial Accounting) in 1987. He is a Fellow Member of the Association of Chartered Certified Accountants (ACCA) and a Chartered Accountant of the Malaysian Institute of Accountants (MIA).

Mr Wong Keet Loy has over 20 years of work experience in finance, corporate finance, banking and accounting in various industries. He has worked extensively in various capacities, among them as a Finance Manager of Anson Perdana Berhad, a property development company, a Senior Bank Officer of the Malaysian Office of United Overseas Bank Limited; and as an Auditor with PriceWaterhouseCoopers.

From 1997 to 2006, before being appointed as a Finance Director of KPS Konsortium Berhad, Mr Wong Keet Loy played a key role as Group Financial Controller not only in the latter company but also in a privately owned property developer. In 2007, he held the position of General Manager, Group Finance & Accounts of PJI Holdings Berhad, and later in 2008 Chief Financial Officer of a foreign owned timber plantation and manufacturing company in Malaysia. In 2010, he was appointed Chief Financial Officer of Ding He Mining Holdings Limited (formerly known as CVM Minerals Limited), listed on the Main Board of Stock Exchange Hong Kong Limited.

Currently, Mr Wong Keet Loy sits on the Board of a subsidiary of L&G.

Mr Wong Keet Loy does not have any family relationship with any Director and/or major shareholder of L&G and he does not have any conflict of interest with L&G. He has no conviction for any offences over the last five (5) years and has not been imposed with any public sanction or penalty by the relevant regulatory bodies during the financial year 2017.

Jenny Chee Yuet Sin
Group Financial Controller

Ms Jenny Chee Yuet Sin, a Malaysian female aged 52, was appointed as Group Financial Controller of L&G on 1 December 2010. She holds a Professional Qualification from CPA Malaysia and is a member of Malaysia Institute of Certified Public Accountants (MICPA) and Malaysian Institute of Accountants (MIA).

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

Ms Jenny Chee Yuet Sin does not have any family relationship with any Director and/or major shareholder of L&G and she does not have any conflict of interest with L&G. She has no conviction for any offences over the last five (5) years and has not been imposed with any public sanction or penalty by the relevant regulatory bodies during the financial year 2017.

Key Senior Management Profile
(Cont'd)

Dr Steven Baptist
Principal, Sekolah Sri Bestari

Dr Steven Baptist, a Malaysian male aged 49, was appointed as Principal of Sekolah Sri Bestari on 3 June 2013. He holds a Bachelor in Science (Hons.) in Industrial Chemistry (1993) from Universiti Putra Malaysia, a Master of Science in Process Chemistry (1996) from Universiti Putra Malaysia, an Executive Master in Business Administration (1998) from University of Western Sydney (Hawkesbury), Australia, a Doctorate in Extension Education, Training Management (2006) from Universiti Putra Malaysia and a LLB (Hons.) (2010) from University of London.

Dr Steven Baptist has more than 15 years of work experience in education sector among them, as a Deputy Coordinator for American Degree Transfer Programme (ADP) cum Lecturer at Nilai International University, a Deputy Principal at SEGi College Subang Jaya Centre, a Registrar at SEGi College Kuala Lumpur Centre and Vice President for Group Human Resource at SEG International Berhad.

Dr Steven Baptist does not have any family relationship with any Director and/or major shareholder of L&G and he does not have any conflict of interest with L&G. He has no conviction for any offences over the last five (5) years and has not been imposed with any public sanction or penalty by the relevant regulatory bodies during the financial year 2017.

Chin Foo Teck
Senior Project Manager

Mr Chin Foo Teck, a Malaysian male aged 56, joined L&G on 8 February 2012 as the Senior Project Manager in property implementation.

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

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

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

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

Mr Chin Foo Teck does not have any family relationship with any Director and/or major shareholder of L&G and he does not have any conflict of interest with L&G. He has no conviction for any offences over the last five (5) years and has not been imposed with any public sanction or penalty by the relevant regulatory bodies during the financial year 2017.

Jenny Yap Yin Kuen
Senior Manager, Township Development

Ms Jenny Yap Yin Kuen, a Malaysian female aged 52, was appointed as Senior Manager, Township Development of L&G on 15 October 2014. She holds an Advanced Diploma in Business & Management from Swansea Institute (associated institution of University of Wales).

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

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

Ms Jenny Yap Yin Kuen does not have any family relationship with any Director and/or major shareholder of L&G and she does not have any conflict of interest with L&G. She has no conviction for any offences over the last five (5) years and has not been imposed with any public sanction or penalty by the relevant regulatory bodies during the financial year 2017.

Chairman's Statement

Chairman's Statement

DEAR VALUED SHAREHOLDER,

The Group continues to achieve positive results in growth and profitability. For the financial year ended 31st March 2017 and despite the softening property market in Malaysia, the Group was able to register a pre-tax profit of RM69.75 million on the back of a revenue of RM42.65 million.

The property landscape continued to be challenging in 2016. Nevertheless, the Group showed resilience and performed well to achieve positive results with a profit after tax of RM51.56 million in financial year 2017 (FY2017). This performance is the result of our sound business strategy, underpinned by the Group's cautious investments, rigorous risk management, and our commitment to deliver sustainable value to our shareholders.

On this positive note and on behalf of the Board of Directors of L&G, I am pleased to present you our annual report for the financial year ended 31st March 2017.

OPERATING LANSDCAPE

Most of the countries in Asia and South-East Asia experienced a slower growth over the past few years, since 2014.

The continued slow-down of China's economy, the political uncertainty following the presidential elections in the United States of America, the possibility of Brexit in Europe and the upcoming elections in other European countries contributed to the high volatility of the financial market[1]. The sustained low oil prices also affected the performance of the world economies in 2016.

This global turmoil also affected Malaysia's economy, which showed a GDP growth of 4.2% in 2016, against 5.0% in 2015, according to Bank Negara Malaysia[2]. This moderate growth was mostly due to the weakness of the Malaysian ringgit against the US dollar and other major foreign currencies, the subdued commodity prices, the slower growth of domestic consumption[3] and the decline in public expenditure[4]. The domestic demand, the manufacturing and services sectors however continued to support Malaysia's economy. Nevertheless, the last quarter FY2017 ended on a more positive note with a 5.6% GDP growth[5] and a significant strengthening of the MYR against the USD.

In the property sector, the tightened financing conditions and the increased cost of living impacted the real estate market demand. This lower demand, combined with a still substantive real estate market supply, resulted in an increase by 43% in volume and 70.7% in value of overhang residential units nation-wide compared to 2015[6]. The national sales performance of new launches declined from 42.1% in 2015 to 31.4% in 2016 in volume terms[7].

This subdued local property sector was characterised by a 11.5% decline in volume and a 3% drop in value in 2016 compared to 2015, according to the Valuation Property and Services Department ("Jabatan Penilaian Dan Perkhidmatan Harta"-JPPH). The residential sub-sector recorded a decline of 13.9% in volume and 10.7% in value[8].

The residential property prices continued to rise albeit at a more moderate pace in 2016 with a 5.5% growth year-on-year, reaching a Malaysian House Price Index (MPHI) of 243.3 in the fourth quarter of 2016, according to JPPH[9]. Kuala Lumpur and Selangor, where the Group has most of its projects, were among the four States with the highest housing price rise.

OUR PERFORMANCE

For the financial year ended 31st March 2017, the Group registered a pre-tax profit of RM69.75 million, on the back of a turnover of RM42.65 million, a decline from the previous year's RM127.17 million pre-tax profit and revenue of RM342.06 million. The lower revenue was underpinned by lower contributions from the Property Division, as the Astoria project is still in early construction stage and profits will only be reaped through future project launches. The pre-tax profit recorded in FY2017 was mainly contributed by the write-back of provision of costs due to the optimised cost control in relation to the Elements@Ampang project, the fair value gain on quoted shares and the write-back of provision no longer required in a jointly controlled entity.

The Property Division was however still the major contributor to the revenue, followed by the Education Division and the Others Division.

A detailed discussion of the Group's financial performance can be found in the Management Discussion and Analysis on page 17 to 22.

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[1] Bank Negara Malaysia ("BNM") Quarterly bulletin 4th quarter 2016 "4Q2016", page 131,
[2] Bank Negara Malaysia annual report, p.18
[3] BNM Quarterly bulletin "4Q2016", page 131,
[4] BNM Annual report, p18
[5] Cf. "BNM highlights 1Q2017", p.1
[6] Calculated from. JPPH annual property market report, p.48
[7] Calculated from JPPH annual property market report, p.48
[8] Cf. "KeyData2016.pdf" p.2
[9] Cf. "MHPI" p.1

Chairman's Statement
(Cont'd)

CORPORATE DEVELOPMENTS

The acquisition of the land in section U10 at Shah Alam ("U10 land"), initiated in the previous financial year, was completed in FY2017.

In the financial year under review, the Group initiated the acquisition of four companies from Malaysia Land Properties Sdn Bhd, which was subsequently completed post financial year end, and retained an option for a fifth acquisition ("Acquisition of Mayland companies"). Both the acquisition of the U10 land and the Acquisition of Mayland companies will strengthen our land bank for on-going and future projects in the strategic locations of the Greater Klang Valley region.

MOVING FORWARD

The global economy is expected to improve mildly in 2017 and 2018, supported by an increase in trade, industrial production and manufacturing and accompanied by firming commodity prices.

The prevalent political uncertainties around the world, the protectionist trends emerging in the developed economies and the diverging monetary policies represent risks which may dampen global growth[10]. Such external risks will increase uncertainty for the Malaysian economy and financial system according to Bank Negara Malaysia[11].

However the economy in Malaysia is expected to be sustained and grow mildly in 2017 between 4.3% and 4.8%[12], mainly supported by domestic demand[13] while investments will remain modest. The Malaysian property market is expected to remain challenging with the modest domestic economic growth and stringent financial lending conditions. However, the property market should be sustained due to various property-related incentives and accommodative monetary policy of the Government.[14]

The demand for residential property in urban and strategically located areas will be sustained in the light of the developments of public transportation systems as well as the construction of new highways[15]. The Group will continue focusing on developing residential properties for the middle and upper-middle income market and diversifying its product portfolio with a mix of high-rise apartments and landed properties in urban and well-connected areas, where most of our land banks are located.

The expansion of our land banks and project portfolio will strengthen our current earnings base. We will unlock the value of these land banks over the coming years, ensuring the sustainability of earnings. The Group will continue to identify land bank opportunities that create value in the longer term.

The launches of Sena Parc Phase 1 and Seresta (Phase 2 of our successful Damansara Foresta), should contribute higher turnover and profits from the next financial year onwards. For FY2019 and beyond, the management will commence the proposed development of the recently acquired land banks from Mayland. This will ensure a pipeline of exciting development projects in choice locations around the Greater Klang Valley, which will in time generate higher future earnings. L&G has thus consolidated its position and stature as a successful property developer and will continue to build on its success to deliver sustained earning growth.

Under the Education Division, the first intake of Sri Bestari International School will commence in September 2017. This will create a new revenue stream and strengthen our reputation as a provider of quality education services. The recently launched Education and Learning Support Academy (ELSA) programme, targeting children with special needs, will also enrich our current offerings and answer a growing demand for adaptive academic solutions.

With these considerations, the Group remains confident of its ability to overcome successfully the challenges ahead and deliver positive results for the next financial year.

ACKNOWLEDGEMENT

I would like to express my heartfelt gratitude to the members of the Board and, on their behalf, I would like to thank the senior management team as well as all employees of L&G for their dedication, loyalty, passion and hard work which enable the Group to grow despite the challenging operating environment.

I am confident that the Group's long-term strategy and corporate values will enable us to continue delivering tangible and sustainable value to our shareholders.

I also extend my gratitude to our clientele, business associates, as well as the policymakers, regulators, stakeholders and relevant government authorities for their continued support and understanding.

Last but certainly not least, I would like to thank our shareholders for their continued confidence and loyalty which enable the Group to grow from strength to strength.

Terima kasih.

Dato' Hj Zainal Abidin Putih
Chairman
17 July 2017

[10] Cf. World Bank Global economic prospects, p.3
[11] Cf. BNM annual report p.76
[12] Cf. BNM Annual report 2017, p75
[13] Cf. BNM Annual report 2017, p76
[14] http://www.thestar.com.my/business/businessnews/2017/04/19/proroperty-prices-remain-steady/#C2pXFIM6ki3Y0tFe.99
[15] https://www.nst.com.my/news/2017/02/208932/more housebuyers-expected-year

Management Discussion and Analysis

OVERVIEW OF GROUP

L&G is a successful property development and investment Group listed on the Main Market of Bursa Malaysia since 1968. With an extensive track record in the property development industry, the Group is committed to deliver projects that not only bring value to investors and shareholders, but enhances the lifestyles of the residents and provide the foundation on which communities can thrive. Under its Education activities, L&G shapes up future generations of global students, trained to excel and outperform in society.

L&G's core business activities are in property development and investment, which are mainly under the purview of its Property Division. With experience from residential to commercial projects, the Property Division has focused in recent years on high-rise and high-quality residential developments. However, in order to enhance its market presence and to respond to the changing market demand, the Group is currently expanding its development portfolio into landed township development. The Group's projects in Malaysia are located within the Greater Klang Valley area, where rapid urbanisation and economic development offer good development opportunities. Overseas, the Group is involved in Hidden Valley, Wallan, a joint venture development conveniently located 45 minutes from Melbourne, Australia.

Under the Education Division, its private education establishment, Sekolah Sri Bestari, has been established for more than two decades, offering classes according to the Malaysian national curriculum (KSSR and KSSM) from Kindergarten up to Secondary levels. The school aims at training multi-national students, with an international mindset, who can live and work in international environments. Therefore, strong emphasis is placed on mastering the English language with opportunity provided to learn additional languages such as French, Japanese and Chinese. Sekolah Sri Bestari gathers around 900 students and will be complemented by a new international school, Sri Bestari International School ("SBIS"). The new International School will follow the Cambridge and UK curriculum and will be hosted in new and well-equipped facilities, being on par with other international schools in Malaysia.

Other activities of the Group are oil palm cultivation, and the operations and management of Sri Damansara Club under the Others Division.

L&G is supported by a workforce of around 300 employees and total assets of over RM1.11 billion as of 31st March 2017.

LIFESTYLE-ORIENTED PRODUCTS

L&G is a well-established property developer in the market. With a proven track record of past successful developments and a strong financial footing, L&G is on solid foundations to grow from strength to strength.

Our projects are located in strategic and well-connected urban areas of the Greater Klang Valley. With the extension and developments of the public transport systems in the Klang Valley area and the fast economic expansion of the region, we expect that the property products in these areas will continue to be highly sought-after and that the value of these properties will continue to increase over time.

With the Group's diversified development portfolio into both high rise and landed properties, the Group will ensure the sustainability of earnings and help us overcome changing demand and fluctuating home prices. Smaller units answer the demand from Gen Y, a younger generation looking for modern and comfortable housing in vibrant locations at a reasonable price. Bigger units and landed property cater for families who need space and who are looking for a more greenery environment.

The Group is raising its profile and reputation among customers, investors, competitors and other stakeholders by developing holistic and high-quality products that reflect its search for excellence. Our developments are conscientiously crafted to enshrine modern and functional designs nested into soothing green spaces, complemented by numerous holistic amenities where residents can live, evolve and rejuvenate. The outstanding lush outdoor spaces and diverse facilities integrated into the heart of our projects give us a competitive edge in terms of product differentiation. The on-time delivery of our lifestyle-oriented projects, complemented by a thoughtful customer care, also contribute to building the trust and loyalty of our customers.

Management Discussion and Analysis
(Cont'd)

We have recently acquired additional 444.5 acres of land banks through the acquisition of Mayland companies and these will grow and strengthen our earnings base, ensuring long-term sustainable profitability to our shareholders and investors. In the context of the softening property market, we are confident that other opportunities for well-priced land banks will arise and remain on the lookout for such opportunities.

FINANCIAL PERFORMANCE

At the end of the financial year 2017, the Group's total assets amounted to RM1.11 billion, a decrease of 1.5% over the previous financial year (FY2016: RM1.13 billion). This is underpinned by an upper adjustment of the total assets for FY2016, mostly due to the reduction in trade and other receivables and deposits, cash and bank balances, offset by higher land and property developments costs.

The Group registered a pre-tax profit of RM69.75 million (FY2016: RM127.17 million), on the back of a revenue of RM42.65 million (FY2016: RM342.06 million). This decline in pre-tax profit was due to the lower contribution from the Property Division, offset by the combination of a higher fair value gain on investment-related costs and the write-back of provision no longer required in a jointly controlled entity.

The Property Division however was still the key driver contributing to the Group's total revenue, followed by the Education Division and the Others Division.

The Property Division registered a revenue of RM17.0 million (FY2016: RM317.6 million) and an operating profit of RM56.09 million (FY2016: RM121.54 million). The pre-tax profit recorded in FY2017, which is higher than the revenue generated in the same period, was due to the write-back of cost savings for the Elements@Ampang project.

The Education Division performed better than last year with a 1.7% increase in revenue and a 7.4% increase in operating profit year-on-year, mainly due to the upward revision of education fees. The Education Division's revenue was RM13.13 million (FY2016: RM12.91 million) and its operating profit RM5.37 million (FY2016: RM5.0 million).

The Others Division increased its revenue to RM17.9 million (FY2016: RM16.73 million) from higher sales. Its operating profit rose from RM2.6 million in FY2016 to RM8.9 million), mostly due to gain on fair value changes on quoted shares.

The cash investment on new capital expenditure amounted to RM599,000, mostly contributing to the costs for the renovation and upgrade of the school facilities.

In terms of liquidity, the deposits, cash and bank balances decreased by 24.4% between FY2016 and FY2017, mainly due to the payments pertaining to the costs of the acquisitions of the new companies.

The Group issued 29,494,301 new ordinary shares in FY2017, levelling up the total ordinary shares to 1,122,585,817 amounting to a total share capital of RM272.0 million. At the end of the financial year, the balance of outstanding ICULS in issue was 73,647,743.

Our net assets per share attributable to ordinary equity fell from 64 sen per share in FY2016 to 60 sen per share and the earnings per share in FY2017 was 3.2 sen. Despite the decrease of net assets, the Directors have declared a special interim single tier dividend of 2 sen per share for the financial year ended 31st March 2017. There will be no further dividend to be declared for the financial year in review.

Management Discussion and Analysis
(Cont'd)

GROWING OUR LAND BANK & PORTFOLIO

During the financial year under review ended 31st March 2017, the Group completed the acquisition of the U10 land in Shah Alam. The U10 land acquisition adds 112.3 acres to our land bank, and will be used for a township development.

The Group subsequently completed the acquisition of four companies from Malaysia Land Properties Sdn Bhd, namely:

- Primal Milestone Sdn Bhd ("PMSB")
- Quantum Bonus Sdn Bhd ("QBSB")
- Triumph Bliss Sdn Bhd ("TBSB")
- Forward Esteem Sdn Bhd ("FESB")

An option has been retained for the acquisition of a fifth company, Soho Prestige Sdn Bhd.

These acquisitions increase L&G's land banks and project portfolio in strategic locations of the Greater Klang Valley area and raise the Group's profile as an up and coming fast growing property developer. They will not only strengthen our current earnings base but will take the Group to the next level of growth. They will enhance the Group's gross development value ("GDV") by an estimated RM4.2 billion and ensure the sustainability of the profitability of the L&G Group, ensuring long-term growth for the Group.

The acquisitions of PMSB and QBSB will allow L&G to joint venture with Country Gardens Holdings Company Limited ("Country Gardens"), one of the largest property developer in China. L&G Group will thus be able to tap into the on-going and future development projects in Semenyih and Serendah.

The acquisitions of TBSB and FESB provide the Group the opportunity to increase its land banks available for immediate and future developments in Seri Kembangan and Ukay Ampang areas. The developments of the lands, which are mostly at preliminary stages, will enhance the Group's portfolio coverage in prime locations.

REVIEW OF OPERATIONS

PROPERTY DEVELOPMENT: INNOVATION & DESIGN

The subdued property market in Malaysia in 2016 was marked by a lower demand for properties, mostly due to cautious consumer sentiment and difficult access to property financing, combined with the weakened ringgit against other major currencies. In this adverse economic environment, the Group showed resilience and realised positive profit.

The Group's on-going project, Astoria@Ampang, together with five other projects in the pipeline which are mostly at the planning and approval stage; Seresta (Phase 2 of Damansara Foresta), the re-development at the existing Sri Damansara Club and three townships; Sena Parc, the newly acquired U10 land and Ladang Sg Jernih at Mukim Kerling, will complement the Group's portfolio and ensure the continuity of revenue streams on the middle and long-term range.

On the property sales side, the Group strengthened its marketing campaign and introduced new sales packages to increase the interest and awareness of potential buyers and investors. As a result, we saw an increase in booking and take-up rate compared to last year. This encouraging trend augurs well for the launching of Sena Parc and Seresta, planned in FY2018, and we are confident that the Group will deliver positive results next year.

Management Discussion and Analysis
(Cont'd)

Astoria@Ampang

Located next to our successfully completed Element@Ampang project, this high-end residential high-rise project comprising 4 blocks of 46 storeys and a total of 1,012 units. This luxury serviced apartment development mixes modern dwelling spaces with numerous recreational and relaxing facilities, nestled in a 5.6 acres luxuriant green environment. Among the amenities provided, residents can enjoy a yoga zone, tennis court, Tai Chi lawn, cycling path, jogging path and an Olympic length swimming pool. The project is a peace haven in the middle of the bustling heart of Kuala Lumpur.

Its total GDV is estimated at RM840 million. The construction of Phase 1 started in April 2016 and is scheduled for completion at year end of 2019. The Phase 1 of Astoria comprises 506 units, more than half of which have already been sold.

Sena Parc

Sena Parc is a township project located in Senawang, in the area of Seremban. This project, enshrined in a lush greenery landscape, focuses on well-being and nature, with facilities that cater for leisure and sports. The township offers a secluded and safe outdoor-oriented environment within the vicinity of Senawang and Seremban, thus offering easy access to conveniences and amenities.

The project will be developed in three phases, and its total GDV is estimated at approximately RM600 million.

We are waiting for the final approvals from the relevant authority to launch its Phase 1 which comprises 453 units of double-storey linked houses at the estimated GDV at RM230 million.

Seresta at Bandar Sri Damansara (Phase 2 of Damansara Foresta)

The Seresta project comprises two towers with a total of 452 units, overlooking the stunning green views around. The sound and flow of the water features impregnates the daily lives of the residents, bringing a soothing and serene environment. The emphasis is on the integration of the complex within its impressive natural environment, reinforced by the open-air layout of the numerous facilities, among which a swimming pool, fitness and recreational facilities.

This exclusive development offers a haven of peace away from the fast-paced city life in a prominent western suburb of KL, while offering an efficient connectivity to the other areas of Klang Valley via major highways.

The minimal architecture of Seresta, "Genius Loci", emphasizes the integration of modern and contemporary lines with the natural environment. The estimated GDV for the entire Seresta project is RM480 million.

The foundation and piling works were completed in FY2017, and the launch is expected to occur in the fourth quarter of the current calendar year. Therefore, we expect to be able to realise the initial turnover and profit for this project in next financial year. The project is at the final stage of obtaining its approval for its sales launch.

U10 Land in Shah Alam

The U10 Land, measuring approximately 112.3 acres, is a township that will develop into a mix of link houses, semi-detached houses, serviced apartments and affordable housing (Rumah Selangorku). The building plans have been submitted while the conceptualization of the development is being finalised for future submission. The estimated GDV for the entire project is RM1.25 billion.

Management Discussion and Analysis (Cont'd)

Ladang Sg Jernih, Kerling (Proposed Township at Mukim Kerling)

This project is a 2,500 acres township development located in Mukim Kerling. The master layout of the proposed development has been submitted to the relevant authorities for approval.

Proposed re-development at existing Sri Damansara Club

The Group is preparing to re-develop approximately 20 acres land of the existing Sri Damansara Club. It will ultimately comprise serviced apartments and an upgrade of the club facilities. The project is at its final stage of planning and is scheduled to submit for development approval in the 3rd quarter of financial year 2018.

EDUCATION: REACHING FOR EXCELLENCE & INCLUSIVENESS

The demand for private education has grown dramatically over the past 15 years. This growth is driven by the soaring demand for private and international schools catering for urban middle classes.

The Education Division has commenced setting-up an international school in response to the greater demand for international schools intake, which was observed during the recent years in the education sector.

New Sri Bestari International School (SBIS)

The Group has obtained in December 2016 the approval from the Ministry of Education to set-up a new international school. This new international school, named "Sri Bestari International School" ("SBIS"), will contribute to the strengthening of our brand and reputation in the education sector.

The international school will follow the Cambridge curriculum and the UK national curriculum, offering high quality international education at a very affordable price. SBIS is committed to develop student's global mindset and innovative thinking, with an emphasis on the strong command of the Mandarin language in addition to the mastery of English and Bahasa Malaysia. This positioning should enhance Sri Bestari's competitiveness and broaden the Education Division's revenue in the very competitive education market.

The soft launch of SBIS will start with the first intake of students for Year 1 and Year 7 in September 2017. The new students will be hosted in the existing school facilities, while waiting for the completion of the international school infrastructure, planned to be finished by September 2019. The SBIS infrastructure and premises which will comprise a swimming pool, multi-purpose hall, gymnasium, art gallery, multi-level carpark, cafeteria, performing arts facilities, laboratories for science, culinary room, staffrooms and an administrative block, will be on par with other international schools standards. SBIS is planned to ultimately house up to 1,500 students.

The Group is proud to announce that Dr Wong Siew Chin, was appointed SBIS principal on 8th May 2017. With her qualifications and an experience of over a decade in a renowned international school, we are confident that Dr Wong will provide the right momentum and direction to ensure the success of the school.

Education and Learning Support Academy ("ELSA") Programme

The Group launched its Education and Learning Support Academy ("ELSA") programme, which complements Sekolah Sri Bestari's ("SSB") mainstream offering. This programme, designed for students who need extra support in their education curriculum, helps them achieve higher self-sufficiency and confidence. A specific "Education plan" is designed for each ELSA student, based on their specific needs, to optimise their progress. We have at heart to select academic and support staff with the appropriate expertise and qualifications to accompany our students on their learning journey. The ELSA Inclusive programme (ELSA 1) caters for selected students (slow-learners, dyslexic, etc.) following the mainstream SSB classes, who are provided extra support in specific subjects on a daily basis. The ELSA Exclusive (ELSA 2) programme is targeted for Autistic students, who are enrolled full-time in dedicated ELSA 2 classes, distinct from the mainstream SSB classes. The ELSA 1 & 2 programmes currently have 31 students.

The ELSA programme was initiated in January 2016 in the primary level. We recently obtained the approval to start the ELSA Programme for kindergarten level in Tadika Manjaria as well as the secondary school.

Management Discussion and Analysis
(Cont'd)

OTHERS DIVISION

On the property investment side, the lease of two levels of retail space within 8trium, our premium integrated commercial project in Bandar Sri Damansara, generates a regular revenue stream for the Group.

In FY2017, no major changes occurred in our operations in Australia and the plantation activities.

RISK MANAGEMENT

The management regularly evaluates financial and operational risks for the Group and sets in place measures to avoid or mitigate such risks. In the context of the property market slowdown, we strive to identify and keep pace with changing market trends, regulatory and other stakeholder requirements.

The property market is cyclical in nature and is somewhat correlated to the general economic conditions of Malaysia. Adverse developments in political, regulatory and economic conditions in Malaysia could materially affect the property industry in Malaysia. In mitigating such risk, the L&G Group reviews its business development strategies in response to the changes in political, regulatory and economic conditions.

In order to mitigate the risks inherent to the very competitive property market, such as changes in property prices, delays in completion, and under-performance of sub-contractors combined by fluctuating material costs, the Group closely monitors the progression of construction projects, applies a tight cost control throughout the life cycle of projects, and favours fixed price contracts.

Our project portfolio focuses on developments in urban areas close to transportation network connections and with easy access to conveniences and amenities in order to meet the current market demand. In other projects, the new landed properties combined with vast outdoor and green spaces will cater for families, who are looking for safe and pleasant environment. We integrate many innovative features into the layout and the facilities, thus enhancing and adding value to our products and marking out our differentiations from our competitors.

OUTLOOK: PAVING THE WAY TO SUCCESS

The global economy in FY2018 is expected to remain sluggish, and will still be impacted by the monetary policies in the major economies, protectionist tendencies, and a still weak recovery, worsened by security issues and geopolitical uncertainty, especially in the Euro zone.

The property market will remain challenging, underpinned by cautious consumer sentiment linked to pricing affordability, rising living costs and stringent loan conditions. The demand for residential properties should nevertheless be sustained, despite a slower growth compared to the previous years. The downwards revision of the Overnight Policy Rate in July 2016 had marginal impact on loan applications, in the absence of any other incentives. Connectivity and access to public transport systems like the Light Rail Transit (LRT) and Mass Rail Transit (MRT) for properties within close radius is expected to yield price appreciation in those property prices and rentals.

The acquisitions of land bank from Mayland have replenished our land bank in strategic areas of the Greater Klang Valley region, and will sustain the Group's earnings and profitability through future developments.

We will continue to look at other opportunities to grow our land bank and diversify our product portfolio. With this ongoing projects and acquisitions coming in, moving forward L&G will be looking at a total GDV of approximately RM8 billion.

The launches of Sena Parc Phase 1 and Seresta, planned in FY2018, will contribute to the turnover and profits commencing next financial period. For FY 2019 and beyond, the management is lining up several exciting residential developments in prime locations around the Greater Klang Valley to catch the inevitable upswing in the next property market cycle and steer the Group to the next level of growth and success.

Under the Education Division, the re-branding exercise should modernise and enhance our brand while contributing to the higher visibility of the Group in the sector. The ELSA programme should run at its full maximum capacity soon, as there is a growing demand for special education programmes, backed-up by recommendations from medical specialists who are referring students to follow this programme.

The Sri Bestari International School launching is opening-up new avenues for the Education Division to thrive. Future projects under the Sri Bestari International School are to gradually expand from kindergarten, primary and secondary levels up to the IGCSE examination and A-levels. These new offerings should increase our competitiveness in the education sector.

Moving forward, the Board believes that the L&G Group is well-geared to overcome the continued challenges ahead, leveraging on our track record and expertise, and we remain positive on its prospects for its next financial year.

Low Gay Teck
Managing Director
17 July 2017

Corporate Governance Statement

The Board of Directors ("the Board") of L&G or the Company, is committed to the Principles and Recommendations of the Malaysian Code on Corporate Governance 2012 ("MCCG 2012").

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

PRINCIPLE 1 – ESTABLISH CLEAR ROLES AND RESPONSIBILITIES

Board Charter

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

The Board Charter shall be reviewed to ensure it remains consistent with the Board's objective and responsibilities, and all the relevant standards of corporate governance.

The Board Charter can be found from the Company's website at www.land-general.com.

Roles and Responsibilities

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

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

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

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

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

Overseeing the Conduct of Businesses of the L&G Group

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

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

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

Corporate Governance Statement
(Cont'd)

Board Committees

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

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

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

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

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

a) Audit Committee

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

b) Nominating Committee

The Nominating Committee consists exclusively of Independent Directors.

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

c) Remuneration Committee

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

Support Services

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

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

During the financial year ended 31 March 2017 under review, the Board had engaged the professional services of relevant external experts in assisting the Board making the necessary assessments on the various aspects of the Multiple Corporate Proposals implemented.

Sustainability

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

a) employees;
b) environment; and
c) social responsibilities.

Corporate Governance Statement (Cont'd)

More information is provided in the Sustainability Statement on page 44 to 53 of this Annual Report.

Code of Conduct

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

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

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

The Code of Conduct for Directors can be found from the Board Charter published at the Company's website at www.land-general.com.

Whistle-blowing policy

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

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

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

Alternatively, such concerns which shall be classified as "Strictly Private and Confidential" may be directed in writing to the Senior Independent Director which the contact details are set out on page 33 of this Annual Report.

PRINCIPLE 2 – STRENGTHEN COMPOSITION

Composition of the Board of Directors

The Board currently comprises nine (9) Directors of whom eight (8) are non-executive Directors and one (1) is executive Director.

The Board's composition is well balanced with four (4) independent non-executive Directors, four (4) non-independent non-executive Directors and one (1) executive Director.

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

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

This mix of skills and experience is essential for the successful attainment of the corporate plans and objectives of the Group. A brief profile of each Director is set out on page 7 to 11 in the Director's Profile of this Annual Report.

Corporate Governance Statement
(Cont'd)

Activities of the Nominating Committee

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

The activities of the Nominating Committee in respect of the financial year ended 31 March 2017 are summarised as stated below.

a) Directors' Annual Assessment

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

The Director's self-assessment in respect of financial year ended 31 March 2017 covers the following aspects:-

(i) Strategy and entrepreneurship;
(ii) contribution and performance;
(iii) calibre and personality;
(iv) attendance at Board and Board Committee's Meetings; and
(v) directors' training attended.

All Directors had carried out the Directors' self-assessment exercise in respect of the financial year ended 31 March 2017 and the Nominating Committee had submitted its comments to the Board for consideration.

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

b) Board Assessment and Board Committee's Assessments

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

The Nominating Committee had conducted Board assessment and Board Committee's assessments in respect of financial year ended 31 March 2017 and reported its assessments to the Board.

The Board assessment covers the following aspects:-

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

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

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

The said assessments had covered the following aspects:-

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

Corporate Governance Statement (Cont'd)

c) Assessment on the members of the Audit Committee

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

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

The said assessment had covered the following aspects:-

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

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

Boardroom Diversity

The Company shall pursue diversity in terms of gender and qualification to improve boardroom diversity. To promote gender diversity, the Board will, as far as practicable, consider suitably qualified female candidate.

However, the Company maintains its stand that any new appointment to the Board shall always be based on merits, capability, experience, skill-sets and integrity regardless of gender and ethnicity.

Appointment of Director

The Board as a whole makes decision on appointment of Director upon recommendation by the Nominating Committee.

The Nominating Committee shall undergo a selection and nomination process when determining the suitability of the potential candidates considering the potential candidates' expertise that can complement the experiences, backgrounds and perspectives of the Board and also to make positive contribution to the Board's performance.

When recommending candidate to the Board for appointment as new director, the Nominating Committee would consider the following aspects of a candidate:

(i) skills, knowledge, expertise and experience;
(ii) professionalism;
(iii) integrity;
(iv) time commitment; and
(v) in the case of independent Director, the candidate's ability to discharge such responsibilities/functions as expected from Independent Non-Executive Directors.

The Nominating Committee would also consider, in making its recommendation, candidates for directorship proposed by the Chairman, Chief Executive/Managing Director and within the bounds of practicability, by any other senior executive or any director or major shareholder.

Directors' Remuneration

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

The executive Directors' remuneration comprises basic salary and allowances including other customary benefits made available by the Group. Any salary review takes into account market rates and the performance of the individual and the Group.

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

Corporate Governance Statement
(Cont'd)

The remuneration of the non-executive Directors was determined by the Board as a whole based on their time commitment, number of scheduled meetings and contribution to the Company.

At the coming 54th AGM, the Board shall seek shareholders' approval for Directors' fees and meeting allowances.

The Remuneration Committee had one (1) meeting during the financial year under review. All members of the Remuneration Committee Meeting attended the said meeting. The Remuneration Committee had recommended the remuneration of executive Director for Board's consideration and approval.

The aggregate remuneration of the Directors of the Company for the financial year ended 31 March 2017 is as follows:

Directorate	Directors' Fees RM	Meeting Allowances RM	Advisory Fee RM	Emoluments RM	Benefits in kind RM	Total RM
Executive	-	-	-	1,068,954	45,994	1,114,948
Non-Executive	400,000	82,400	120,000^	-	-	602,400

Note: ^ Advisory fee was paid for the advisory role undertaken by the former Executive Director who retired on 31 December 2015 and re-designated as Non-Independent Non-Executive Director with effect from 1 January 2016.

The number of Directors of the Company whose total remuneration falls within the respective bands for the financial year ended 31 March 2017 is as follows:

Band	Number of Directors Executive	Number of Directors Non-Executive
RM50,000 and below	-	3
RM50,001 to RM100,000	-	3
RM100,001 to RM150,000	-	1
RM150,001 to RM200,000	-	*1
RM1,100,000 to RM1,150,000	1	-

Note: * Inclusive Director's Fee and Advisory Fee for former Executive Director who was re-designated as Non-Independent Non-executive Director.

PRINCIPLE 3 – REINFORCE INDEPENDENCE

Independent Directors

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

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

For the financial year ended 31 March 2017, pursuant to the Recommendation 3.1 of the MCCG 2012, the Nominating Committee had reviewed and assessed the performance and independence of all the Independent Directors, including Dato' Ir Dr A Bakar Jaafar and Dato' Hj Ikhwan Salim Dato' Hj Sujak who have served the Board for a cumulative term of more than 9 years, based on the criteria as set out in Paragraph 1.01 of the MMLR.

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

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

Corporate Governance Statement (Cont'd)

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

Tenure of Independent Director

The Board, in principle, agreed that the tenure of an independent director should not exceed a cumulative term of 9 years as long tenure may impair independence.

However, on exceptional circumstances, the Board would seek shareholders' approval at the Company's AGM to obtain shareholders' mandate for an independent director who had served more than 9 years to continue in office as independent director after making the necessary assessment on the performance of the said independent director.

The Nominating Committee had considered and deliberated the justifications for Dato' Ir Dr A Bakar Jaafar and Dato' Hj Ikhwan Salim Dato' Hj Sujak who have served as an Independent Non-Executive Directors of the Company for a cumulative term of more than 9 years, to continue to serve as an Independent Directors of the Company. The Board shall seek shareholder's approval to enable Dato' Ir Dr A Bakar Jaafar and Dato' Hj Ikhwan Salim Dato' Hj Sujak to continue to serve as an Independent Director.

The justifications are set out in the Notice of 54th AGM.

PRINCIPLE 4 – FOSTER COMMITMENT

Time Commitment

Pursuant to the Board Charter, Directors should devote sufficient time to carry out their duties and responsibilities.

The Managing Director is bound by contract of service to devote full attention to the businesses of the L&G Group. For non-executive Directors, the Board and Board Committees' meetings attendance is one of the basis of evaluation of a director's performance when conducting Directors' annual assessment. Pursuant to the Board Charter, before accepting new directorships, all Directors should notify the Chairman where such notification should indicate time that will be spent on the new appointment.

Board Meetings

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

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

During the financial year ended 31 March 2017, a total of ten (10) Board meetings were held, of which five (5) Board Meetings were held for deliberation and consideration of corporate proposals.

The attendance of Board meetings of each of the current Director held during the financial year ended 31 March 2017 is as follows:

Directors	No. of Meetings attended/held
Dato' Hj Zainal Abidin Putih	9/10
Low Gay Teck	10/10
Ferdaus Mahmood	10/10
Dato' Ir Dr A Bakar Jaafar	9/10
Dato' Hj Ikhwan Salim Dato' Hj Sujak	10/10
YM Tengku Maruan Tengku Ariff	10/10
Hoong Cheong Thard	7/10
Chiu Andrew Wah Wai	7/10
Chai Keng Wai	9/10

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

Corporate Governance Statement
(Cont'd)

Management personnel and external experts were invited to attend Board meetings to furnish additional details or clarification on matters tabled for the Board's consideration. Advisers and professionals appointed by the Company in relation to the Multiple Corporate Proposals were invited to attend the Board meetings to provide explanations or clarifications and advice to the Directors.

Directors' Training

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

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

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

During the financial year under review, an In-house Directors' Training entitled "The Companies Act 2016" was organised. The said training was conducted by Ms Mah Li Chen.

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

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

Dato' Hj Zainal Abidin Putih

• Solar Energy Exhibition and Conference	4 & 5 May 2016
• Energy Systems Conference 21st Century Challenges	14 & 15 June 2016
• TNB Board of Development Programme 2016: New Challenge for the Board of Directors: Cyber Risk	23 June 2016
• TNB Board Break-out: Re-Imaging TNB	21 July 2016
• Touch n Go Innovation and Strategic Planning Workshop	19 August 2016
• Khazanah Megatrends Forum 2016	26 & 27 September 2016
• CIMB 2017 Risk Posture Workshop for Board of Directors	28 September 2016
• CIMBG GIOD Pre-AMS Workshop (as speaker)	4 October 2016
• Dutch Lady Milk Industries Directors' Continuing Education Programme 2016	8 to 10 October 2016
• CIMB Group Annual Management Summit 2016	11 & 12 November 2016
• Briefing on Amendments on Listing Requirements and the Impact of New Companies Act on Petron Malaysia	16 December 2016
• L&G In-house Directors' Training – The Companies Act 2016	8 March 2017
• Global Transformation Forum	22 & 23 March 2017
• 4th BNM-FIDE Forum Annual Dialogue with Deputy Governor of Bank Negara Malaysia	27 March 2017

Low Gay Teck

• Australian Property Investment Opportunities and Tax Update – Baker Tilly Pitcher Partners & Baker Tilly Malaysia	26 July 2016
• Advocacy Sessions on Management Discussion & Analysis for Chief Executive Officers and Chief Financial Officers – Bursa Malaysia Berhad	8 August 2016
• The 19th National Housing & Property Summit 2016: Revitalising the Housing & Property Industry – What Next for the Housing & Property Sector ? – Asian Strategy & Leadership Institute ("ASLI")	8 & 9 September 2016
• 2017: Another Black Swan Year ? - Libra Invest Berhad	18 January 2017
• Is Malaysia still an attractive destination ? – JLL Property Malaysia	19 January 2017
• What to Expect in 2017 – BFM Edge	24 January 2017
• Market Outlook 2017 – Eastspring Investments	25 January 2017
• Greater KL & Smart City Summit 2017 - ASLI	28 February 2017
• L&G In-house Directors' Training – The Companies Act 2016	8 March 2017

Corporate Governance Statement (Cont'd)

Ferdaus Mahmood

• L&G In-house Directors' Training – The Companies Act 2016	8 March 2017

Dato' Ir Dr A Bakar Jaafar

• Ocean Thermal Energy-Driven Development Potential In Brunei-Darussalam	21 April 2016
• 9th Asian School on Renewable Energy - Universiti Kebangsaan Malaysia	23 – 27 May 2016
• Proceeding 2nd National Workshop on Ocean Energy 2016 - Universiti Teknologi Malaysia	1 June 2016
• Ocean Energy Production Cost & Generation Capacity over Capital Investment - UTM OTEC	3 June 2016
• A Standard UTM-OTEC Agreement Structure & With Proposed Royalty For R&D, UTM OTEC	18 June 2016
• FPLC Directors' Remuneration Seminar	20 June 2016
• Briefing to the 1st Meeting of OTEC Offset Project - MIMA	18 July 2016
• Ensearch Sustainability Conference	25 July 2016
• Sustainability and Environmental Management Conference & Exhibition 2016	25-26 July 2016
• 5th MIMA South China Sea Conference 2016	29-30 August 2016
• Non-Petroleum Geologically-Related Sources of Energy in Malaysia Seminar - Persatuan Alumni Universiti Malaya	27 September 2016
• 3rd International Green Workshop & Exhibition on Green Energy and Environment with Innovative Infrastructure and Building Design	4-5 October 2016
• Seminar on Akta Pelantar Benua 196 - Suruhanjaya Tenaga, Putrajaya	12 October 2016
• EUMCCI-UTM Seminar on Ocean Energy, 1 December 2016, UTM Kuala Lumpur	1 December 2016
• Ocean Thermal Energy-Driven Development in the Tropics for Sustainability - UTM OTEC Briefing to JKR-V Official	16 December 2016

Dato' Hj Ikhwan Salim Dato' Hj Sujak

• L&G In-house Directors' Training – The Companies Act 2016	8 March 2017

YM Tengku Maruan Tengku Ariff

• Capital Market Director Programme, SIDC, Securities Commission Malaysia	26 – 30 September 2016

Hoong Cheong Thard

• HSBC Europe Forum (Hong Kong)	18 November 2016
• UOB 2017 Market Outlook (Hong Kong)	16 January 2017

Chiu Andrew Wah Wai

• Closed Group Discussion with Delegates from Singapore and Isreal – The Better Hong Kong Foundation	12 January 2017

Chai Keng Wai

• L&G In-house Directors' Training – The Companies Act 2016	8 March 2017

PRINCIPLE 5 – UPHOLDING INTEGRITY IN FINANCIAL REPORTING

Financial Reporting

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

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

Corporate Governance Statement
(Cont'd)

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

The Audit Committee has met with the external auditors in relation to the audit of the annual financial statements without the presence of the Executive Director and Management twice in respect of the financial year under review.

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

PRINCIPLE 6 – RECOGNISE AND MANAGE RISKS

Internal Controls

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

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

PRINCIPLE 7 – ENSURE TIMELY AND HIGH QUALITY DISCLOSURE

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

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

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

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

PRINCIPLE 8 – STRENGTHEN RELATIONSHIP BETWEEN COMPANY AND SHAREHOLDERS

Relationship with Shareholders and Investors

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

At the 53rd AGM held on 7 September 2016 and the Extraordinary General Meeting ("the EGM") held on 15 March 2017, poll votes were conducted.

At the 53rd AGM, the Managing Director and Chief Financial Officer of the Company gave a slide presentation to the shareholders and proxyholders on the Group's operating and financial performance for the financial year under review which included up-to-date operating activities of the Group and following that, a question and answer session with the shareholders and proxyholders was held. As good corporate governance practice, the summary of discussion the 53rd AGM is published at the Company's website for public viewing.

Corporate Governance
Statement
(Cont'd)

At the EGM, the Chief Financial Officer of the Company gave a slide presentation to the shareholders and proxyholders to explain the details of the Multiple Corporate Proposals. Shareholders and proxyholders present at the EGM had actively participated at the question and answer session. The relevant advisers were also present at the EGM to provide information and clarifications to the shareholders and proxyholders present at the EGM.

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

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

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

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

Mr Wong Keet Loy
Chief Financial Officer
Telephone No: 03-6279 8030
Fax No: 03-6272 5916
Email: klwong@land-general.com

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

Statement of Directors' Responsibilities

In Respect of the Audited Financial Statements

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

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

- adopted suitable accounting policies and then applied them consistently;
- made judgements and estimates that are prudent and reasonable;
- ensured applicable accounting standards have been followed, subject to any material departure and explained in the financial statements; and
- prepared the financial statements on the going concern basis unless it is inappropriate to presume that the Group and the Company will continue in business.

The Directors are responsible for keeping proper accounting records which disclose with reasonable accuracy at any time the financial position of the Group and of the Company and to enable them to ensure that the financial statements comply with the Companies Act, 2016. The Directors are also responsible for safeguarding the assets of the Group and of the Company and, hence, for taking reasonable steps for the prevention and detection of fraud and other irregularities.

Board Statement on Suitability and Independence of External Auditors

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

Additional Compliance Information

- **Material Contracts**

The Company had on 15 November 2016, announced that it proposed to undertake the following multiple corporate proposals:-

(i) proposed acquisitions by the Company from Malaysia Land Properties Sdn Bhd (“Mayland”) or “Vendor”) of the following:
   a. entire equity interests in Primal Milestone Sdn Bhd (“PMSB”) for a cash consideration of approximately RM128.47 million (“Proposed PMSB Acquisition”);
   b. entire equity interests in Quantum Bonus Sdn Bhd (“QBSB”) for a cash consideration of approximately RM5.97 million (“Proposed QBSB Acquisition”);
   c. entire equity interests in Triumph Bliss Sdn Bhd (“TBSB”) for a cash consideration of approximately RM118.15 million (“Proposed TBSB Acquisition”); and
   d. entire equity interests in Forward Esteem Sdn Bhd (“FESB”) for a cash consideration of approximately RM45.73 million (“Proposed FESB Acquisition”),

   and the settlement of respective outstanding inter-company balances owing by PMSB, QBSB, TBSB and FESB to Mayland and its subsidiaries as at the completion date of the proposed acquisitions (Collectively, the proposed PMSB Acquisition, Proposed QBSB Acquisition, Proposed TBSB Acquisition and Proposed FESB Acquisition are collectively referred to as the “Proposed Acquisitions”.);

(ii) proposed call option granted by Mayland in favour of the Company for the acquisition of the entire equity interests in Soho Prestige Sdn Bhd (“SPSB”) for a cash consideration of RM37.25 million (“Option”) (“Proposed SPSB Option”) and the settlement of outstanding inter-company balances owing by SPSB to the Mayland Group as at the completion date of the proposed acquisition upon exercise of the Option;

(iii) proposed renounceable rights issue of up to 1,914,061,696 new ordinary shares of L&G (“L&G Shares”) (“Rights Shares”) at an issue price of RM0.21 per rights share on the basis of eight (8) Rights Shares for every five (5) existing L&G Shares held at 5.00 p.m. on 14th April 2017 based on a minimum subscription level of 820,000,000 Rights Shares; and

(iv) proposed exemption to Mayland Parkview Sdn Bhd (“MPSB”), the major shareholder of the Company under Paragraph 4.08 of the Rules on Take-Overs, Mergers and Compulsory Acquisitions from the obligation to undertake a mandatory take-over offer for all the remaining L&G Shares and convertible securities in the Company not already owned by MPSB and person(s) acting in concert with MPSB (if any) upon completion of the Proposed Rights Issue (“Proposed Exemption”).

The Interested Directors are deemed interested in the Proposed Acquisitions and Option due to the following:-

(i) Mr Low Gay Teck, the Managing Director of the Company, is a nominee director of MPSB on the Board. He is also a director of MPSB;
(ii) Mr Hoong Cheong Thard, a Non-Independent Non-Executive Director of the Company is a nominee director of MPSB on the Board and a member of the Audit Committee of the Company;
(iii) Mr Chiu Andrew Wah Wai, a Non-Independent Non-Executive Director of the Company is also a nominee director of MPSB on the Board. He is the son of Tan Sri Dato’ David Chiu; and
(iv) Mr Chai Keng Wai, a Non-Independent Non-Executive Director of the Company is also the nominee director of MPSB on the Board.

MPSB is a major shareholder of the Company, is a wholly-owned subsidiary of Mayland, which in turn is the wholly-owned subsidiary of Prestige Aspect Sdn Bhd (“PASB”) and Tan Sri Dato’ David Chiu is a major and controlling shareholder of PASB via his interests in the holding companies of PASB. Therefore, Tan Sri Dato’ David Chiu is deemed as a major shareholder of the Company through his deemed interest in MPSB. As such, the Interested Major Shareholder is deemed interested in the Proposed Acquisitions and Option.

The said multiple corporate proposals were approved by the non-interested shareholders at Extraordinary General Meeting on 15 March 2017 and the application for Proposed Exemption was subsequently approved by the Securities Commission on 17 March 2017.

On 15 May 2017, the Company announced the issuance of 1,798,854,888 new ordinary shares of L&G pursuant to the Proposed Rights Issue and the said shares were allotted on 12 May 2017.

Except for the Proposed SPSB Option, all other proposals mentioned above was completed on 22 May 2017 with the payment of the balance of Purchase Consideration of RM273,137,000.

Additional Compliance
Information
(Cont'd)

- **Audit and Non-audit Fees**

  The amount of audit fees paid or payable to the external auditor incurred by the Company and the Group for the financial year ended 31 March 2017 has been reflected under Note 8 to the Audited Financial Statements, on Page 92 of this Annual Report.

  The amount of non-audit fees paid or payable to the external auditor incurred by the Company and the Group for the financial year ended 31 March 2017 has been reflected under Note 8 to the Audited Financial Statements, on Page 92 of this Annual Report.

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

  As at 30 June 2017, the total proceeds of RM377,759,526.48 arising from rights issue were utilized as follows:-

Purposes	Proposed utilisation RM'000	Actual utilisation RM'000	Balance unutilized RM'000	Intended timeframe for utilisation from completion date
Settlement of balance of purchase consideration and outstanding balances or RM8.6 million	314,348	273,137	41,211	Within 12 months
Working capital requirements	60,912	2,250	58,662	Within 36 months
Estimated expenses for the Proposals	2,500	2,500	-	Within 6 months
Total	**377,760**	**277,887**	**99,873**	

Audit Committee
Report

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

MEMBERS AND MEETINGS

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

The Audit Committee held 7 meetings during the financial year ended 31st March 2017. The members of the Audit Committee and the record of their attendance are as follows:

	Audit Committee	Position on the Board	Attendance/ Number of meetings held
1.	Dato' Hj Ikhwan Salim Dato' Hj Sujak	Chairman of Audit Committee, Independent Non-Executive Director	7/7
2.	Dato' Ir Dr A Bakar Jaafar	Senior Independent Non-Executive Director	7/7
3.	Mr Hoong Cheong Thard	Non-Independent Non-Executive Director	5/7

In compliance with the Listing Requirements of Bursa Malaysia Securities Berhad, the terms of reference of the Audit Committee is made available at the Company's website: www.land-general.com.

SUMMARY OF ACTIVITIES OF THE AUDIT COMMITTEE FOR THE FINANCIAL YEAR ENDED 31st MARCH 2017

For the financial year ended 31st March 2017, the main activities undertaken by the Audit Committee were as follows:-

A) Financial Reporting

1. Reviewed the draft quarterly unaudited financial results of the Company and the Group and made the necessary recommendations to the Board for approval for announcement to Bursa Malaysia Securities Berhad;

2. Reviewed the Audit Planning Memorandum before the commencement of audit. The external auditors' engagement partner was invited to present to the Audit Committee in relation to the audited financial statements for the financial year ended 31 March 2017 ("AFS"). Matters highlighted and discussed are summarised as follows:-

   a) Auditor's scope of services and audit fees;
   b) Auditor's independence in relation to the performance of audit in accordance with MIA By-laws;
   c) Responsibilities of external auditors, directors and management in relation to the AFS;
   d) Concept of materiality in relation to the performance of audit;
   e) Auditor's strategy for multiple locations audit;
   f) Areas of audit emphasis;
   g) Fraud considerations and risks of management override;
   h) Audit timeline;
   i) Financial reporting developments;
   j) Changes in regulatory environment; and
   k) New and revised auditor reporting standard.

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

Audit Committee
Report
(Cont'd)

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

a) Revenue recognition;
b) Review of budgeted property development cost;
c) Acquisition of Pembinaan Jaya Megah Sdn Bhd;
d) Accrued property development expenditure;
e) Impairment of assets;
f) Fair value disclosure of investment properties;
g) Inventories valuation;
h) Provision for financial obligation;
i) Late Ascertained Damages for completed project;
j) Related party disclosures;
k) Income taxes (including deferred tax);
l) Review of accounting estimates and judgements

4. Reviewed on the assistance given by the Group's employees to the external auditors;

5. Reviewed the audited financial statements of the Company and the Group prior to the submission to the Board for their consideration and approval (to ensure that the audited financial statements were drawn up in accordance with the provisions of the Companies Act, 2016 and the applicable Financial Reporting Standards in Malaysia); and

6. Reviewed and deliberated the checklist on external auditors' performance and independence. The aspects reviewed and deliberated by the Audit Committee are summarised as follows:-

a) independence and objectivity;
b) audit scope and planning;
c) audit communication;
d) quality processes/performance; and
e) audit fees.

B) Internal Audit

1. Reviewed and discussed the internal audit findings and internal audit follow-ups on the key divisions of the Group at the Audit Committee meetings. Amongst others, issues highlighted and discussed include internal control issues and implementation of recommended control measures to be undertaken by the relevant divisions;

2. Reviewed the updated risk profile of the Group and the adequacy and integrity of the internal control systems to manage these risks; and

3. Reviewed and deliberated the checklist on the function and effectiveness of the internal auditor.

C) Others

1. Reviewed, discussed and considered related party transactions entered into by the Company to ensure that the transactions entered into were at arm's length basis and on normal commercial terms.

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

INTERNAL AUDIT FUNCTION

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

Audit Committee Report
(Cont'd)

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

1. Reviewed the system of internal controls, risks management and key operating processes based on the approved annual plan and recommending improvements to the existing system of controls;

2. Conducted audit and follow up visits on the operational and internal control management of the key divisions of the Group namely property division, education division and others (land cultivation and management of club activities);

3. Ascertained the extent of compliance with established policies, procedures and statutory requirements;

4. Ascertained the extent to which the Company's and the Group's assets are accounted for and safeguarded from losses of all kinds;

5. Carried out ad hoc audit assignments and special reviews; and

6. Identified opportunities to improve the operations of and processes within the Group.

During the financial year, the costs incurred for the internal audit function was RM133,146.60.

Dato' Hj Ikhwan Salim Dato' Hj Sujak
Chairman of Audit Committee
(Independent Non-Executive Director)

17 July 2017

Statement on Risk Management and Internal Control

INTRODUCTION

The Malaysian Code on Corporate Governance 2012 requires listed companies to maintain a sound system of risk management and internal controls to safeguard shareholders' investments and the Group's assets. Pursuant to paragraph 15.26(b) of the Listing Requirements of Bursa Malaysia Securities Berhad ("Bursa Securities"), the Board of Directors are required to include a statement in the Annual Report on the state of the Group's risk management and internal controls for financial year under review as set out in the "Statement on Risk Management and Internal Control: Guidance for Directors of Public Listed Issuers" issued by the Institute of Internal Auditors Malaysia.

BOARD'S RESPONSIBILITY

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

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

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

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

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

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

ENTERPRISE RISK MANAGEMENT (ERM)

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

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

1. Head of Department (or Operating Unit)

    a) The responsibility of risk identification and management of each operating unit lies with the respective HOD, with the assistance of ERM Service Provider. Any significant risks identified with the corresponding risk management activities are communicated to Senior Management Team before the results are being communicated to the Board;
    b) Involvement in identification, assessment, mitigation, monitoring and reporting of risks that are appropriate to the needs of the organisation; and
    c) Implement and manage various controls identified.

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

2. Senior Management Team

   a) Provide further input on identification, assessment, mitigation, monitoring and reporting of risks;
   b) Moderate risk scoring based on group level risk tolerance; and
   c) Consider and recommend changes of risk profile to AC by looking into the significance and impact of the risk on the overall Group operation assisted by ERM Service Provider.

3. AC

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

4. Board of Directors

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

5. Internal Audit

   a) Review risk management activities adopted to ensure implementation and effectiveness.

The ERM process adopted is as follows:-

Significant or Main Principal Risk Relating to Group's Business

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

1. Economic Slowdown

Arises from the extended depreciation of Ringgit Malaysia, increase inflation and interest rate, and decline in GDP growth. While economic slowdown is an external factor which is beyond the control of the Group, the Group mitigate such risk by implement cost control strategy at group level. As for the operating units:

   a) Property Development – size of property units are built smaller making them more affordable in absolute term and plan more on Advertising and Promotion activities, Roadshow and Events
   b) Education – ensure school fee charge is competitive, monitor the headcounts of the students and teachers.

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

2. Change In Credit Policies by the Authorities

Arises from new policies adopted by authorise and tightening of lending polices i.e. calculation of disposable net income. The Group mitigate such risk by aggressive sourcing and targeting of qualified prospective buyers, enhancement and value added products by introducing more features (facilities & layout) which differ and outshine its competitor and proper planning on launch timeline.

3. Non-Performing Contractors

Arises due to below risks:

a) Contractor failing hire more workers,
b) Financially strapped contractor unable to pay for materials / workers resulting in delay or shoddy work, and
c) Ineffective project supervision by the Group due to lack of manpower may result in contractor taking advantage of producing shoddy work.

The Group mitigate such risk by appointing contractors with proven ability to complete previously awarded projects, pre-qualification procedures carried out at the tender stage to shortlist contractors, continuous on site monitoring, project meetings with contractors to ensure contractors performed according to the project plan and where rectification is requires, the Group will not pay claims unless rectification is made.

4. Tenancy Risk

Arises due to difficulty in looking for suitable tenants, high supply of office space and unattractive location. The Group mitigate such risk by providing longer tenancy period, competitive rental rate and find immediate resolution by replacing with new tenants.

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

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

INTERNAL AUDIT FUNCTIONS

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

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

The internal audit function reviews the internal controls in the key activities of the Group's business based on the annual audit plan and carry out the function according to International Standards for the Professional Practice of Internal Auditing, which is presented to the Audit Committee for approval. Since the adoption of the risk policy, the internal audit function has taken on a risk-based approach when preparing its audit strategy and plans, after having considered the risk profiles of the operating companies and divisions of the Group. The system of internal control has been structured in such a manner that it has provided reasonable assurance that the likelihood of a significant adverse impact on objectives arising from a future event or situation is at a level acceptable to the business. It achieved this through a combination of preventive, detective and corrective measures.

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

Statement on Risk Management and Internal Control

(Cont'd)

OTHER KEY ELEMENTS OF INTERNAL CONTROL

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

- Defined appropriate level of delegation and reporting lines of responsibilities to Board Committees and to Management, including organisational structures and appropriate authority levels;

- Documented internal policies and procedures set out in the Group Procedures & Authorities (GPA) Manual, which are continuously reviewed and improved upon to reflect changes in business structures and processes. This provides a sound framework of authority and accountability within the organization and facilitates proper corporate decision making at the appropriate level in the organization's hierarchy;

- The Board receives and reviews regular reports including key operating statistics from the Management on the performance of operating units;

- A detailed budgeting process requires all operating units to prepare budgets annually which are reviewed and approved by the Board;

- The Board deliberates and approves the quarterly financial information which have been reviewed by the Audit Committee;

- The Board ensures that the risk management and control framework is embedded into the culture, processes and structures of the Group, where the framework is responsive to changes in the business environment and clearly communicated to all levels; and

- In respect of material joint ventures, there are Board level representations from the Group to oversee the administration, operation, performance and executive management of these companies. Financial and operational information of these companies is provided regularly to the Management of the Group.

REVIEW OF THE STATEMENT BY EXTERNAL AUDITORS

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

CONCLUSION

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

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

Sustainability Statement

SUSTAINABILITY MANAGEMENT

Sustainability is embedded in L&G's mission statement, "Building value for tomorrow". By this, we mean that L&G endeavours long term sustainable value to its stakeholders. As such, L&G endeavours to deliver long term sustainable growth and earnings to its shareholders, while offering luxury property projects that not only enhance the lifestyles of the residents but also consistently deliver market value appreciation over time, and quality education services that strive for leadership in academic excellence but more affordable than its peers.

Sustainability is integrated into L&G's businesses and operations across the four core pillars of Marketplace, Workplace, Environment and Community, as further elaborated in this Sustainability Statement.

Sustainability Governance

L&G's sustainability management falls ultimately under the purview of the Board of Directors, who ensures that the Group's strategies promote sustainability. The Board acknowledges that practices which support corporate responsibility are keys to the sustainability of the Group.

More details on the Group's corporate governance can be found in pages 23 to 33 of this Annual Report.

Ethics and integrity

L&G acknowledges the importance of strong corporate governance and has set high standards of ethics and integrity in the conduct of its operations, as reflected in its Code of Conduct and Ethical Practices and its Code of Conduct for Directors, which cover the areas of honesty, anti-corruption, avoidance of conflict of interests and compliance. All Directors must comply with the Code of Conduct for Directors, while Management and employees are required to adhere to the Group's Code of Conduct and Ethical Practices.

Under the purview of the Audit Committee, the Group's Whistle-Blowing Policy and Procedures details the procedures in place for internal and external stakeholders to disclose any improper conduct, conveyed to the Senior Independent Director, and guarantees confidentiality and protection for whistle-blowers.

As a result of its strong corporate governance, aligned with local and international best practices, the Group did not report any non-compliance issue over the reporting period.

Risk Management

Being a long established property developer, the Group has a good in depth understanding of the risks inherent to the property sector and regularly evaluates the changing trends in property demand, adapting as need be to this fast-evolving and challenging market. In this context, L&G develops relevant and functional property portfolios that brings most value to, while minimising the risk exposure for its property investors and owners. Under the Education Division, the Group's wholly-owned subsidiary, Lang Education Sdn Bhd, strives to adapt its offering to the demand for a global and inclusive education.

Risks are reported and managed through different channels within the Group and material risks are highlighted to the Board. The ERM framework formalises risk identification and management procedures. More details on the Group's risk management can be found in pages 40 to 43 of this Annual Report.

The major risks identified over the reporting period related to:

- Products quality;
- Regulatory changes and requirements;
- Changes in the operating environment such as market conditions;
- Property purchase financing conditions and Overnight Policy Rate; and
- Supply-chain management.

The Groups' Management intends to strengthen the internal control and risk management framework in order to improve the Group's business operations and processes so as to reduce the risk exposure of the Group.

Sustainability Statement
(Cont'd)

Stakeholders' engagement

The Group's stakeholders are those individuals or groups who impact or are impacted by our operations and businesses. They include our investors and shareholders, public authorities and agencies, customers, suppliers, employees, communities and the media, as described in Figure 1.

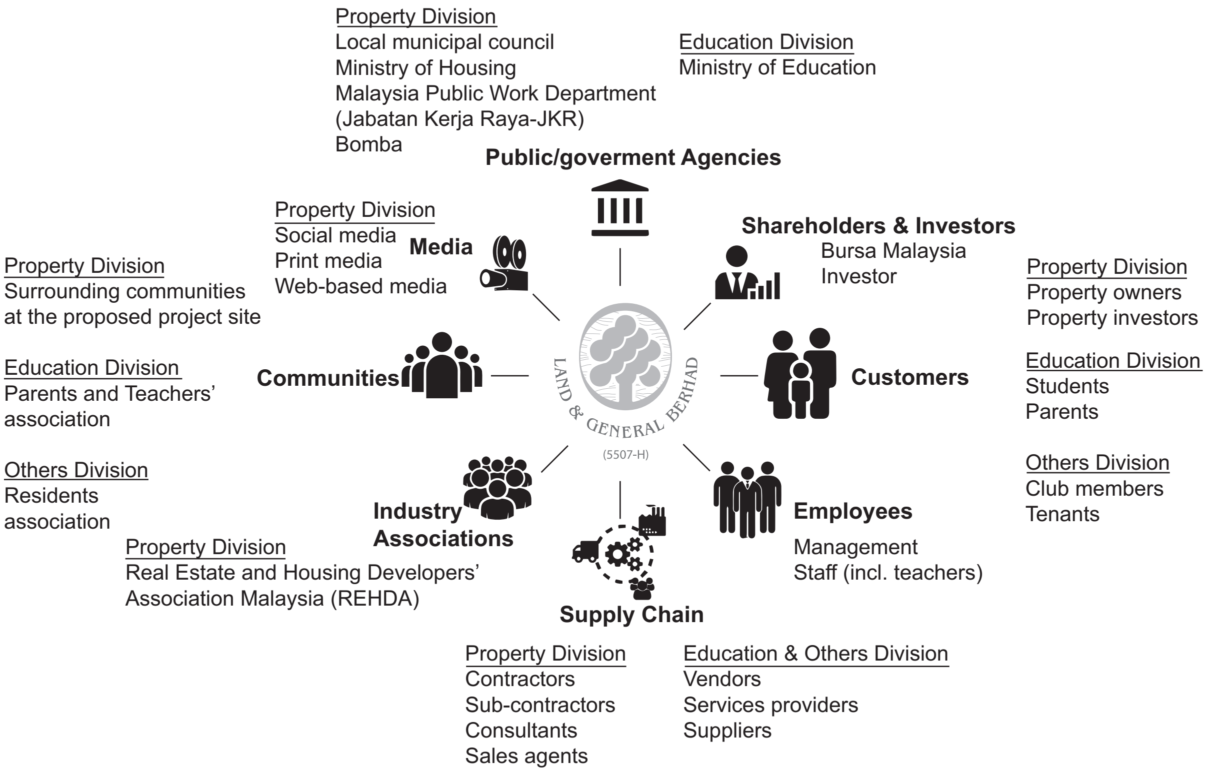

Figure 1: L&G Stakeholders

L&G believes that we can only deliver long-term value to our shareholders if we align the Group's focus to the concerns and interests of all stakeholders of the business environment in which we operate. As such, we engage regularly with our main stakeholders through various communication channels, as described in Table 1. The feedback and information collected from our stakeholders are taken into account to review the Group's strategy.

Stakeholders	Engagement channel	Frequency of engagement	Objectives
Shareholders & investors	Annual General Meeting Quarterly reports Investor Relations page on the Group website Concerns and queries directed to Chief Financial Officer / Company Secretary	Yearly Quarterly Ongoing Ongoing	• Ensure dissemination of information about the Group's operations and performance
Public/government Agencies	Regular meetings with regulators Public consultations (residents' association & local authorities)	Ad-hoc (Project based, as and when issue arises)	• Obtain approvals and permits • Be on par with latest regulations and requirements • Ensure acceptance of our projects by the neighbouring community of the relevant projects

Sustainability Statement
(Cont'd)

Stakeholders	Engagement channel	Frequency of engagement	Objectives
Customers	Feedback & enquiry templates	On-going	• Evaluate customer satisfaction to improve our service quality
	Marketing campaigns	On-going	• Inform customers about our latest products and services offerings
	Product launches	On-going	• To raise awareness of our product offerings and to enhance our brand & reputation
Employees	Performance Appraisal	Yearly	• Evaluate professional competency
	Work Safety training at site	On-going	• Improve safety, minimise injuries and fatalities
	Employee engagement activities Team building Annual dinner	Yearly	• Create solidarity among employees
Communities	Corporate social responsibility activities Community engagement and outreach programmes Strategic partnerships	On-going	• Engagement with communities and assist those in need
Supply chain	Vendor registration screening – pre qualification of suppliers Tenders and interviews	On-going and project-based	• Evaluation of the supply - chain based on quality and time-efficient delivery criteria. • Contributes to cost control and timely delivery of our projects
Industry associations	Real Estate And Housing Developers' Association Malaysia (REHDA)	Twice a month	• Exchange information with industry partners
Media	Meetings Website and social media Press conferences & interviews (mainstream media and web-based platforms)	On-going	• Communicate on significant corporate news, raise awareness of our product offerings, enhance our brand and reputation

Table 1: Stakeholder's engagement

Materiality Analysis

The Group undertook its first materiality analysis exercise during this reporting period. The materiality assessment was done internally, in collaboration with the different Heads of Divisions. The first step consisted in identifying and prioritising the organisation's stakeholders, taking into account how L&G's operations impact them and the level of influence they have on the Group's business and operations.

Subsequently, the sustainability topics were ranked according to their significance for the Group, considering how the topic influences the Group's business and operations, and the impact the Group has on this aspect.

Lastly, the influence of each sustainability topic on the assessments and decisions of the respective stakeholders groups were evaluated and weighted against the ranking of the Group's sustainability topics to obtain the Materiality matrix. The sustainability aspects that were ranked above 80% in terms of significance of group's economic, environmental and social impacts or influence on stakeholders' assessment and decisions were deemed material.

Sustainability Statement

(Cont'd)

The following aspects were deemed material for the Group across all Divisions:

ECONOMIC	Economic performance Market presence
GOVERNANCE	Compliance Anti-corruption Public policy and advocacy
WORKPLACE	Employment practices Employee engagement Employee development and training
SOCIETY	Diversity and equal opportunities Procurement practices Customer satisfaction & responsibility Customer privacy

Table 2: Material aspects for the L&G Group

At the Divisions levels, the sustainability aspects that were material are:

- Property Division: Safety & Health – this is an important aspect in the property and construction sector
- Education Division: Energy, waste, water, materials, GHG emission, and biodiversity – as part of the Eco-School programme SSB put a great emphasis in the promotion of environmental issues.

In the future, we will try to take advanced of our regular interactions with our stakeholders to integrate their views in our materiality assessment.

MARKETPLACE

As a successful player in the Malaysian property market, the Group showed resilience when faced with softening property market and performed well to achieve positive results in FY2017. The economic performance and measures to ensure the economic sustainability of the Group are elaborated in the Management Discussion and Analysis section of this Annual Report, pages 17 to 22.

L&G leverages on its experience and its skilled human capital to strengthen its market presence. The Group's focus on quality, excellence and efficiency are core values that are reflected in all aspects of our operations and that contribute to the sustainability of our success.

Sustainability is at the core of L&G's products and services: our property developments are lifestyle and community-centred; our education services are inclusive and focus on excellence.

Property: Lifestyle and community-centred developments

Enhanced lifestyles and quality drive our projects. Our projects are carefully crafted to enhance the lifestyles of the residents and foster community building, thus providing the foundation for a harmonious living. In recognition of these efforts, one of our latest projects, Astoria Ampang, was awarded Best Residential Landscape Architecture Malaysia 2016/2017.

The Group strives to improve controls during the construction phase and at the end of the projects in order to ensure consistent quality products. Any defects or quality issues identified during the handover are managed by the designated project team.

In order to adapt to the changing market demands, the Group is diversifying its portfolio by the integration of landed properties, and, in a more limited proportion, affordable housing as in the township development on U10 land. In addition, the recent acquisition of four companies from Mayland will sustain the Group's future earnings and profitability as the Group looks to take its growth to the next level.

Education: Excellence and Inclusiveness

As an education services provider, the group understands its role and responsibility in educating the future generation and raising students with a high academic achievement, an open mind and adaptability that will help them live and work in a global environment. In pursuing this goal, the Group will open its first international school in September 2017. This new Sri Bestari International School ("SBIS"), which offers students the Cambridge and UK British curriculum, aims at moulding multi-national students who, with their international exposure and the mastery of several languages beside English and Bahasa Malaysia, will become highly sought after and highly employable young person.

Sustainability Statement
(Cont'd)

Education must not only be excellent but also inclusive. The ELSA programme which was launched in January 2016, is targeted for children with special needs, does not only provide extra support for students from the mainstream curriculum but also has a dedicated programme for students who struggle to follow mainstream schooling, such as autistic students. The Group designed the ELSA programme with inclusiveness in mind, understanding that some students need extra support to succeed academically. By supporting such children in their academic journey, the group acknowledges that their differences also contribute to the diversity and richness of our society.

Marketing and Communications and Corporate events

L&G provides and disseminates information regarding the Group's performance, operations, products and services in a transparent manner in order to build trust and confidence.

In FY2017, the launching of the Astoria project in April 2016 was the opportunity to increase the visibility of the Group and enhance the L&G brand.

During the reporting period, L&G supported the following corporate events:

- The Group was a corporate sponsor for the 19th National Housing & Property Summit (organised by ASLI) in September 2016. This annual summit brings together key stakeholders in the housing and property sector to discuss the state of the industry and the way forward.

- L&G was bronze sponsor for the Edge Rat Race 2016. Established since 2000, the race raises funds that are distributed to charities and NGOs that benefit the poor, the disadvantaged and the disabled, with a specific focus on projects or programmes related to education, training and skills development.

WORKPLACE

Our people are key to the performance and success of the Group. L&G's nurtures the values of efficiency, professionalism, dedication and customer satisfaction as essential foundation to cultivate a high-performance culture, ensuring quality and timely delivery of projects.

The Group strives to provide avenues for employees to thrive and develop their full potential within the Group. As such, L&G puts a great emphasis on the importance of skill development.

In managing its human capital, the Group complies with guidelines from the Malaysian Employers Federation and other applicable regulations. In addition to the Code of Conduct that all employees must abide by, the Group Policy and Authorities (GPA-HR) further details the rights and obligations of employees. The human resources procedures and authorities are regularly reviewed, enabling responses to changes in the working environment and in employment requirements.

Our vibrant and dynamic workforce consisted of 277 employees in FY2017, 89% of which were under permanent contract. Employee turnover was 11.3% in FY2017, against 13.6% in FY2016, in line with the national employee turnover rate.

Diversity and equal opportunity

The workplace should be a safe and harmonious place where relationships are based on mutual respect and tolerance. As such, L&G promotes diversity and bans any form of discrimination, sexual or racial harassment or abuse of authority. The Group promotes equal opportunities regardless of race, gender, age and creed. Appointments and promotions are based solely on merits, capability, experience and skills-sets.

However, gender differences are observed between the Group's divisions and departments. The workforce is mostly feminine with more than 90% of women in the Accounting, Credit Control and Finance and Legal Departments. The Project, Sales and Marketing, Human Resources and Admin Departments, and Sri Damansara Club have a more balanced workforce in terms of gender diversity, where each gender representation is between 40% to 60%, while the Education Division gathers 90% female workforce.

The composition of the Board remains exclusively male. Diversity is more balanced in the higher management with 7 men against 5 women.

Our workforce reflects the ethnic diversity of Malaysia with 57% Malay, 19.9% Chinese, 38% Indian and 9.4% other races.

Sustainability Statement (Cont'd)

In terms of age groups, employees between 30 and 50 years old represented the majority of our workforce (56.3%), and, together with the senior employees (above 50 years old) that represent 20.2% of the workforce, constitute the pool of our resourceful and experienced workforce. The younger generation (below 30 years old), which represents 23.5% of our human capital, brings new ideas and instils an enthusiastic and dynamic momentum to the Group.

Benefits

The Group provides its full-time employees with health insurance coverage, retirement fund contribution (KWSP), holidays and leaves as prescribed by the law. In addition to these benefits, eligible employees are entitled staff discounts on the purchase of residential property under the conditions set in the GPA.

In addition, the Group encourages academic and professional development by offering study and exam leave to those employees wishing to further their academic or professional qualifications.

Performance appraisal and Skill development

The employees go through a performance appraisal once a year, during which their objectives, targets, and achievements are reviewed. The results of the appraisal will guide the revision of goals and targets and decision to grant salary increment and adjustments, bonus and promotions.

Employment development and training is key to ensuring that we keep at pace with current best practices and standards. Capacity building improves the performance of the Group and provides an avenue for employees to pursue and develop their career within the Group by developing or learning new management or technical skills.

All new employees to the Group follow an induction programme conducted by the Human Resources Department, during which they learn about the Group values, mission, business operations, practices and code of conducts in order to familiarise themselves with their new working environment.

During FY2017, the Group provided 71 trainings, courses and seminars to management and employees, amounting to near to 500 hours of training. The programmes offered were defined based on the role and responsibilities of the participants, the changes in the environment and education industry, and identified competency gaps needed to scale up employees' performance. The categories of the trainings offered ranged from soft management skills programmes, accounting, risk management, sales and marketing, technical, property industry best practices and developments, and education practices. Examples of the sessions offered in FY2017 include, inter alia: accounting and cost control, GST management, green building and green township, corporate governance, digital marketing, IBSE training, course on KSSM, ELSA training and many others.

Under the Education Division, the teacher exchange programme provides teachers and students with the opportunity to spend some time in Tokai Daigo High School in Fukuoka, Japan, with whom SSB signed a MOU on 25 February 2015 with 2 batches of students and teachers having experienced the exchange programme and a third batch taking place in November 2017.

Safety & Health ("SH")

L&G endeavours to provide a healthy and safe environment to its employees. As part of our SH procedures, all our main contractors are required to engage a competent OSH officer who is in charge in managing all health, safety and environmental matters at the development sites.

Employee engagement

The Group promotes team spirit and cooperation by organising festive, collaborative or sports events for the employees.

In FY2017, the Group's annual dinner took place at the Dorsett Grand Subang Hotel.

Under the School Division, all staff were invited in FY2017 to take part in cooking classes, aerobic classes, an outdoor get-together picnic and an annual dinner.

L&G Sports Club organised a fun-filled day at Felda Residence Hot Springs in Perak for its members, which included participation in several games and activities.

Sustainability Statement
(Cont'd)

ENVIRONMENT

As a property developer, L&G's operations has a direct impact on the environment. As such, L&G integrates environmental concerns within its operations and practices at different levels of the organisation.

Under the Property Division, energy-efficiency equipment and designs and rainwater harvesting features are integrated into our projects, while vegetation is at the heart of our developments to create serene environments for the residents and self-contained eco-systems that foster biodiversity.

Under the Education Division, Sekolah Sri Bestari has become an environmental steward as an Eco-School, and students are actively promoting and implementing eco-friendly solutions through green workshops and awareness raising campaigns.

Energy

Our projects incorporate the integration of energy-efficiency equipment. In Damansara Foresta Project, certain common areas are equipped with LED lights and inverter type copper pipes are built-in to facilitate the installation of inverter air conditioning units. In the Astoria@Ampang project, all street lights are equipped with LED lights. These initiatives reduce the energy footprint of projects during their lifetime.

Our developments also integrate energy-efficient designs such as wide window openings that allow maximum natural light penetration, thus reducing the need for artificial lights. Common areas such as car parks feature alternate looping of wire to optimise the lighting and reduce the number of lighting fixtures necessary, thus contributing to further energy savings.

In our offices and headquarters, we encourage staff to adopt an energy-savvy behaviour. For example, we recommend not to set the air-conditioning to a temperature lower than 20 degrees Celsius, and to switch-off the lights and other electric equipment when they are not in the office, especially during lunch time. The Group also encourages employees to suggest energy and resource-saving initiatives.

Water

Water is a critical resource and the Group promotes water conservation where possible.

All our projects include water saving cisterns as per regulatory requirements. In Damansara Foresta Project, rainwater harvesting system has been installed in order to provide water for landscaping purposes, thus saving on water withdrawals from municipal water sources.

During the construction of Damansara Foresta, water was drawn from the hill to cater for site uses.

Sekolah Sri Bestari set-up a water conservation and water harvesting project in collaboration with the Royal Bank Canada to achieve and monitor water savings in the school.

Materials and Waste

In our offices, recycled paper is used for photocopies, while A4 papers, envelopes, letterheads, soft and hard cover files are reused and recycled. We favour the use of emails and electronic communications to minimise the use of paper, thus reducing the amount of waste generated.

On site, we have extended the life-cycle of the scaffolding and aluminium formworks by reusing them in the Elements, Astoria and Damansara Foresta projects.

The waste is managed by licensed and accredited contractors who dispose of the waste as per the regulations applicable and local authorities' requirements. In our Schools, segregation and recycling of waste, such as cooking oil, have been implemented to minimise the environmental impacts of our activities.

Valuing nature and Biodiversity

Green living and green building concepts are intrinsic to our designs and the Group endeavours to integrate nature in its developments.

Our flagship development, Damansara Foresta, is nested near the Bukit Lanjan Reserve, which comprises around 3,000 beautiful trees, thus providing residents with an access to nature and biodiversity. Our on-going Astoria project features a mini-ecosystem comprising self-sustainable trees, specific reeds and flowers complemented with omnipresent water features designed to attract certain species of butterflies, dragonflies and birds.

Sustainability Statement
(Cont'd)

The integration of vegetation into our projects not only provides pleasant and relaxing spaces that soothe the mind, but also act as noise screens and carbon sink, thus enhancing the comfort of residents and minimising the carbon footprint of projects.

In the Schools, herbal garden and vegetable orchard were set-up, complemented by other eco-related projects to raise awareness regarding the importance of the environment in sustaining our lives.

Minimising the impacts of our developments

We strive to minimise the impacts of our developments on the neighbouring communities during the construction phase. Noise levels are monitored by acoustic specialists and the necessary measures are taken if the level exceeds the maximum level accepted and prescribed by regulations.

In order to minimise traffic disruption around our development sites, flag men were stationed at the sites' exits and entrance to direct the traffic. Under specific circumstances, the Group proceeds on infrastructure refurbishment or development. For the development of Damansara Foresta project which consists of 4 phases, the bridge across NKVE (New Klang Valley Expressway) at KM 23.9 was upgraded to ease traffic circulation. Near Astoria@Ampang, a separate access road was built to facilitate the access to the neighbouring school.

The Group contributes to sustainable urban planning by ensuring that its applications for development comply with the urban planning requirements as set by the local authorities. When and where necessary, feedback is provided to the relevant local authorities.

Environmental awareness activities

The Education Division through Sekolah Sri Bestari ("SSB"), actively promotes environmental protection and has set in place successful environmental awareness campaigns, becoming an environmental and sustainability steward in the education sector.

SSB has been registered as an Eco-School since 2012. Eco-Schools is an international initiative designed to guide schools in implementing a whole-school approach towards environmental and sustainability education. The Eco-Schools scheme is based on a 7-step methodology, which combines a participatory approach with learning and awareness-raising initiatives around the nine themes of water, waste, energy, nature and biodiversity, school grounds, sustainable transport, healthy living, Local Agenda 21, and climate change.

As an Eco-School, SSB organises programmes and activities for students and members of the wider community.

As part of the Eco Schools Programme 2016, SSB hosted in February a Waste Management workshop and seminar, in partnership with WWF Malaysia and IKEA, which gathered 120 participants from schools, Teachers Training Institute, WWF Malaysia and private universities, during which SSB presented its eco-friendly initiatives.

Some initiatives included waste management activities, such as the "1TSHIRT1HEART" campaign, during which students from SMK Bandar Utama 4 and SMK Bukit Indah learnt how to make tote bags out of used t-shirts.

Biodiversity issues were addressed through the "Eco camp-Water & Island", during which 30 students learnt survival skills at sea, about the importance of preserving aquatic life and ended by a voluntary beach-cleaning operation; and the "MyFinMyLife" which aimed at raising awareness about the adverse impacts of shark finning practices on shark species and the ecosystem.

A new water-saving project kicked-off the Eco Schools Programme 2017 in September 2016. This project, in partnership with WWF-Malaysia and the Royal Bank Canada, aimed at implementing and monitoring water-savings realised through the fixing of 16 water taps and installation of 100 toilet tank banks in the School.

L&G is proud that Sekolah Sri Bestari was awarded the ECO Green Flag Award 2016/2017 at the 4th International Eco Schools Conference in recognition of its efforts to contribute to the environment and raise students with an eco-friendly mindset.

SOCIETY

Customers

We engage regularly with our customers to obtain their feedback and continuously improve our product portfolio. The Group reaches out to customers through newspaper and magazine advertisements, property exhibitions, road shows, press releases, electronic direct mails, WhatsApp and other marketing means.

Sustainability Statement
(Cont'd)

The loyalty of our customers is rewarded through our "buyer get buyer scheme".

The Group has set in place means for customers and stakeholders to express complaints and feedback, which are subsequently handled at the different levels until resolution.

Under the Property Division, a formal process has been set-up to handle the complaints regarding defects identified during the handover of vacant possessions, as well as designated project teams to follow-up on the rectification works.

At Sri Damansara Club, a complaint box is available for customers and other stakeholders to provide their feedback. Any suggestion or complaint is forwarded to the Club Management and the relevant department, where the Officer in Charge deals swiftly with the complaint accordingly. All issues are followed through with the club member until resolution. The issues raised typically covered matters pertaining to sports, banquet or function facilities, food and beverages, credit control and membership.

In other business units, customer feedback is collected throughout the various interactions of customers with our staff and management and dealt with as deemed appropriate until the issues are settled.

In order to safeguard customer privacy, the Group ensures compliance at all times in accordance with the Personal Data Protection Act 2010.

Supply Chain

L&G's supply chain management follows the Standard Operating Procedures and best practices. Suppliers are carefully selected by a pre-qualification screening, a thorough assessment of credentials, call tenders exercises, and follow-up meeting and interviews.

In order to encourage the development of the local economy and reduce the carbon footprint of our procurement, the Group favours local suppliers. The choice of materials for the procurement is based on pricing, quality and adequacy to the specifications.

Human rights issues such as illegal and child labour are spelled out in the contracts signed with our main contractors.

Community

As a responsible corporate citizen, L&G acknowledges its role in providing support to disadvantaged communities and improving the lives of the less fortunate. As such, the Group donates in cash or in kind to charities and NGOs that take care of orphans, mentally or physically challenged children or groups in need. In FY2017, The Group and its subsidiaries have made both monetary and non-monetary contributions to various NGOs and charitable organisations who cater for the underprivileged.

The recurrent Corporate Social Responsibility (CSR) initiatives of the Group include:

- Rise & Run Race: The Group's Education Division subsidiary, Lang Education Sdn Bhd, organised the fourth edition of its successful "Rise & Run" race 2016, an annual charity run organised by the students of Sekolah Sri Bestari to promote healthy lifestyle while raising fund for the less fortunate. This year, the proceeds of the run were channeled to "Make a Wish", an association that helps children with life-threatening medical conditions to realise one of their dreams.

- Swimming facilities for water therapy: Sri Damansara Club continued supporting physically and mentally-challenged children by providing access to its swimming pool facilities for their water therapy sessions. In FY2017, more than 192 children from 6 schools benefited from this initiative.

The Group supported various events: a Grand Charity Dinner at Dorsett Grand Subang, organised by KIWANIS Club of Bukit Kiara for children with development disabilities and severe health ailments; Petaling Jaya City Food Bank Golf Tournament 2016, the proceedings of which benefited welfare homes and homes for the elderly, orphans and disabled in the district area.

L&G donated to Yayasan Latihan Insan Istimewa Ipoh to support physically-challenged and Down Syndrome children and adults between 4 and 35 years old.

Sri Damansara Club hosted the Obesity Prevention Day ("Hari Mencegah Obesiti") and gave support with logistics, manpower, space and publicity, while L&G Sports' Club organised a programme for orphans ("Meraikan Anak-Anak Yatim").

At the occasion of the month of Ramadhan, the Group supported the "Program Hari Raya Aidilfitri", through which Muslim families in Hulu Selangor are given food and breaking fast events ("Majlis Berbuka Puasa") for the orphans of Pusat Jagaan Lambaian Kasih and Rumah Kasih Harmoni.

Sustainability Statement

(Cont'd)

MOVING FORWARD

This is the first Sustainability Statement for L&G Group. As such, it has been a useful exercise to help the Group identifying areas of high performance and shortcomings across all Divisions and all sustainability pillars. L&G has already started addressing many of these areas that have been identified.

The outcome of this first Sustainability Statement will be used for the Group to prepare a sustainability strategy that will be set in place over the coming 2 years, in order to address the most pressing sustainability issues that affect the Group's business and operations that have the greatest impacts on our stakeholders.

L&G will define priority areas in sustainability, setting in place the relevant action plan and targets for the coming 3 years. The performance in these priority areas will be reviewed regularly to monitor the progress, and priorities may be redefined to integrate other material sustainability issues that may arise.

Therefore, the coming year will be dedicated to defining a Sustainability Policy, prioritise the issues we need to address and define the relevant action plan.

In moving forward in its sustainability journey, the Group will concurrently continue to focus on developing quality products and services that maximise returns for investors and shareholders while balancing the interests of other stakeholders.

Under the Property Division, product quality, timely delivery and customer satisfaction will be key drivers to our performance.

In the Education Division, the selection and training of teachers will remain a critical point to ensure we provide the highest academic standards.

Under the Others Division, sales and marketing strategy will be reinforced to improve the occupancy rate of our buildings under lease.

At the Group level, L&G will continue to provide avenues for employees to get new skills and develop their career so they are ready to support efficiently the growth of the Group, handle with success the diversification of our portfolio and the higher number of expected projects, and prepare succession planning.

FINANCIAL STATEMENTS

Directors' Report

The directors have pleasure in presenting their report together with the audited financial statements of the Group and of the Company for the financial year ended 31 March 2017.

Principal activities

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

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

	Results	
	Group RM'000	**Company RM'000**
Profit for the year	51,558	138,746
Attributable to:		
Equity owners of the Company	35,526	138,746
Non-controlling interests	16,032	-
	51,558	138,746

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

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

Dividends

Dividends paid by the Company since 31 March 2016 are as follows:

	RM'000
In respect of the financial year ended 31 March 2016:	
Final single tier dividend of 2 sen per share on 1,118,352,717 ordinary shares, declared on 7 September 2016 and paid on 26 October 2016	22,367
In respect of the financial year ended 31 March 2017:	
Interim single tier dividend of 2 sen per share on 2,928,853,862 ordinary shares, declared on 9 March 2017 and paid on 7 June 2017	58,577
	80,944

Directors

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

Dato' Hj Zainal Abidin Bin Putih (Chairman)
Low Gay Teck (Managing Director)
Dato' Ir. Dr A Bakar Jaafar
Dato' Hj Ikhwan Salim Bin Dato' Hj Sujak
Tengku Maruan Bin Tengku Ariff
Hoong Cheong Thard
Chiu Andrew Wah Wai
Chai Keng Wai
Ferdaus Bin Mahmood

Directors' Report
(Cont'd)

Directors (cont'd)

In accordance with Article 93 of the Constitution of the Company, Tengku Maruan Bin Tengku Ariff, Chiu Andrew Wah Wai and Chai Keng Wai retire at the forthcoming Annual General Meeting, and being eligible, offer themselves for re-election.

The persons who are the directors of the subsidiary companies of the Company since the beginning of the financial year to the date of this report are disclosed in Note 17 to the financial statements.

Indemnification to directors

There was no amount of insurance premium paid or payable for the directors of the Group and the Company in respect of their liability for any act or omission in their capacity as directors of the Group and the Company or in respect of costs incurred by them in defending or settling any claim or proceedings relating to any such liability for the financial year ended 31 March 2017.

Indemnification to officers

Officers' Liability Insurance is in place to protect the officers of the Company and its subsidiary companies against potential costs and liabilities permissible under Section 289 of the Companies Act, 2016 and any other applicable laws. The total amount of insurance premium affected for any officers of the Group and the Company as at the financial year end is RM20,680.

Director's benefits

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

Since the end of the previous financial year, no director has received or become entitled to receive a benefit (other than benefits included in the aggregate amount of emoluments received or due and receivable by the directors as shown in Note 6 to the financial statements or the fixed salaries of full-time employees of the Company) 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.

Directors' interests

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

	Number of Ordinary Shares			
	1 April 2016	**Acquired**	**Disposed**	**31 March 2017**
The Company				
Direct Interest:				
Tengku Maruan Bin Tengku Ariff	2,000	-	-	2 ,000
Indirect Interest:				
Chiu Andrew Wah Wai	343,791,000	-	-	343,791,000

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

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

Issue of shares

During the financial year, the issued and paid up share capital of the Company was increased by way of issuance of 29,494,301 new ordinary shares of RM0.20 each pursuant to the conversion of 29,582,801 units of ICULS, details of which is disclosed in Note 31 of the financial statements.

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

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 drawn 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 these financial statements 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) At the date of this report, there does not exist:

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

(f) In the opinion of the directors:

(i) no contingent or other liability has become enforceable or is likely to become enforceable within the period of twelve months after the end of the financial year which will or may affect the ability of the Group or of the Company to meet their obligations when they fall due; and
(ii) no item, transaction or event of a material and unusual nature has arisen in the interval between the end of the financial year and the date of this report which is likely to affect substantially the results of the operations of the Group or of the Company for the financial year in which this report is made.

Significant and subsequent events

Significant and subsequent events are disclosed in Note 38 and 39 to the financial statements.

Indemnification of auditors

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

Auditors and auditors' remuneration

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

Auditors' remuneration are disclosed in Note 8 to the financial statements.

Signed on behalf of the Board in accordance with a resolution of the directors dated 17 July 2017.

Low Gay Teck

Ferdaus Bin Mahmood

Statement by Directors

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

We, Low Gay Teck and Ferdaus Bin Mahmood, being two of the directors of Land & General Berhad, do hereby state that, in the opinion of the directors, the accompanying financial statements set out on pages 63 to 138 are drawn up in accordance with the Financial Reporting Standards and the requirements of the Companies Act, 2016 in Malaysia so as to give a true and fair view of the financial position of the Group and of the Company as at 31 March 2017 and of their financial performance and cash flows for the year then ended.

The supplementary information set out in Note 45 to the financial statements on page 139 have been prepared, in accordance with Guidance on Special Matter No.1 “Determination of realised and unrealised profits or losses in the context of disclosures pursuant to Bursa Malaysia Securities Berhad Listing Requirements” as issued by the Malaysian Institute of Accountants.

Signed on behalf of the Board in accordance with a resolution of the directors dated 17 July 2017.

Low Gay Teck

Ferdaus Bin Mahmood

Statutory declaration

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

I, Chee Yuet Sin, being the officer primarily responsible for the financial management of Land & General Berhad, do solemnly and sincerely declare that the accompanying financial statements set out on pages 63 to 139 are, to the best of my knowledge and belief, correct, and I make this solemn declaration conscientiously believing the same to be true and by virtue of the provisions of the Statutory Declarations Act, 1960.

Subscribed and solemnly declared by the
abovenamed Chee Yuet Sin at Kuala
Lumpur in the Federal Territory
on 17 July 2017

Chee Yuet Sin

Before me,

Pesuruhjaya Sumpah Malaysia
Tan Seok Kett (W530)
Lot 350, 3rd Floor, Wisma MPL
Jalan Raja Chulan
50200 Kuala Lumpur

Independent Auditors' Report

To the Members of Land & General Berhad (Incorporated In Malaysia)

Report on the audit of the financial statements

Opinion

We have audited the financial statements of Land & General Berhad, which comprise the statements of financial position as at 31 March 2017 of the Group and of the Company, and the statements of profit or loss and other comprehensive income, statements of changes in equity and statements of cash flows of the Group and of the Company for the year then ended, and notes to the financial statements, including a summary of significant accounting policies, as set out on pages 63 to 138.

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

Basis for opinion

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

Independence and other ethical responsibilities

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

Key audit matters

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

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

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

A significant proportion of the Group's revenues and profits are derived from property development contracts which span more than one accounting period. For the financial year ended 31 March 2017, property development revenue of RM9,886,389 and property development expenditure recognised as expense of RM7,721,699 accounted for approximately 23% and 100% of the Group's revenue and property development expenditure respectively. The Group uses the percentage-of-completion method in accounting for these property development contracts. During the year, the Group also recorded a write back of RM74,145,000 of provision for costs to complete relating to certain completed projects in the income statements.

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

Independent Auditors' Report

To the Members of Land & General Berhad (Incorporated In Malaysia)(cont'd)

Key audit matters (cont'd.)

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

1. We obtained an understanding of the internal controls over the accuracy and timing of revenue recognised in the financial statements, including controls performed by management in estimating the total property development cost, profit margin and percentage-of-completion of the property development activities;

2. For sale of properties under development, we read the sale and purchase agreements entered into with the customers to obtain an understanding of the specific terms and conditions;

3. We evaluated the assumptions applied in estimating the total property development cost including the provisions and accruals for the property development projects by examining documentary evidence such as letters of award issued to contractors to support the total budgeted costs. We also considered the historical accuracy of management's forecasts for the similar property development projects in evaluating the estimated total property development costs;

4. For write back of provision for costs to complete of the property development projects, we obtained the necessary audit evidence such as final accounts, consultant letters and variation orders agreed with the contractors/suppliers to support that the Group no longer has obligation to incur such cost at the reporting date.

5. We evaluated the determination of percentage-of-completion by examining supporting evidence such as contractors' progress claims and suppliers' invoices.

6. We observed the progress of the property development phases by performing site visit and examined physical progress reports. We also discussed the status of on-going property development phases with management, finance personnel and project officials.

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.

Independent Auditors' Report

To the Members of Land & General Berhad (Incorporated In Malaysia)(cont'd)

Auditors' responsibilities for the audit of the financial statements

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

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

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

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

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

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

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

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

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

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

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

Report on other legal and regulatory requirements

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

Independent Auditors' Report

To the Members of Land & General Berhad (Incorporated In Malaysia)(cont'd)

Other reporting responsibilities

The supplementary information set out in Note 45 on page 139 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

Sundralingam A/L Navaratnam
No. 2984/05/18 (J)
Chartered Accountant

Kuala Lumpur, Malaysia
17 July 2017

Income Statements

For the Year Ended 31 March 2017

	Note	Group 2017 RM'000	Group 2016 RM'000	Company 2017 RM'000	Company 2016 RM'000
Revenue	3	42,650	342,062	133,638	39,875
Other income	4	108,235	14,188	14,612	3,071
Raw materials and consumables used		(511)	(606)	-	-
Property development expenditure recognised as expense		(7,721)	(170,961)	-	-
Changes in inventories	21	(2,612)	-	-	-
Staff costs	5	(19,400)	(18,713)	(2,760)	(2,982)
Depreciation and amortisation		(4,692)	(2,523)	(565)	(599)
Other expenses		(45,614)	(34,328)	(3,734)	(2,105)
Operating profit		70,335	129,119	141,191	37,260
Finance costs	7	(3,810)	(2,379)	(1,675)	(1,628)
Share of results of a joint venture		3,227	432	-	-
Profit before tax	8	69,752	127,172	139,516	35,632
Income tax expense	9	(18,194)	(35,580)	(770)	(1,563)
Profit for the year		51,558	91,592	138,746	34,069
Profit attributable to:					
Owners of the Company		35,526	95,002	138,746	34,069
Non-controlling interests		16,032	(3,410)	-	-
Profit for the year		51,558	91,592	138,746	34,069
Earnings per share attributable to owners of the Company (sen)					
Basic	10	3.20	8.74		
Diluted	10	3.01	7.99		

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

Statements of Comprehensive Income

For the Year Ended 31 March 2017

	Note	Group 2017 RM'000	Group 2016 RM'000	Company 2017 RM'000	Company 2016 RM'000
Profit for the year		51,558	91,592	138,746	34,069
Other comprehensive income to be reclassified to profit or loss in subsequent periods:					
Foreign currency translation differences for foreign operations		460	(55)	-	-
Other comprehensive income/(expense) for the year		460	(55)	-	-
Total comprehensive income for the year		52,018	91,537	138,746	34,069
Total comprehensive income attributable to:					
Owners of the Company		35,986	94,947	138,746	34,069
Non-controlling interests		16,032	(3,410)	-	-
Total comprehensive income for the year		52,018	91,537	138,746	34,069

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

Statements of Financial Position

As at 31 March 2017

		Group			Company		
	Note	2017 RM'000	2016 RM'000 (Restated)	2015 RM'000 (Restated)	2017 RM'000	2016 RM'000 (Restated)	2015 RM'000 (Restated)
ASSETS							
Non-current assets							
Property, plant and equipment	11	76,065	75,091	76,405	331	474	643
Land held for property development	12(a)	158,740	38,974	26,123	-	-	-
Investment properties	13	87,829	90,655	95,856	24,485	24,899	25,313
Goodwill	14	12	12	12	-	-	-
Biological assets	15	6,567	6,302	5,846	-	-	-
Land use rights	16	48	55	56	48	50	51
Investments in subsidiaries	17	-	-	-	249,009	200,227	200,227
Investments in associates	18	-	-	-	-	-	-
Investment in a joint venture	19	-	(3,227)	(3,489)	-	-	-
Other investments	20	13,092	3,473	2,919	13,092	3,473	2,919
Deferred tax assets	34	22,144	39,445	14,080	29	66	110
Trade and other receivables	22	-	-	-	204,148	109,352	100,315
		364,497	250,780	217,808	491,142	338,541	329,578
Current assets							
Property development costs	12(b)	219,643	187,938	182,345	-	-	-
Inventories	21	43,483	46,391	31,061	-	-	-
Trade and other receivables	22	81,930	113,262	55,515	102,437	56,176	54,510
Other current assets	23	682	1,599	122,250	350	342	340
Tax recoverable		421	-	779	384	-	208
Other investments	20	7,380	9,691	67,096	1,593	4,917	12,661
Deposits, cash and bank balances	24	390,419	516,215	331,247	33,632	106,879	124,273
		743,958	875,096	790,293	138,396	168,314	191,992
TOTAL ASSETS		1,108,455	1,125,876	1,008,101	629,538	506,855	521,570

Statements of Financial Position

As at 31 March 2017 (Cont'd)

	Note	Group 2017 RM'000	Group 2016 RM'000 (Restated)	Group 2015 RM'000 (Restated)	Company 2017 RM'000	Company 2016 RM'000 (Restated)	Company 2015 RM'000 (Restated)
EQUITY AND LIABILITIES							
Equity attributable to owners of the Company							
Share capital	29	272,032	218,618	214,599	272,032	218,618	214,599
Share premium	30	-	45,745	44,539	-	45,745	44,539
ICULS - equity component	31	9,036	12,825	15,388	9,036	12,825	15,388
Retained profits	32	354,254	399,672	329,730	220,998	163,196	150,947
Other reserves	33	20,992	20,532	20,587	-	-	-
		656,314	697,392	624,843	502,066	440,384	425,473
Non-controlling interests		16,553	4,379	67,012	-	-	-
Total equity		672,867	701,771	691,855	502,066	440,384	425,473
Non-current liabilities							
Provisions	25	39,895	38,251	36,674	39,895	38,251	36,674
Trade and other payables	26	44,484	17,130	16,351	-	-	-
Borrowings	27	66,244	83,056	83,151	21	106	201
Deferred tax liabilities	34	23,323	1,134	1,121	-	-	-
ICULS - liability component	31	120	276	441	120	276	441
		174,066	139,847	137,738	40,036	38,633	37,316
Current liabilities							
Provisions	25	82,549	170,154	70,216	860	650	600
Trade and other payables	26	50,986	75,895	100,882	27,858	26,853	57,973
Borrowings	27	25,316	95	115	85	95	115
ICULS - liability component	31	56	78	93	56	78	93
Tax payable		44,038	38,036	7,202	-	162	-
Dividend payable	35	58,577	-	-	58,577	-	-
		261,522	284,258	178,508	87,436	27,838	58,781
TOTAL LIABILITIES		435,588	424,105	316,246	127,472	66,471	96,097
TOTAL EQUITY AND LIABILITIES		1,108,455	1,125,876	1,008,101	629,538	506,855	521,570

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

Consolidated Statement
of Changes in Equity
For the Year Ended 31 March 2017

	Attributable to owners of the Company								
	Non-distributable								
	Share capital RM'000 (Note 29)	Share premium RM'000 (Note 30)	ICULS - equity component RM'000 (Note 31)	Capital reserve RM'000 (Note 33(a))	Foreign exchange reserve RM'000 (Note 33(b))	Retained profits RM'000 (Note 32)	Total RM'000	Non-controlling interests RM'000	Total equity RM'000
At 1 April 2016	218,618	45,745	12,825	12,133	8,399	399,672	697,392	4,379	701,771
Total comprehensive income for the year	-	-	-	-	460	35,526	35,986	16,032	52,018
Transaction with owners									
Conversion of ICULS	6,099	1,570	(3,771)	-	-	-	3,898	-	3,898
Deferred tax effects on ICULS	-	-	(18)	-	-	-	(18)	-	(18)
Transition to no-par value regime on 31 January 2017	47,315	(47,315)	-	-	-	-	-	-	-
Capital contribution	-	-	-	-	-	-	-	7,490	7,490
Dividend payable to a non-controlling interest of a subsidiary	-	-	-	-	-	-	-	(11,348)	(11,348)
Dividend paid to shareholders (Note 35)	-	-	-	-	-	(22,367)	(22,367)	-	(22,367)
Dividend payable to shareholders (Note 35)	-	-	-	-	-	(58,577)	(58,577)	-	(58,577)
Total transactions with owners	53,414	(45,745)	(3,789)	-	-	(80,944)	(77,064)	(3,858)	(80,922)
At 31 March 2017	272,032	-	9,036	12,133	8,859	354,254	656,314	16,553	672,867
At 1 April 2015	214,599	44,539	15,388	12,133	8,454	329,730	624,843	67,012	691,855
Total comprehensive income for the year	-	-	-	-	(55)	95,002	94,947	(3,410)	91,537
Transaction with owners									
Conversion of ICULS	4,019	1,206	(2,537)	-	-	-	2,688	-	2,688
Deferred tax effects on ICULS	-	-	(26)	-	-	-	(26)	-	(26)
Effect arising from acquisition of non-controlling interest	-	-	-	-	-	(3,240)	(3,240)	40	(3,200)
Issuance of equity to non-controlling interest of a subsidiary	-	-	-	-	-	-	-	125	125
Dividend payable to a non-controlling interest of a subsidiary	-	-	-	-	-	-	-	(59,388)	(59,388)
Dividend paid to shareholders	-	-	-	-	-	(21,820)	(21,820)	-	(21,820)
Total transactions with owners	4,019	1,206	(2,563)	-	-	(25,060)	(22,398)	(59,223)	(81,621)
At 31 March 2016	218,618	45,745	12,825	12,133	8,399	399,672	697,392	4,379	701,771

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

Company Statement of Changes in Equity

For the Year Ended 31 March 2017

	Non-distributable				
	Share capital RM'000 (Note 29)	Share premium RM'000 (Note 30)	ICULS - equity component RM'000 (Note 31)	Retained profits RM'000 (Note 32)	Total equity RM'000
At 1 April 2016	218,618	45,745	12,825	163,196	440,384
Total comprehensive income for the year	-	-	-	138,746	138,746
Transaction with owners					
Conversion of ICULS	6,099	1,570	(3,771)	-	3,898
Deferred tax effects on ICULS	-	-	(18)	-	(18)
Transition to no-par value regime on 31 January 2017	47,315	(47,315)	-	-	-
Dividend paid to shareholders	-	-	-	(22,367)	(22,367)
Dividend payable to shareholders	-	-	-	(58,577)	(58,577)
Total transactions with owners	53,414	(45,745)	(3,789)	(80,944)	(77,064)
At 31 March 2017	272,032	-	9,036	220,998	502,066
At 1 April 2015	214,599	44,539	15,388	150,947	425,473
Total comprehensive income for the year	-	-	-	34,069	34,069
Transaction with owners					
Conversion of ICULS	4,019	1,206	(2,537)	-	2,688
Deferred tax effects on ICULS	-	-	(26)	-	(26)
Dividend paid to shareholders	-	-	-	(21,820)	(21,820)
Total transactions with owners	4,019	1,206	(2,563)	(21,820)	(19,158)
At 31 March 2016	218,618	45,745	12,825	163,196	440,384

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

Statements of Cash Flows

For the Year Ended 31 March 2017

	Group		Company	
	2017 RM'000	2016 RM'000	2017 RM'000	2016 RM'000
Cash flows from operating activities				
Cash receipts from customers	88,912	418,240	-	-
Cash payments to suppliers and employees	(91,450)	(171,208)	(5,282)	(4,987)
Interest received	8,318	7,035	1,531	4,529
Dividend on money market funds	9,020	4,946	162	395
Tax paid	(15,721)	(32,687)	(1,297)	(1,360)
Tax refund	2,599	3,113	-	190
Other operating receipts	1,835	1,310	5	9
Other operating payments	(132)	(1,649)	(275)	-
Net cash inflow/(outflow) from operating activities	3,381	229,100	(5,156)	(1,224)
Cash flows from investing activities				
Acquisition of additional shares in a subsidiary	-	(3,200)	-	-
Acquisition of a new subsidiary (Note 17(i))	(83,500)	-	-	-
Deposit paid for the acquisition of a new subsidiary (Note 17(i))	-	(9,000)	-	-
Final payment for an acquisition of investment property	-	(7,248)	-	-
Deposit paid for acquisition of companies (Note 39)	(29,832)	-	(29,832)	-
Purchase of property, plant and equipment	(599)	(603)	(7)	(18)
Expenditure on biological assets	(430)	(661)	-	-
Proceeds from disposal of property, plant and equipment	-	3	-	1
Dividend received from subsidiaries	-	-	58,500	35,005
(Placements)/withdrawals of deposits with periods more than 3 months	(184,190)	55,233	(30,823)	54,643
Withdrawals of money market funds	2,311	57,405	3,324	7,744
Net cash (outflow)/inflow from investing activities	(296,240)	91,929	1,162	97,375
Cash flows from financing activities				
ICULS conversion proceeds	3,823	2,612	3,823	2,612
Drawdown of revolving credit	-	14,000	-	-
Repayment of term loan	(5,859)	-	-	-
Repayment of revolving credit	-	(14,000)	-	-
Repayment of loan from a joint venture	236	1,181	-	-
Additional shares in a subsidiary by non-controlling interest	-	125	-	-
Payment of hire purchase obligations	(106)	(115)	(106)	(115)
Advances from non-controlling interest	12,498	6,363	-	-
Dividend paid to shareholders	(22,367)	(21,820)	(22,367)	(21,820)
Dividend paid to a non-controlling interest of a subsidiary company	(16,347)	(64,387)	-	-
Interest payments	(4,426)	(4,672)	(121)	(161)
Net advances to subsidiaries	-	-	(81,622)	(39,397)
Placements of deposits held in trust	(1)	(32)	(1)	(31)
Withdrawal/(placements) of deposits pledged as security for bank guarantee facility	8,810	(16,521)	(2)	(3)
Net cash outflow from financing activities	(23,739)	(97,266)	(100,396)	(58,915)
Net (decrease)/increase in cash and cash equivalents	(316,598)	223,763	(104,390)	37,236
Cash and cash equivalents at beginning of year	497,852	274,204	106,535	69,320
Effects of foreign exchange rate changes	1,058	(115)	317	(21)
Cash and cash equivalents at end of year (Note 24)	182,312	497,852	2,462	106,535

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

Notes to the Financial Statements
For the Financial Year Ended 31 March 2017

1. Corporate information

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

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

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

The financial statements were authorised for issue by the Board of Directors in accordance with a resolution of directors on 17 July 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 under the historical basis unless otherwise indicated in the accounting policies below and in accordance with Financial Reporting Standards ("FRSs") and the Companies Act, 2016 in are Malaysia. At the beginning of the current financial year, the Group and the Company had adopted new and revised FRSs which are mandatory for financial periods beginning on or after 1 April 2016 as described in Note 2.2.

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

2.2 Changes in accounting policies

The accounting policies adopted are consistent with those of the previous financial year, except in the current financial year, the Group and the Company adopted the following new and amended FRSs which are mandatory for annual financial periods beginning on or after 1 April 2016:

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

The adoption of the above standards does not have any significant impact to the financial statements of the Group and of the Company.

2.3 Standards issued but not yet effective

The standards 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.

Effective for financial periods beginning on or after 1 January 2017
- Amendments to FRSs 'Annual Improvements to FRSs 2014-2016 Cycle'
- Amendments to FRS 107: Disclosure Initiative
- Amendments to FRS 112: Recognition of Deferred Tax Assets for Unrealised Losses

Effective for financial periods beginning on or after 1 January 2018
- FRS 2: Classification and Measurement of Share-based Payment Transactions
- FRS 9: Financial Instruments
- MFRS 15: Revenue from Contracts with Customers

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

Notes to the Financial Statements

For the Financial Year Ended 31 March 2017 (Cont'd)

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

2.3 Standards issued but not yet effective (cont'd.)

The directors expect that the adoption of the above standards and interpretations will have no material impact on the financial statements in the period of initial application. The nature of some of the amendments are described below.

(a) 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.

(b) 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 profits 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.

(c) FRS 2: Classification and Measurement of Share-based Payment Transactions

The amendments to FRS 2 address three main areas:

(i) The effects of vesting conditions on the measurement of a cash-settled share-based payment transaction;
(ii) The classification of a share-based payment transaction with net settlement features for withholding tax obligations; and
(iii) Accounting where a modification to the terms and conditions of a share-based payment transaction changes its classification from cash settled to equity settled.

On adoption, entities are required to apply the amendments without restating prior period, but retrospective application is permitted if elected for all three amendments and other criteria are met. The amendments are effective for annual periods beginning on or after 1 January 2018, with early application permitted.

(d) FRS 9: Financial Instruments

In November 2014, 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.

(e) MFRS 15: Revenue from Contracts with Customers

MFRS 15 establishes a new five-step model that will apply to revenue arising from contracts with customers. MFRS 15 will supersede the current revenue recognition guidance including MFRS 118 Revenue, MFRS 111 Construction Contracts and the related interpretations when it becomes effective.

The core principle of MFRS 15 is that an entity should recognise revenue which depict the transfer of promised goods or services to customers in an amount that reflects the consideration to which the entity expects to be entitled in exchange for those goods or services.

Notes to the Financial Statements

For the Financial Year Ended 31 March 2017 (Cont'd)

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

2.3 Standards issued but not yet effective (cont'd.)

(e) MFRS 15: Revenue from Contracts with Customers (cont'd.)

Under MFRS 15, an entity recognises revenue when (or as) a performance obligation is satisfied, i.e. when "control" of the goods or services underlying the particular performance obligation is transferred to the customer.

Either a full or modified retrospective application is required for annual periods beginning on or after 1 January 2018 with early adoption permitted. The Group is currently assessing impact of MFRS 15 and plans to adopt the new standard on the required effective date.

(f) 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:

(i) 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 entity's financial statements only to the extent of unrelated investors' interests in the associate or joint venture; and

(ii) gains and losses resulting from transactions involving the sale or contribution of asset 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 asset occurring in annual periods beginning on or after a date to be determined by Malaysia Accounting Standards Board. Earlier application is permitted.

Malaysian Financial Reporting Standards ("MFRS Framework")

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

The MFRS Framework has been 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 scope of MFRS 141 Agriculture ("MFRS 141") and IC Interpretation 15 Agreements Construction of Real Estate ("IC 15"), including its parent, significant investor and venturer ("Transitioning Entities").

Transitioning Entities will be allowed to defer adoption of the new MFRS Framework. The adoption will be mandatory for Transitioning Entities for annual periods beginning on or after 1 January 2018 The Group falls within the scope of Transitioning Entities and have opted to defer adoption of new MFRS Framework. Accordingly, the Group will be required to prepare financial statements using the MFRS Framework in its first MFRS financial statements for the year ending 31 March 2019.

Under the FRS framework, the Group's accounting policy for biological assets are as disclosed in Note 2.9. Under the amendments, biological assets that meet the definition of bearer plants will no longer be within the scope of MFRS 141. Instead, MFRS 116 will apply. After initial recognition, bearer plants will be measured under MFRS 116 at accumulated cost (before maturity) and using either the cost model or revaluation model (after maturity). The amendments also require that produce that grows on bearer plants will remain in the scope of MFRS 141 and are measured at fair value less costs of disposal.

In presenting its first MFRS financial statements, the Group will be required to restate the comparative financial statements to amounts reflecting the application of MFRS Framework. The majority of the adjustments required on transition will be made, retrospectively, against opening retained earnings. The consolidated financial statements for the years ended 31 March 2016 and 2017 are expected to be different if prepared under the MFRS Framework.

As at the reporting date, the Group has not completed its quantification of the financial effect of the differences between Financial Reporting Standards and accounting standards under the MFRS Framework due to the ongoing assessment by the project team. Accordingly, the consolidated financial performance and financial position as disclosed in these financial statements for the year ended 31 March 2017 could be different if prepared under the MFRS Framework.

Notes to the Financial Statements

For the Financial Year Ended 31 March 2017 (Cont'd)

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 subsidiaries as at 31 March 2017.

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

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

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

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

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

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

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

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

When the Group loses control of a subsidiary, a gain or loss calculated as the difference between (i) the aggregate of the fair value of the consideration received and the fair value of any retained interest and (ii) the previous carrying amount of the assets and liabilities of the subsidiary and 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 reclassified to profit or loss or where applicable, transferred directly to retained profits. The fair value of any investment retained in the former subsidiary at the date control is lost is regarded as the cost on initial recognition of the investment.

2.5 Business combinations

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

Any contingent consideration to be transferred by the acquirer will be recognised at fair value at the acquisition date. Subsequent changes in the fair value of the contingent consideration which is deemed to be an asset or liability, will be recognised in accordance with FRS 139 either in profit or loss or as a change to other comprehensive income. If the contingent consideration is classified as equity, it will not be remeasured. Subsequent settlement is accounted for within equity. In instances where the contingent consideration does not fall within the scope of FRS 139, it is measured in accordance with the appropriate FRS.

Notes to the Financial Statements

For the Financial Year Ended 31 March 2017 (Cont'd)

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

2.5 Business combinations (cont'd.)

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

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

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

2.6 Transactions with non-controlling interests

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

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 amount of the controlling and non-controlling interests are adjusted to reflect the changes in their relative interests in the subsidiary. Any difference between the amount by which the non-controlling interest is adjusted and the fair value of the consideration paid or received is recognised directly in equity and attributed to owners of the parent.

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

2.7 Foreign currencies

(i) Functional and presentation currency

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

(ii) Foreign currency transactions

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

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

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

Notes to the Financial Statements

For the Financial Year Ended 31 March 2017 (Cont'd)

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

2.7 Foreign currencies (cont'd.)

(iii) Foreign operations

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

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

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

	2017 RM	2016 RM
Australian Dollars	3.36	2.97
British Pound Sterling	5.49	5.58
Singapore Dollars	3.14	2.88
United States Dollars	4.40	3.89

2.8 Property, plant and equipment, and depreciation

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

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

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

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

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

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

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

Notes to the Financial Statements

For the Financial Year Ended 31 March 2017 (Cont'd)

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

2.9 Biological assets

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

Pre-cropping expenditure - oil palm	over 25 years

2.10 Investment properties

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

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

2.11 Goodwill

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

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

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

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

2.12 Land use rights

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

Notes to the Financial Statements

For the Financial Year Ended 31 March 2017 (Cont'd)

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

2.13 Impairment of non-financial assets

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

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

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

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

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

2.14 Subsidiaries

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

2.15 Investments in associates and joint ventures

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

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

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

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

Notes to the Financial Statements

For the Financial Year Ended 31 March 2017 (Cont'd)

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

2.15 Investments in associates and joint ventures (cont'd.)

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

Profits and losses resulting from upstream and downstream transactions between the Group and its associate or joint venture are recognised in the Group's financial statements only to the extents of unrelated investors' interests in the associate or joint venture. Unrealised losses are eliminated unless the transaction provides evidence of an impairment of the asset transferred.

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

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

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

2.16 Financial assets

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

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

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

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

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

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

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

Notes to the Financial Statements

For the Financial Year Ended 31 March 2017 (Cont'd)

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

2.16 Financial assets (cont'd.)

(ii) Loans and receivables

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

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

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

(iii) Available-for-sale financial assets

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

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

Investment in equity instruments whose fair value cannot be reliably measured are measure 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, the date that the Group and the Company commit to purchase or sell the asset

2.17 Impairment of financial assets

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

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

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

Notes to the Financial Statements

For the Financial Year Ended 31 March 2017 (Cont'd)

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

2.17 Impairment of financial assets (cont'd.)

(i) Trade and other receivables and other financial assets carried at amortised cost (cont'd)

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 flow discounted at the financial asset's original effective interest rate. The impairment loss is recognised in profit or loss.

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

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

(ii) Unquoted equity securities carried at cost

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

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

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

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

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

2.18 Cash and cash equivalents

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

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

2.19 Land held for property development and property development costs

(i) Land held for property development

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

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

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

(ii) Property development costs

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

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

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

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

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

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

2.20 Inventories

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

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

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

2.21 Provisions

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

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

Notes to the Financial Statements

For the Financial Year Ended 31 March 2017 (Cont'd)

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

2.22 Financial liabilities

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

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

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

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

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

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

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

2.23 Financial guarantee contracts

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

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

2.24 Borrowing costs

Borrowing costs are capitalised as part of a qualifying asset if they are directly attributable to 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 expenditure and borrowing costs are incurred. Borrowing costs are capitalised until the assets are substantially completed for their intended use or sale.

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

2.25 Employee benefits

(i) Short term benefits

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

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

2.25 Employee benefits (cont'd)

(ii) Defined contribution plans

The Group participates in the national pension schemes as defined by the laws of countries in which it has operations. The Group makes contributions to the Employee Provident Fund in Malaysia, a defined contribution pension scheme. Contributions to defined contribution pension schemes are recognised as an expense in the period in which the related service is performed. Some of the Group's foreign subsidiaries also make contributions to their respective countries' statutory pension schemes.

2.26 Leases

(i) As lessee

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

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

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

(ii) As lessor

Leases where the Group and the Company retain substantially all the risks and rewards of ownership of the asset are classified as operating leases. Initial direct costs incurred in negotiating an operating lease are added to the carrying amount of the leased asset recognised over the lease term on the same bases as rental income. The accounting policy for rental income is set out in Note 2.27(viii).

2.27 Revenue

Revenue is recognised to the extent that it is probable that the economic benefits associated with the transaction will flow to the Group and the amount of the revenue can be measured reliably. Revenue is measured at the fair value of consideration received or receivable.

(i) Sale of completed properties

Such sale is recognised only when it is probable that the economic benefits associated with the transactions will flow to the Group and upon the transfer of significant risk and rewards of ownership.

(ii) Sale of properties under development

Revenue from sale of properties under development classified as property development costs is accounted for by the percentage of completion method. The percentage of completion is determined by reference to the costs incurred to date bear to the total estimated costs where the outcome of the projects can be reliably estimated.

(iii) Education fees

Revenue from education fees are recognised over the period of instruction whereas non-refundable registration and enrolment fees are recognised on enrolment.

Notes to the Financial Statements

For the Financial Year Ended 31 March 2017 (Cont'd)

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

2.27 Revenue (cont'd.)

(iv) Club operations

Revenue from membership fee is recognised upon acceptance of club membership by the club. Revenue from subscription fees is recognised on an accrual basis. Revenue from sale of food and beverage and from letting of club facilities are recognised upon invoicing of the services.

(v) Sale of goods

Revenue is recognised upon transfer of significant risks and rewards of ownership to buyer. Revenue is not recognised to the extent where there are significant uncertainties regarding recovery of the consideration due, associated costs or the possible return of goods.

(vi) Interest income

Interest is recognised on an accrual basis using the effective interest method.

(vii) Dividend income

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

(viii) Rental income

Rental income is recognised on a straight line basis over the term of the lease or in accordance with the substance of the relevant agreements.

(ix) Management fees

Management fees are recognised when services are rendered.

2.28 Income taxes

(a) Current tax

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

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

(b) Deferred tax

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

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

- where the deferred tax liability arises from the initial recognition of goodwill or of an asset or liability in a transaction that is not a business combination and, at the time of the transaction, affects neither the accounting profit nor taxable profit or loss; and
- in respect of taxable temporary differences associated with investments in subsidiaries and associates, where the timing of the reversal of the temporary differences can be controlled and it is probable that the temporary differences will not reverse in the foreseeable future.

Notes to the Financial Statements

For the Financial Year Ended 31 March 2017 (Cont'd)

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

2.28 Income taxes (cont'd.)

(b) Deferred tax (cont'd.)

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

- where the deferred tax asset relating to the deductible temporary difference arises from the initial recognition of an asset or liability in a transaction that is not a business combination and, at the time of the transaction, affects neither the accounting profit nor taxable profit or loss; and
- in respect of deductible temporary differences associated with investments in subsidiaries and associates, deferred tax assets are recognised only to the extent that it is probable that the temporary differences will reverse in the foreseeable future and taxable profit will be available against which the temporary differences can be utilised

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

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

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

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

(c) Goods and Services tax ("GST")

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

- where the GST incurred in a purchase of assets or services is not recoverable from the taxation authority, in which case the GST is recognised as part of the cost of acquisition of the asset or as part of the expense item as applicable; and
- receivables and payables that are stated with the amount of GST included.

The net amount of GST recoverable from, or payable to, the taxation authority is included as part of other current assets or liabilities in the statement of financial position.

2.29 Segment reporting

For management purposes, the Group is organised into operating segments based on their products and services which are independently managed by the respective segment managers responsible for the performance of the respective segments under their charge. The segment managers report directly to the management of the Company who regularly review the segment results in order to allocate resources to the segments and to assess the segment performance. Additional disclosure on each of these segments are shown in Note 44, including the factors used to identify the reportable segments and the measurement basis of segment information.

2.30 Share capital and share issuance expenses

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

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

Notes to the Financial Statements

For the Financial Year Ended 31 March 2017 (Cont'd)

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

2.31 Irredeemable convertible unsecured loan stocks ("ICULS")

The ICULS are recognised as compound instruments, consisting of a liability component and equity component. At the date of issue, the fair value of the liability component is estimated using the prevailing market interest rate for a similar non-convertible loan stock. The difference between the proceeds of issue of the ICULS and the fair value assigned to the liability component, representing the conversion option is included in equity. The liability component is subsequently stated at amortised cost using the effective interest rate method until extinguished on conversion or maturity, whilst the value of the equity component is not adjusted in subsequent periods. Attributable transactions costs are apportioned and deducted directly from the liability and equity component based on their carrying amounts at the date of issue.

Under the effective interest rate method, the interest expense on the liability component is calculated by applying the prevailing market interest rate for a similar non-convertible loan stock to the instrument at the date of issue. The difference between this amount and the interest paid is added to the carrying amount of ICULS.

2.32 Contingencies

A contingent liability or asset is a possible obligation or asset that arises from past events and whose existence will be confirmed only by the occurrence or non-occurrence of uncertain future event(s) not wholly within the control of the Group.

Contingent liabilities or assets are not recognised in the statements of financial position of the Group.

2.33 Fair value measurement

The Group measures financial instruments such as derivatives, at fair value at each reporting date, and disclose fair value of non-financial assets such as investment properties, at each reporting date. Also, fair values of financial instruments measured at amortised cost are disclosed in Note 13(a) and Note 41(ii) & (iii).

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.

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

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

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

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

(a) Level 1 - Quoted (unadjusted) market prices in active markets for identical assets or liabilities
(b) Level 2 - Valuation techniques for which the lowest level input that is significant to the fair value measurement is directly or indirectly observable
(c) Level 3 - Valuation techniques for which the lowest level input that is significant to the fair value measurement is unobservable

Notes to the Financial Statements

For the Financial Year Ended 31 March 2017 (Cont'd)

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

2.33 Fair value measurement (cont'd)

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

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

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

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

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

The management and the Group's external valuers present the valuation results to the audit committee and the Group's independent auditors. This includes a discussion of the major assumptions used in the valuations.

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

2.34 Current versus non-current classification

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

- Expected to be realised or intended to be sold or consumed in normal operating cycle;
- Held primarily for the purpose of trading;
- Expected to be realised within twelve months after the reporting period; or
- Cash or cash equivalent unless restricted from being exchanged or used to settle a liability at least twelve months after the reporting period.

All other assets are classified as non-current. A liability is current when:

- It is expected to be settled in normal operating cycle;
- It is held primarily for the purpose of trading;
- It is due to be settled within twelve months after the reporting period; or
- There is no unconditional right to defer the settlement of the liability for at least twelve month after the reporting period.

The Company classifies all other liabilities as non-current.

Deferred tax assets and liabilities are classified as non-current assets and liabilities.

Notes to the Financial Statements

For the Financial Year Ended 31 March 2017 (Cont'd)

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

2.35 Significant accounting judgements and estimates

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

(a) Judgements made in applying accounting policies

In the process of applying the Group's accounting policies, management has made the following judgements, apart from those involving estimations, which have the most significant effect on the amounts recognised in the financial statements:

Classification between investment properties and inventories

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

The Group has also temporarily sub-let some completed unsold properties but has decided not to treat these properties as investment properties as it is not the Group's intention to hold these properties in the long term for capital appreciation or rental income but rather for sale. Accordingly, these properties are still classified as inventories. The carrying amounts of these inventories as at reporting date are RM598,000 (2016: RM821,000).

(b) Key sources of estimation uncertainty

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

(i) Revenue recognition on property development activities

The Group recognises property development activities based on the percentage of completion method.

Significant judgment is required in determining the percentage of completion, the extent of the development project costs incurred, the estimated total revenue and total cost and the recoverability of the development project. In making these judgements, management relies on past experience and the work of specialists.

(ii) Impairment of property, plant and equipment and investment properties

The Group determines whether property, plant and equipment and investment properties are impaired whenever there is an indication of impairment.

The best evidence of impairment test is current prices in an active market for similar properties or valuation carried out by independent firms of valuers annually.

In the absence of current prices in an active market, the management carried out impairment test based on value-in-use of these cash generating units ("CGU") to which the assets were allocated and determines if the carrying value of the CGU is in excess of the value-in-use. This requires management to make an estimate of the expected cash flows from the CGU, supported by the terms of any existing lease and other contracts, and to choose suitable discount rates that reflect current market assessment of the uncertainty in the carrying amount and timing in order to calculate the present value of those cash flows. Changes in estimates and assumptions may result in revisions in the carrying amount of these assets.

Notes to the Financial Statements

For the Financial Year Ended 31 March 2017 (Cont'd)

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

2.35 Significant accounting judgements and estimates (cont'd.)

(b) Key sources of estimation uncertainty (cont'd.)

(iii) Impairment of financial assets

The Group assesses at each reporting date whether there is any objective evidence that a financial asset is impaired. To determine whether there is objective evidence of impairment, the Group considers factors such as the probability of insolvency or significant financial difficulties of the debtor and default or significant delay in payments.

Where there is objective evidence of impairment, the amount and timing of future cash flows are estimated based on historical loss experience for assets with similar credit risk characteristics. Debts that are past due but not impaired are disclosed in Note 22.

(iv) Income taxes

Significant estimation is involved in determining the provision for income taxes. There are certain transactions and computations for which the ultimate tax determination is uncertain during the ordinary course of business. The Group recognises liabilities for expected tax issues based on estimates of whether additional taxes will be due. Where the final tax outcome of these matters is different from the amounts that have been initially recognised, such differences will impact the income tax and deferred provisions in the period in which such determination is made. As at 31 March 2017, the Group has tax recoverable and payable of approximately RM421,000 (2016: Nil) and RM44,038,000 (2016: RM38,036,000) respectively.

(v) Provision for financial obligation

The Group recognised a provision in respect of financial obligations arising from winding up of a former subsidiary of the Group in previous years. The carrying amount of the provision as at 31 March 2017 was RM39,895,000 (2016: RM38,251,000). Annual review of estimates are performed based on latest available information and these provisions are appropriately revised as necessary.

(vi) Provision for costs to complete

The Group recognises a provision for costs to complete relating to estimated final claims by contractors which have not been finalised and provision for property development, infrastructure and land related costs relating to project undertaken.

Significant judgement is required in determining the extent of the costs to be incurred and in making the judgement, the Group evaluates based on past experience, external economic factors and by relying on the work of specialists. The carrying amount of Group's provision for costs to complete as at 31 March 2017 was RM80,405,000 (2016: RM168,220,000). The write back of provision for costs to complete of the Group is RM74,145,000.

Notes to the Financial Statements

For the Financial Year Ended 31 March 2017 (Cont'd)

3. Revenue

	Group		Company	
	2017 RM'000	2016 RM'000	2017 RM'000	2016 RM'000
Sale of properties under development	9,886	316,806	-	-
Sale of completed properties	6,951	656	-	-
Education	13,128	12,907	-	-
Club operations and building maintenance	3,812	3,452	-	-
Interest income from deposits with financial institutions	433	3,426	356	3,373
Dividends on money market funds	1,461	387	161	387
Dividends on unit trust funds	2,140	975	2,140	975
Dividends:				
- unquoted Malaysian subsidiaries	-	-	124,503	30,180
- quoted investment	1,222	-	1,222	-
Rental income:				
- Subsidiaries	-	-	3,113	2,712
- Third parties	690	684	-	-
Management fee from				
- Subsidiaries	-	-	2,143	2,248
- Joint venture	244	443	-	-
Others	2,683	2,326	-	-
	42,650	342,062	133,638	39,875

4. Other income

	Group		Company	
	2017 RM'000	2016 RM'000	2017 RM'000	2016 RM'000
Rental income	3,767	3,655	-	-
Gain on disposal of investment property and land use right	17	3	-	1
Unwinding of discount on interest on loan to:				
- Subsidiaries	-	-	4,209	1,789
- A joint venture	1,283	1,457	-	-
Interest income:				
- A subsidiary	-	-	725	718
- Others	8,067	2,302	-	-
Dividends on money market funds	2,442	3,571	-	-
Dividends on unit trust funds	3,147	956	-	-
Gain on fair value changes on quoted shares - financial assets at fair value through profit or loss	9,618	554	9,618	554
Compensation of land acquisition	1,124	-	-	-
Write back of provision for costs to complete (Note 25)	74,145	-	-	-
Deposits forfeited	986	95	-	-
Gain on bargain purchase (Note 17(i))	2,114	-	-	-
Unrealised foreign exchange gain	618	128	-	-
Others	907	1,467	60	9
	108,235	14,188	14,612	3,071

Notes to the Financial Statements
For the Financial Year Ended 31 March 2017 (Cont'd)

5. Staff costs

	Group		Company	
	2017 RM'000	2016 RM'000	2017 RM'000	2016 RM'000
Wages, salaries and bonus	16,359	15,794	2,386	2,579
Defined contribution plan	2,060	1,954	288	311
Other employment benefits	981	965	86	92
	19,400	18,713	2,760	2,982

Included in staff costs of the Group and of the Company are remunerations (excluding benefits-in-kind) of executive directors of the Company amounting to RM1,069,000 (2016: RM1,372,000) and RM1,069,000 (2016: RM1,118,000) respectively as further disclosed in Note 6 below.

6. Directors' remuneration

	Group		Company	
	2017 RM'000	2016 RM'000	2017 RM'000	2016 RM'000
Executive directors' remuneration (Note 5):				
Other emoluments	1,069	1,372	1,069	1,118
Non-executive directors' remuneration (Note 8):				
Fees	400	373	400	373
Other emoluments	202	114	202	114
	602	487	602	487
Total directors' remuneration	1,671	1,859	1,671	1,605
Estimated money value of benefits-in-kind	46	59	46	47
Total directors' remuneration including benefits-in-kind	1,717	1,918	1,717	1,652

The number of directors of the Group and of the Company whose total remuneration during the financial year fell within the following bands is analysed below:

	Group Number of Directors		Company Number of Directors	
	2017	2016	2017	2016
Executive directors:				
RM200,001 - RM400,000	-	1	-	-
RM400,001 - RM500,000	-	-	-	-
RM1,00,001 - RM1,100,000	-	-	-	-
RM1,100,001 - RM1,200,000	1	1	1	1
Non-executive directors:				
Below RM50,000	3	3	3	3
RM50,001 - RM100,000	3	4	3	4
RM100,001 - RM150,000	1	1	1	1
RM150,001 - RM200,000	1	-	-	-

Notes to the Financial Statements

For the Financial Year Ended 31 March 2017 (Cont'd)

7. Finance costs

	Group 2017 RM'000	Group 2016 RM'000	Company 2017 RM'000	Company 2016 RM'000
Interest expense on:				
- Term loan	4,291	4,450	-	-
- Revolving credit	-	61	-	-
- ICULS	20	38	20	38
- Hire purchase and finance lease liabilities	11	14	11	13
Unwinding of discount on:				
- Provision for financial obligation (Note 25)	1,644	1,577	1,644	1,577
- Amount due to companies related to major shareholders of the Company	2,135	750	-	-
	8,101	6,890	1,675	1,628
Less: Interest expenses capitalised in property development costs (Note 12(b)(i))	(4,291)	(4,511)	-	-
	3,810	2,379	1,675	1,628

8. Profit before tax

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

	Group 2017 RM'000	Group 2016 RM'000	Company 2017 RM'000	Company 2016 RM'000
Non-executive directors' remuneration (Note 6)	602	487	602	487
Auditors' remuneration:				
Auditors of the Company				
- Statutory audit	216	200	74	60
- Other services	55	24	8	8
Other auditors				
- Statutory audit	5	4	-	-
Property, plant and equipment written off	-	3	-	3
Biological assets written off	-	12	-	-
Impairment loss on investment property (Note 13)	-	4,747	-	-
Allowance for impairment on financial assets:				
- Amount due from third parties	-	904	-	-
- Amount due from other receivables	-	87	-	-
- Amount due from a joint venture	-	686	-	-
Inventories written down	222	-	-	-
Impairment loss on loans granted to a joint venture	1,283	1,457	-	-
Provision for costs to complete (Note 25)	-	102,722	-	-
Other provision (Note 25)	210	50	210	50
Realised foreign exchange loss	-	-	4	-
Unrealised foreign exchange loss	-	-	155	208
Office rental	-	-	110	110

Notes to the Financial Statements

For the Financial Year Ended 31 March 2017 (Cont'd)

9. Income tax expense

	Group		Company	
	2017 RM'000	2016 RM'000	2017 RM'000	2016 RM'000
Income tax:				
Malaysian income tax	2,153	57,761	772	1,522
(Over)/under provision in prior years	(545)	3,197	(21)	23
	1,608	60,958	751	1,545
Deferred tax (Note 34):				
Relating to origination and reversal of temporary differences	15,168	(24,464)	19	19
Under/(over) provision in prior years	1,418	(914)	-	(1)
	16,586	(25,378)	19	18
Income tax expense recognised in profit or loss	18,194	35,580	770	1,563

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

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

	2017 RM'000	2016 RM'000
Group		
Profit before tax	69,752	127,172
Taxation at Malaysian statutory tax rate of 24%	16,740	30,521
Effect of:		
- Income not subject to tax	(11,111)	(1,244)
- Expenses not deductible for tax purposes	11,147	3,832
- Deferred tax assets not recognised in respect of current year's tax losses and unabsorbed capital allowances	545	188
Under/(over) provision of deferred tax in prior years	1,418	(914)
(Over)/under provision of tax expense in prior years	(545)	3,197
Income tax expense recognised in profit or loss	18,194	35,580
Company		
Profit before tax	139,516	35,632
Taxation at Malaysian statutory tax rate of 24%	33,484	8,552
Effect of:		
- Income not subject to tax	(34,220)	(7,998)
- Expenses not deductible for tax purposes	1,527	987
Over provision of deferred tax in prior years	-	(1)
(Over)/under provision of tax expense in prior years	(21)	23
Income tax expense recognised in profit or loss	770	1,563

Notes to the Financial Statements

For the Financial Year Ended 31 March 2017 (Cont'd)

10. Earnings per share

(a) Basic

Basic earnings per share is calculated by dividing the profit attributable to ordinary shareholders by the weighted average number of ordinary shares outstanding during the financial year.

	Group	
	2017	**2016**
Profit attributable to owners of the Company (RM'000)	35,526	95,002
Weighted average number of ordinary shares in issue ('000)	1,108,471	1,086,509
Basic earnings per share (sen)	3.20	8.74

(b) Diluted

Diluted earnings per share is calculated by dividing the profit attributable to ordinary shareholders by the weighted average number of ordinary shares in issue after adjustment for the effects of all dilutive potential ordinary shares.

	Group	
	2017	**2016**
	RM'000	**RM'000**
Profit attributable to owners of the Company	35,526	95,002
Interest expense on ICULS	73	102
Profit attributable to owners of the Company used in the computation of diluted earnings per share	35,599	95,104

	Group	
	2017	**2016**
	'000	**'000**
Weighted average number of ordinary shares in issue	1,108,471	1,086,509
Adjustment for potential dilutive shares under ICULS conversion	73,648	103,231
Weighted average number of ordinary shares in issue used in the computation of diluted earnings per share	1,182,119	1,189,740
Diluted earnings per share (sen)	3.01	7.99

Notes to the Financial Statements

For the Financial Year Ended 31 March 2017 (Cont'd)

11. Property, plant and equipment

	Freehold land RM'000	Long term leasehold land RM'000	Buildings RM'000	Furniture, fittings and equipment RM'000	Motor vehicles RM'000	Plant, machinery and others RM'000	Assets under construction RM'000	Total RM'000
Group								
At 31 March 2017								
Cost								
At 1 April 2016	51,909	150	36,634	16,118	1,380	788	-	106,979
Additions	-	-	-	599	-	-	2,122	2,721
At 31 March 2017	51,909	150	36,634	16,717	1,380	788	2,122	109,700
Accumulated depreciation								
At 1 April 2016	-	8	18,674	11,361	1,104	741	-	31,888
Depreciation charge for the year	-	2	528	1,055	142	20	-	1,747
At 31 March 2017	-	10	19,202	12,416	1,246	761	-	33,635
Net carrying amount	51,909	140	17,432	4,301	134	27	2,122	76,065

	Freehold land RM'000	Long term leasehold land RM'000	Buildings RM'000	Furniture, fittings and equipment RM'000	Motor vehicles RM'000	Plant, machinery and others RM'000	Assets under construction RM'000	Total RM'000
At 31 March 2016								
Cost								
At 1 April 2015	51,909	150	36,630	15,697	1,623	6,683	112,692	
Reclassified to biological assets	-	-	-	-	-	(5,948)	(5,948)	
Additions	-	-	4	546	-	53	603	
Disposals	-	-	-	(14)	(243)	-	(257)	
Written off	-	-	-	(111)	-	-	(111)	
At 31 March 2016	51,909	150	36,634	16,118	1,380	788	106,979	
Accumulated depreciation								
At 1 April 2015	-	7	18,145	10,339	1,169	781	30,441	
Reclassified to biological assets	-	-	-	-	-	(102)	(102)	
Depreciation charge for the year	-	1	529	1,144	178	62	1,914	
Disposals	-	-	-	(14)	(243)	-	(257)	
Written off	-	-	-	(108)	-	-	(108)	
At 31 March 2016	-	8	18,674	11,361	1,104	741	31,888	
Net carrying amount	51,909	142	17,960	4,757	276	47	75,091	

Notes to the Financial Statements

For the Financial Year Ended 31 March 2017 (Cont'd)

11. Property, plant and equipment (cont'd.)

	Long term leasehold land RM'000	Motor vehicles RM'000	Furniture, fittings and equipment RM'000	Total RM'000
Company				
At 31 March 2017				
Cost				
At 1 April 2016	150	873	1,023	2,046
Additions	-	-	7	7
At 31 March 2017	150	873	1,030	2,053
Accumulated depreciation				
At 1 April 2016	8	637	927	1,572
Depreciation charge for the year	1	114	35	150
At 31 March 2017	9	751	962	1,722
Net carrying amount	141	122	68	331
At 31 March 2016				
Cost				
At 1 April 2015	150	1,116	1,119	2,385
Additions	-	-	18	18
Disposals	-	(243)	(3)	(246)
Written off	-	-	(111)	(111)
At 31 March 2016	150	873	1,023	2,046
Accumulated depreciation				
At 1 April 2015	7	741	994	1,742
Depreciation charge for the year	1	139	44	184
Disposals	-	(243)	(3)	(246)
Written off	-	-	(108)	(108)
At 31 March 2016	8	637	927	1,572
Net carrying amount	142	236	96	474

Net carrying amounts of property, plant and equipment of the Group and of the Company held under hire purchase as at reporting date is RM123,000 (2016: RM237,000).

Notes to the Financial Statements

For the Financial Year Ended 31 March 2017 (Cont'd)

12. Land held for property development and property development costs

(a) Land held for property development

	Land RM'000	Development costs RM'000	Total RM'000
Group			
At 31 March 2017			
Cost			
At 1 April 2016	24,946	14,028	38,974
Additions	-	2,266	2,266
Acquisition of a subsidiary (Note 17(i))	117,500	-	117,500
At 31 March 2017	142,446	16,294	158,740
At 31 March 2016			
Cost			
At 1 April 2015	9,835	16,288	26,123
Additions	-	202	202
Transfer from/(to) property development costs (Note 12(b))	15,111	(2,462)	12,649
At 31 March 2016	24,946	14,028	38,974

(b) Property development costs

	Land RM'000	Development costs RM'000	Total RM'000
Group			
At 31 March 2017			
Cumulative property development cost			
At 1 April 2016	133,891	54,047	187,938
Cost incurred during the financial year	-	39,426	39,426
At 31 March 2017	133,891	93,473	227,364
Cumulative cost recognised in profit or loss			
At 1 April 2016	-	-	-
Recognised during the financial year	(1,518)	(6,203)	(7,721)
At 31 March 2017	(1,518)	(6,203)	(7,721)
Property development costs at 31 March 2017	132,373	87,270	219,643

Notes to the Financial Statements

For the Financial Year Ended 31 March 2017 (Cont'd)

12. Land held for property development and property development costs (cont'd.)

(b) Property development costs (cont'd.)

	Land RM'000	Development costs RM'000	Total RM'000
Group			
At 31 March 2016			
Cumulative property development cost			
At 1 April 2015	151,053	260,272	411,325
Cost incurred during the financial year	-	200,279	200,279
Transfer (to)/from land held for property development (Note 12(a))	(15,111)	2,462	(12,649)
Reversal of completed project	(2,019)	(402,489)	(404,508)
Unsold completed units transferred to inventories	(32)	(6,477)	(6,509)
At 31 March 2016	133,891	54,047	187,938
Cumulative cost recognised in profit or loss			
At 1 April 2015	(1,156)	(227,824)	(228,980)
Recognised during the financial year	-	(175,528)	(175,528)
Reclassification	(863)	863	-
Reversal of completed project	2,019	402,489	404,508
At 31 March 2016	-	-	-
Property development costs at 31 March 2016	133,891	54,047	187,938

(i) Included in property development costs incurred during the financial year are:

	Group 2017 RM'000	Group 2016 RM'000
Interest expenses capitalised (Note 7)	4,291	4,511

(ii) The land together with development costs with a carrying value of RM223,218,000(2016: RM189,025,000) are pledged as securities for bank borrowings as disclosed in Note 27.

Notes to the Financial Statements

For the Financial Year Ended 31 March 2017 (Cont'd)

13. Investment properties

	Freehold land RM'000	Buildings RM'000	Buildings on leasehold land RM'000	Total RM'000
Group				
At 31 March 2017				
Cost				
At 1 April 2016	12,113	87,871	65	100,049
Disposal	-	-	(65)	(65)
At 31 March 2017	12,113	87,871	-	99,984
Accumulated depreciation				
At 1 April 2016	-	1,620	8	1,628
Depreciation charge for the year	-	2,788	-	2,788
Disposal	-	-	(8)	(8)
At 31 March 2017	-	4,408	-	4,408
Accumulated impairment				
At 1 April 2016	-	7,747	19	7,766
Disposal	-	-	(19)	(19)
At 31 March 2017	-	7,747	-	7,747
Net carrying amount	12,113	75,716	-	87,829
At 31 March 2016				
Cost				
At 1 April 2015	12,113	22,635	65	34,813
Transfer	-	65,236	-	65,236
Additions	-	7,248	-	7,248
Adjustment	-	(7,248)	-	(7,248)
At 31 March 2016	12,113	87,871	65	100,049
Accumulated depreciation				
At 1 April 2015	-	1,167	7	1,174
Depreciation charge for the year	-	453	1	454
At 31 March 2016	-	1,620	8	1,628
Accumulated impairment				
At 1 April 2015	-	3,000	19	3,019
Impairment loss recognised in profit or loss (Note 8)	-	4,747	-	4,747
At 31 March 2016	-	7,747	19	7,766
Net carrying amount	12,113	78,504	38	90,655

Notes to the Financial Statements

For the Financial Year Ended 31 March 2017 (Cont'd)

13. Investment properties (cont'd.)

	Freehold Land RM'000	Buildings RM'000	Total RM'000
Company			
At 31 March 2017			
Cost			
At 1 April 2016/31 March 2017	11,988	20,720	32,708
Accumulated depreciation			
At 1 April 2016	-	7,809	7,809
Depreciation charge for the year	-	414	414
At 31 March 2017	-	8,223	8,223
Net carrying amount	11,988	12,497	24,485
At 31 March 2016			
Cost			
At 1 April 2015/31 March 2016	11,988	20,720	32,708
Accumulated depreciation			
At 1 April 2015	-	7,395	7,395
Depreciation charge for the year	-	414	414
At 31 March 2016	-	7,809	7,809
Net carrying amount	11,988	12,911	24,899

(a) The fair value of investment properties of the Group and the Company are categorised as follows:

	Level 3 RM'000
Group	
2017	
Land	35,884
Buildings	146,185
	182,069
2016	
Land	22,875
Buildings	153,209
	176,084

Notes to the Financial Statements

For the Financial Year Ended 31 March 2017 (Cont'd)

13. Investment properties (cont'd.)

(a) The fair value of investment properties of the Group and the Company are categorised as follows (cont'd):

	Level 3 RM'000
Company	
2017	
Land	35,884
Building	54,815
	90,699
2016	
Land	22,875
Building	54,792
	77,667

(i) There were no transfers between Level 1, Level 2 and Level 3 fair value measurements during the financial years ended 31 March 2017 and 31 March 2016.

(ii) The fair value of the investment properties of the Group and of the Company are categorised at Level 3. The land and building are valued by reference to transactions of similar lands surrounding with appropriate adjustments made for differences in the relevant characteristics of the land. Certain buildings of the Group are arrived at via valuation performed by certified external valuer based on market comparison approach and discounted cash flow approach prepared by management.

(b) Buildings of the Company refers to school buildings which have been leased to a subsidiary with an aggregate carrying value of RM12,497,000 (2016: RM12,911,000).

14. Goodwill

	Group	
	2017 RM'000	2016 RM'000
At 1 April/31 March	12	12

15. Biological assets

	Group	
	2017 RM'000	2016 RM'000
Cost		
At 1 April	6,558	-
Reclassified from property, plant and equipment	-	5,948
Additions	420	622
Written off	-	(12)
At 31 March	6,978	6,558
Accumulated amortisation		
At 1 April	256	102
Amortisation charge for the year	155	154
At 31 March	411	256
Net carrying amount	6,567	6,302

Notes to the Financial Statements

For the Financial Year Ended 31 March 2017 (Cont'd)

16. Land use rights

	Group		Company	
	2017 RM'000	2016 RM'000	2017 RM'000	2016 RM'000
At 1 April	55	56	50	51
Amortisation for the year	(2)	(1)	(2)	(1)
Disposal for the year	(5)	-	-	-
At 31 March	48	55	48	50
Analysed as:				
Short term leasehold	48	50	48	50
Long term leasehold	-	5	-	-
	48	55	48	50
Amount to be amortised:				
- Not later than one year	1	1	1	1
- Later than one year but not later than five years	5	5	5	5
- Later than five years	42	49	42	44
	48	55	48	50

Included in the Group's land use right are:

- land use right over one plot of land situated in Temerloh Pahang which have remaining tenure of 38 years (2016: 39 years).
- land use right over one plot of land situated in Bandar Sungai Buaya with remaining tenure of 79 years as disclosed in previous financial year has been disposed during the current financial year.

17. Investments in subsidiaries

	Company	
	2017 RM'000	2016 RM'000
Unquoted shares, at cost	285,915	285,915
Discount on loans to subsidiaries	59,823	11,041
	345,738	296,956
Less: Accumulated impairment losses	(96,729)	(96,729)
	249,009	200,227

Notes to the Financial Statements

For the Financial Year Ended 31 March 2017 (Cont'd)

17. Investments in subsidiaries (cont'd)

Details of the subsidiaries are as follows:

Name of Subsidiaries	Principal Activities	Country of Incorporation	Proportion of Ownership Interest 2017 %	2016 %
Bestform Limited	Investment holding	Isle of Man	100.00	100.00
Bright Term Sdn Bhd	Property development	Malaysia	100.00	100.00
Clarity Crest Sdn Bhd	Cultivation of rubber and oil palm	Malaysia	100.00	100.00
L&G Resources (1994), Inc.	Investment holding	USA	100.00	100.00
Land & General Properties Sdn Bhd	Property development	Malaysia	100.00	100.00
Land & General Australia (Holdings) Pty Ltd	Investment holding	Australia	100.00	100.00
Lang Education Holdings Sdn Bhd	Investment holding	Malaysia	100.00	100.00
Lang Furniture (Pahang) Sdn Bhd	Dormant	Malaysia	100.00	100.00
Maple Domain Sdn Bhd	Dormant	Malaysia	100.00	100.00
Pillar Quest Sdn Bhd	Investment holding	Malaysia	100.00	100.00
Sri Damansara Sdn Bhd	Property development	Malaysia	100.00	100.00
Syarikat Trimal Sdn Bhd	Property development	Malaysia	100.00	100.00
Synergy Score Sdn Bhd	Investment holding	Malaysia	100.00	100.00
Victory Vista Sdn Bhd	Investment holding	Malaysia	100.00	100.00
Winlink Pte Ltd *	Dormant	Singapore	100.00	100.00

Name of Companies	Classification
L&G Resources Sdn Bhd #	Court winding up
Lang Furniture (Selangor) Sdn Bhd #	Court winding up
Bandar Sungai Buaya Sdn Bhd #	Court winding up
Lembah Beringin Sdn Bhd #	Receivers and Managers appointed and under court winding up.

Notes to the Financial Statements

For the Financial Year Ended 31 March 2017 (Cont'd)

17. Investments in subsidiaries (cont'd)

Name of Subsidiaries	Principal Activities	Country of Incorporation	Proportion of Ownership Interest 2017 %	2016 %
Subsidiaries of Land & General Australia (Holdings) Pty Ltd:				
Lang Melbourne Pty Ltd	Dormant	Australia	100.00	100.00
World Trade Centre Holdings Pty Ltd	Dormant	Australia	100.00	100.00
Flinders Wharf Pty Ltd	Dormant	Australia	100.00	100.00
Flinders Wharf One Pty Ltd	Dormant	Australia	100.00	100.00
Flinders Wharf Two Pty Ltd	Dormant	Australia	100.00	100.00
Flinders Wharf Land Pty Ltd	Dormant	Australia	100.00	100.00
PLR Mayfields Pty Ltd	Dormant	Australia	100.00	100.00
Subsidiary of L&G Resources (1994), Inc.:				
L&G Display Technologies, Inc.	Dormant	USA	100.00	100.00
Subsidiary of Lang Education Holdings Sdn Bhd				
Lang Education Sdn Bhd	Education services	Malaysia	100.00	100.00
Subsidiary of Pillar Quest Sdn Bhd				
Xtreme Meridian Sdn Bhd	Property development	Malaysia	50.01	50.01
Subsidiary of Sri Damansara Sdn Bhd:				
Sri Damansara Club Bhd	Management of club activities	Malaysia	100.00	100.00
Subsidiaries of Syarikat Trimal Sdn Bhd:				
Mentari Unggul Sdn Bhd	Dormant	Malaysia	100.00	100.00
Tinvein Nominees Sdn Bhd	Investment holding	Malaysia	100.00	100.00
Subsidiary of Synergy Score Sdn Bhd:				
Elite Forward Sdn Bhd	Property development	Malaysia	50.01	50.01
Subsidiary of Victory Vista Sdn Bhd:				
Pembinaan Jaya Megah Sdn Bhd	Property development	Malaysia	100.00	-
Subsidiary of World Trade Centre Holdings Pty Ltd:				
Lang Australia Pty Ltd	Dormant	Australia	100.00	100.00

Notes to the Financial Statements

For the Financial Year Ended 31 March 2017 (Cont'd)

17. Investments in subsidiaries (cont'd)

* Audited by a firm of auditors other than member firms of Ernst & Young Global.

\# In accordance to FRS 10, the Company had lost control over these subsidiaries in prior year, hence, the cost of investment has been reclassed to other investment.

The persons who are the directors of the subsidiary companies of the Company since the beginning of the financial year to the date of this report (not including the Company's directors) are:

Abdul Hamid Md Yusof	
Abdullah Ali	
Yap Yin Kuen	
Chin Foo Teck	
Wong Keet Loy	
Rahmat Dahalan	
Lau Siang Ee	
Eddie Kan Mun Leong	
Chiah Hwa Kai	
Siti Fazlina Zainal Abidin	(resigned w.e.f. 18 August 2016)
Dato' Hui Kim Poh @ Ee Kim Fou	(resigned w.e.f. 17 January 2017)
Y.A.M Tengku Sulaiman Shah Al-Haj Ibni Almarhum Sultan Salahuddin Abdul Aziz Shah Al-Haj	(resigned w.e.f. 17 January 2017)
Y.A.M Tengku Indera Setia Tengku Datuk Seri Ahmad Shah Al-Haj Ibni Almarhum Sultan Salahuddin Abdul Aziz Shah Al-Haj (Alternate to Y.A.M. Tengku Sulaiman Shah Al-Haj Ibni Almarhum Sultan Salahuddin Abdul Aziz Shah Al-Haj)	(cessation as alternate director w.e.f. 17 January 2017)
Hui Swee Kuan	(resigned w.e.f. 17 January 2017)
Dato' Hui Swee Leong	(resigned w.e.f. 17 January 2017)
Hui Swee Ho	(resigned w.e.f. 17 January 2017)

(i) Acquisition of 100% equity interest in Pembinaan Jaya Megah Sdn Bhd ("PJMSB")

As disclosed in Note 38, the Group had completed acquisition of PJMSB on 17 January 2017.

The fair values of the identifiable assets and liabilities of PJMSB as at the date of acquisition were: -

	Carrying amount RM'000	**Fair value RM'000**
Land held for development	22,140	117,500
Deferred tax liability	-	(22,886)
Fair value of net identifiable asset acquired	22,140	94,614

Goodwill arising on acquisition:-

	RM'000
Purchase consideration	92,500
Less: Fair value of net identifiable asset acquired	(94,614)
Gain on bargain purchase (Note 4)	(2,114)

The effect of the acquisition on cash flows is as follows:-

	RM'000
Cash outflow of the Group for the current year	83,500
Cash outflow of the Group in financial year 2016	9,000
Total cash outflow on acquisition	92,500

Notes to the Financial Statements

For the Financial Year Ended 31 March 2017 (Cont'd)

17. Investments in subsidiaries (cont'd.)

(ii) Summarised financial information of subsidiaries with material non-controlling interests

The summarised financial information of Elite Forward Sdn Bhd and Xtreme Meridian Sdn Bhd which have non-controlling interests that are material to the Group is set out below. The summarised financial information presented below is the amount before inter-company elimination.

(a) Summarised statements of financial positions

	Elite Forward Sdn Bhd		Xtreme Meridian Sdn Bhd		Total	
	2017 RM'000	2016 RM'000	2017 RM'000	2016 RM'000	2017 RM'000	2016 RM'000
Non-current assets	761	269	3	4	764	273
Current assets	40,895	87,966	197,972	161,914	238,867	249,880
Total assets	41,656	88,235	197,975	161,918	239,631	250,153
Non-current liabilities	-	-	162,612	113,870	162,612	113,870
Current liabilities	13,964	83,133	30,546	44,903	44,510	128,036
Total liabilities	13,964	83,133	193,158	158,773	207,122	241,906
Net assets	27,692	5,102	4,817	3,145	32,509	8,247
Equity attributable to the owner of the Company	13,849	2,552	2,409	1,573	16,258	4,125
Non-controlling interests	13,843	2,550	2,408	1,572	16,251	4,122
	27,692	5,102	4,817	3,145	32,509	8,247

(b) Summarised statements of comprehensive income

	Elite Forward Sdn Bhd		Xtreme Meridian Sdn Bhd		Total	
	2017 RM'000	2016 RM'000	2017 RM'000	2016 RM'000	2017 RM'000	2016 RM'000
Revenue	5,605	655	9,886	-	15,491	655
Profit/(loss) for the year	45,290	(4,085)	(13,311)	(2,686)	31,979	(6,771)
Profit/(loss) attributable to:						
- owners of the Company	22,650	(2,043)	(6,657)	(1,343)	15,993	(3,386)
- non-controlling interests	22,640	(2,042)	(6,654)	(1,343)	15,986	(3,385)
	45,290	(4,085)	(13,311)	(2,686)	31,979	(6,771)
Total comprehensive income attributable to :-						
- owners of the Company	22,650	(2,043)	(6,657)	(1,343)	15,993	(3,386)
- non-controlling interests	22,640	(2,042)	(6,654)	(1,343)	15,986	(3,385)
Total comprehensive income/(loss)	45,290	(4,085)	(13,311)	(2,686)	31,979	(6,771)
Transaction with non-controlling interests:						
- Dividend payable	(11,348)	(59,388)	-	-	(11,348)	(59,388)

Notes to the Financial Statements

For the Financial Year Ended 31 March 2017 (Cont'd)

17. Investments in subsidiaries (cont'd.)

(ii) Summarised financial information of subsidiaries with material non-controlling interests (cont'd.)

(c) Summarised statements of cash flows

	Elite Forward Sdn Bhd		Xtreme Meridian Sdn Bhd		Total	
	2017 RM'000	2016 RM'000	2017 RM'000	2016 RM'000	2017 RM'000	2016 RM'000
Net cash generated from/ (used in) operating activities	18,899	16,751	(11,122)	(12,714)	7,777	4,037
Net cash used in investing activities	-	-	-	(4)	-	(4)
Net cash (used in)/generated from financing activities	(32,700)	(136,989)	14,848	16,754	(17,852)	(120,235)
Net (decrease)/increase in cash and cash equivalents	(13,801)	(120,238)	3,726	4,036	(10,075)	(116,202)
Cash and cash equivalents at beginning of year	25,657	145,895	10,800	6,764	36,457	152,659
Cash and cash equivalents at end of year	11,856	25,657	14,526	10,800	26,382	36,457

18. Investments in associates

	Group		Company	
	2017 RM'000	2016 RM'000	2017 RM'000	2016 RM'000
Unquoted shares, at cost:				
- In Malaysia	535	535	500	500
- Outside Malaysia ^	-	-	-	-
Share of post-acquisition profit	940	940	-	-
	1,475	1,475	500	500
Less: Accumulated impairment losses	(1,475)	(1,475)	(500)	(500)
	-	-	-	-

^ The cost of the investment is less than RM1,000

Details of the associates are as follows:

Name of Associates	Principal Activity	Country of Incorporation	Proportion of Ownership Interest 2017 %	Proportion of Ownership Interest 2016 %
C.I. Damansara Quarry Sdn Bhd	Dormant	Malaysia	35.00	35.00
Projass Langbuilt Sdn Bhd	Dormant	Malaysia	50.00	50.00
FW Financing Solutions Pty Ltd	Dormant	Australia	50.00	50.00

Notes to the Financial Statements

For the Financial Year Ended 31 March 2017 (Cont'd)

18. Investments in associates (cont'd.)

The summarised financial information of the associates that are not individually material and not adjusted for the proportion of ownership interest held by the Group is as follows:

	Group 2017 RM'000	Group 2016 RM'000
Assets and liabilities		
Current assets, representing total assets	1	1
Current liabilities, representing total liabilities	7	4
Results		
Revenue	-	-
Loss for the year	(3)	(2,809)

19. Investment in a joint venture

	Group 2017 RM'000	Group 2016 RM'000
Unquoted shares at cost ^	-	-
Share of post-acquisition reserves	-	(2,832)
	-	(2,832)
Exchange differences	-	(395)
	-	(3,227)

^ The cost of the investment is less than RM1,000

(a) Details of the joint venture are as follows:

Name of Joint Venture	Principal Activity	Country of Incorporation	Proportion of Ownership Interest 2017 %	Proportion of Ownership Interest 2016 %
Hidden Valley Australia Pty Ltd	Property development	Australia	50.00	50.00

19. Investment in a joint venture (cont'd.)

(b) The summarised information as set out below represents the amounts in the financial statements of the joint venture and not the Group's share of those amounts.

(i) Summarised statement of financial position

	2017 RM'000	2016 RM'000
Assets and liabilities		
Non-current assets	64	89
Cash and bank balances	3,828	1,314
Other current assets	27,136	25,886
Total current assets	30,964	27,200
Total assets	31,028	27,289
Other payables	725	620
Borrowings	37,688	32,833
Total non-current liabilities	38,413	33,453
Trade and other payables	1,263	290
Total current liabilities	1,263	290
Total liabilities	39,676	33,743
Net liabilities	(8,648)	(6,454)

(ii) Summarised statement of comprehensive income

	2017 RM'000	2016 RM'000
Revenue	7,927	14,458
Depreciation and amortisation	(36)	(8)
Interest expense	(1,334)	(116)
(Loss)/profit after tax	(1,301)	864
Total comprehensive (loss)/income	(1,301)	864

(c) The Group recognise its share of losses of the joint venture up to its interest in joint venture.

Notes to the Financial Statements

For the Financial Year Ended 31 March 2017 (Cont'd)

20. Other investments

Group	Quoted shares RM'000	Short term investments RM'000	Unquoted shares RM'000	Total RM'000
At 31 March 2017				
Current				
Money market funds	-	7,380	-	7,380
Non-current				
Financial assets at fair value through profit or loss	13,092	-	-	13,092
Available-for-sale financial assets	-	-	2,118	2,118
Less: Accumulated impairment losses	-	-	(2,118)	(2,118)
	-	-	-	-
	13,092	-	-	13,092
At 31 March 2016				
Current (Restated)				
Money market funds	-	9,691	-	9,691
Non-current				
Financial assets at fair value through profit or loss	3,473	-	-	3,473
Available-for-sale financial assets	-	-	2,118	2,118
Less: Accumulated impairment losses	-	-	(2,118)	(2,118)
	-	-	-	-
	3,473	-	-	3,473

Company	Quoted shares RM'000	Short term investments RM'000	Unquoted shares RM'000	Total RM'000
At 31 March 2017				
Current				
Money market funds	-	1,593	-	1,593
Non-current				
Financial assets at fair value through profit or loss	13,092	-	-	13,092
Available-for-sale financial assets	-	-	181,569	181,569
Less: Accumulated impairment losses	-	-	(181,569)	(181,569)
	-	-	-	-
	13,092	-	-	13,092
At 31 March 2016				
Current (Restated)				
Money market funds	-	4,917	-	4,917
Non-current				
Financial assets at fair value through profit or loss	3,473	-	-	3,473
Available-for-sale financial assets	-	-	181,569	181,569
Less: Accumulated impairment losses	-	-	(181,569)	(181,569)
	-	-	-	-
	3,473	-	-	3,473

Notes to the Financial Statements

For the Financial Year Ended 31 March 2017 (Cont'd)

21. Inventories

	Group 2017 RM'000	Group 2016 RM'000
Cost:		
Properties held for sale	43,417	46,361
Consumables	66	30
	43,483	46,391
Cost of inventories recognised as an expense	2,612	-

22. Trade and other receivables

	Note	Group 2017 RM'000	Group 2016 RM'000	Company 2017 RM'000	Company 2016 RM'000
Current					
Trade receivables	(a)				
Third parties		3,066	6,807	-	-
Stakeholders sum		39,978	86,646	-	-
		43,044	93,453	-	-
Less: Allowance for impairment		(347)	(1,963)	-	-
Trade receivables, net		42,697	91,490	-	-
Other receivables					
Amounts due from related parties:	(b)(ii)				
Subsidiaries		-	-	147,393	131,009
Associates		1,167	1,166	1,119	1,119
		1,167	1,166	148,512	132,128
Deposits	(b)(iii)	31,491	11,998	28,572	112
Sundry receivables		11,223	12,150	1,772	355
		43,881	25,314	178,856	132,595
Less: Allowance for impairment		(4,648)	(3,542)	(76,419)	(76,419)
Other receivables (current), net		39,233	21,772	102,437	56,176
		81,930	113,262	102,437	56,176

Notes to the Financial Statements

For the Financial Year Ended 31 March 2017 (Cont'd)

22. Trade and other receivables (cont'd)

	Note	Group 2017 RM'000	Group 2016 RM'000	Company 2017 RM'000	Company 2016 RM'000
Non-current					
Other receivables					
Amounts due from related parties:	(b)(ii)				
Subsidiaries		-	-	204,148	109,352
Joint venture		13,963	12,532	-	-
		13,963	12,532	204,148	109,352
Less: Allowance for impairment		(13,963)	(12,532)	-	-
Other receivables (non-current), net		-	-	204,148	109,352
Total trade and other receivables		81,930	113,262	306,585	165,528
Add: Deposits, cash and bank balances (Note 24)		390,419	516,215	33,632	106,879
Total loans and receivables		472,349	629,477	340,217	272,407

(a) Trade receivables

(i) Trade receivables are non-interest bearing and generally on 30 to 90 days (2016: 30 to 90 days) terms. They are recognised at their original invoice amounts which represent their fair value on initial recognition.

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

	Group 2017 RM'000	Group 2016 RM'000
Neither past due nor impaired	40,970	88,175
1 to 30 days past due not impaired	180	1,331
31 to 60 days past due not impaired	59	64
61 to 90 days past due not impaired	1,128	1,182
91 to 120 days past due not impaired	30	-
More than 121 days past due not impaired	330	738
	1,727	3,315
Impaired	347	1,963
	43,044	93,453

<u>Receivables that are neither past due nor impaired</u>

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

None of the Group's trade receivables that are neither past due nor impaired have been renegotiated during the financial year.

<u>Receivables that are past due but not impaired</u>

Trade receivables that are past due but not impaired are unsecured in nature. However, the directors are of the opinion that these debts should be realised in full without material losses in the ordinary course of business.

At the reporting date, approximately 83% (2016: 90%) of the Group's trade receivables that are past due but not impaired are due from property buyers who were sourcing for financing. Although these receivables have exceeded the credit term granted to them, no impairment has been made on these amounts as the Group is closely monitoring the status of loan application by these buyers.

Notes to the Financial Statements

For the Financial Year Ended 31 March 2017 (Cont'd)

22. Trade and other receivables (cont'd.)

(a) Trade receivables (cont'd.)

(ii) Trade receivables that are impaired

The Group's trade receivables that are impaired at the reporting date and the movement of the allowance accounts used to record the impairment are as follows:

	Group	
	2017 RM'000	**2016 RM'000**
Trade receivables - nominal amount	347	1,963
Less: Allowance for impairment	(347)	(1,963)
	-	-

Movement in allowance accounts:

	Group	
	2017 RM'000	**2016 RM'000**
At 1 April	1,963	5,574
Charge to profit or loss	-	904
Charge to progress billings	-	606
Written off	(1,616)	(5,121)
At 31 March	347	1,963

(b) Other receivables

(i) The Group has no significant concentration of credit risk included under sundry receivables that may arise from exposures to a single debtor or to groups of debtor except for debts due from subsidiaries.

Other receivables that are impaired

Movement in allowance accounts:

	Group		Company	
	2017 RM'000	**2016 RM'000**	**2017 RM'000**	**2016 RM'000**
At 1 April	16,074	15,434	76,419	76,419
Charge for the year	2,473	773	-	-
Reversal	(536)	(164)	-	-
Written off	(89)	-	-	-
Exchange differences	689	31	-	-
At 31 March	18,611	16,074	76,419	76,419

Notes to the Financial Statements

For the Financial Year Ended 31 March 2017 (Cont'd)

22. Trade and other receivables (cont'd.)

(b) Other receivables (cont'd.)

(ii) Amounts due from related parties

Amounts due from related parties are unsecured and non-interest bearing except for amounts classified as non-current are remeasured at their amortised cost at a discount rate of 5.21% (2016: 5.10%) (Base lending rate ("BLR") minus 1.5%) over the period of repayments.

(iii) Deposits

Included in the deposits of the Group and of the Company are deposit paid of RM29,832,000 for the Proposed Acquisition as disclosed in Note 39.

Included in the deposits of the Group in financial year 2016 is the deposit of RM9,000,000 for the acquisition of equity interest in Pembinaan Jaya Megah Sdn Bhd as disclosed in Note 17(i).

23. Other current assets

	Group		**Company**	
	2017 RM'000	**2016 RM'000**	**2017 RM'000**	**2016 RM'000**
Prepayments	522	579	190	182
Accrued billings in respect of property development costs	-	810	-	-
Others	160	210	160	160
	682	1,599	350	342

24. Deposits, cash and bank balances

	Group			**Company**		
	2017 RM'000	**2016 RM'000 (Restated)**	**2015 RM'000 (Restated)**	**2017 RM'000**	**2016 RM'000 (Restated)**	**2015 RM'000 (Restated)**
Cash on hand and at banks	15,209	428,783	68,621	590	104,944	403
Deposits with financial institutions	375,210	87,432	262,626	33,042	1,935	123,870
Total deposits, cash and bank balances	390,419	516,215	331,247	33,632	106,879	124,273

(i) Included in cash at banks of the Group were

- amounts of RM7,771,000 (2016: RM293,282,000) held under the Housing Development Accounts ("HDA Account") pursuant to Section 7A of the Housing Development (Control and Licensing) Act, 1966 (Act 118) and are therefore restricted from use in other operations;
- amounts of RM10,000 (2016: RM21,000) held under a trust account pursuant to a Trust Deed dated 11 September 1994 in relation to a membership scheme of a subsidiary, Sri Damansara Club Berhad. The application of the monies is governed by the Trust Deed Agreement; and
- amounts of RM39,000 (2016: RM96,000) held under sinking funds maintained by a subsidiary, Sri Damansara Club Berhad, for the purpose of repair and maintenance of properties.

24. Deposits, cash and bank balances (cont'd)

(ii) Included in deposits with financial institutions of the Group were:

- amounts of RM7,780,000 (2016: RM16,590,000) pledged to banks as securities deposits for bank guarantees;
- an amount of RM32,000 (2016: RM31,000) held under a trustee reimbursement account pursuant to a Trust Deed dated 6 August 2013 between Pacific Trustees Bhd and the Company. The money shall be returned to the Company upon settlement of all outstanding ICULS.
- amounts of RM1,015,000 (2016: RM1,021,000) held under a trust account pursuant to a Trust Deed dated 11 September 1994 in relation to a membership scheme of a subsidiary, Sri Damansara Club Berhad. The application of the monies is governed by the Trust Deed Agreement; and
- amounts of RM2,180,000 (2016: RM1,962,000) held under sinking funds maintained by a subsidiary, Sri Damansara Club Berhad, for the purpose of repair and maintenance of properties.

(iii) Included in cash at banks of the Company is an amount of RM1,000 (2016: RM1,000) held under a trustee reimbursement account pursuant to a Trust Deed dated 6 August 2014 between Pacific Trustees Bhd and the Company. The money shall be returned to the Company upon settlement of all outstanding ICULS.

(iv) Included in deposits with financial institutions of the Company were:

- an amount of RM73,000 (2016: RM71,000) pledged to bank as security deposit for bank guarantee; and
- an amount of RM32,000 (2016: RM31,000) held under a trustee reimbursement account pursuant to a Trust Deed dated 6 August 2013 between Pacific Trustees Bhd and the Company. The money shall be returned to the Company upon settlement of all outstanding ICULS.

The weighted average effective interest rates of deposits at the reporting date were as follows:

	Group		Company	
	2017 % per annum	**2016 % per annum**	**2017 % per annum**	**2016 % per annum**
Deposits with financial institutions	3.12	2.70	3.52	2.50

The range of maturities of deposits as at the reporting date were as follows:

	Group		Company	
	2017 Days	**2016 Days**	**2017 Days**	**2016 Days**
Deposits with financial institutions	30 - 365	30 - 366	90 - 365	90 - 366

For the purpose of the statements of cash flows, cash and cash equivalents comprise of the following as at the reporting date:

	Group		Company	
	2017 RM'000	**2016 RM'000**	**2017 RM'000**	**2016 RM'000**
Deposits, cash and bank balances	390,419	516,215	33,632	106,879
Less :				
- Deposits pledged as security for bank guarantee facility	(7,780)	(16,590)	(73)	(71)
- Deposit held in trust	(32)	(31)	(32)	(31)
- Deposits with periods more than 3 months	(185,932)	(1,742)	(31,065)	(242)
	196,675	497,852	2,462	106,535
Bank overdraft (Note 27)	(14,363)	-	-	-
Total cash and cash equivalents	182,312	497,852	2,462	106,535

Notes to the
Financial Statements
For the Financial Year Ended 31 March 2017 (Cont'd)

25. Provisions

	Liquidated ascertained damages RM'000	Provision for costs to complete RM'000	Provision for financial obligation RM'000	Other provision RM'000	Total RM'000
Group					
31 March 2017					
At 1 April 2016 (as previously stated)	1,284	-	38,251	650	40,185
Adjustments (Note 43)	-	168,220	-	-	168,220
	1,284	168,220	38,251	650	208,405
Additions (Note 8)	-	-	-	210	210
Utilisation	-	(13,670)	-	-	(13,670)
Write back of provision (Note 4)	-	(74,145)	-	-	(74,145)
Unwinding of discount (Note 7)	-	-	1,644	-	1,644
At 31 March 2017	1,284	80,405	39,895	860	122,444
Presented as follows:					
Current	1,284	80,405	-	860	82,549
Non-current	-	-	39,895	-	39,895
	1,284	80,405	39,895	860	122,444
31 March 2016					
At 1 April 2015 (as previously stated)	1,284	-	36,674	600	38,558
Adjustments (Note 43)	-	68,332	-	-	68,332
	1,284	68,332	36,674	600	106,890
Additions (Note 8)	-	102,722	-	50	102,772
Utilisation	-	(2,834)	-	-	(2,834)
Unwinding of discount (Note 7)	-	-	1,577	-	1,577
At 31 March 2016	1,284	168,220	38,251	650	208,405
Presented as follows:					
Current	1,284	168,220	-	650	170,154
Non-current	-	-	38,251	-	38,251
	1,284	168,220	38,251	650	208,405

Notes to the Financial Statements

For the Financial Year Ended 31 March 2017 (Cont'd)

25. Provisions (cont'd.)

	Provision for financial obligation RM'000	Other provision RM'000	Total RM'000
Company			
31 March 2017			
At 1 April 2016	38,251	650	38,901
Additions (Note 8)	-	210	210
Unwinding of discount (Note 7)	1,644	-	1,644
At 31 March 2017	39,895	860	40,755
Presented as follows:			
Current	-	860	860
Non-current	39,895	-	39,895
	39,895	860	40,755
31 March 2016			
At 1 April 2015	36,674	600	37,274
Additions (Note 8)	-	50	50
Unwinding of discount (Note 7)	1,577	-	1,577
At 31 March 2016	38,251	650	38,901
Presented as follows:			
Current	-	650	650
Non-current	38,251	-	38,251
	38,251	650	38,901

(a) Liquidated ascertained damages

Provision for liquidated ascertained damages is in respect of property development projects undertaken by the Group. The provision is recognised for expected liquidated ascertained damage claims based on the terms of the applicable sale and purchase agreements.

(b) Provision for costs to complete

Provision for costs to complete represents the present obligation for property development, infrastructure and land cost relating to project undertaken.

(c) Provision for financial obligation

This is the estimated financial liability, as assessed by the directors, arising from the liquidation of a subsidiary in the previous financial years. The provision is based on the total amount owing by the former subsidiary to the financial institutions and it has been discounted using Group's cost of fund over a period of ten (10) years from its initial recognition.

An annual review of the estimate is performed based on the latest available information.

(d) Other provision

This is the estimated liability to be incurred by the Company as part of the Company's corporate obligation.

Notes to the Financial Statements

For the Financial Year Ended 31 March 2017 (Cont'd)

26. Trade and other payables

	Note	Group 2017 RM'000	Group 2016 RM'000 (Restated)	Group 2015 RM'000 (Restated)	Company 2017 RM'000	Company 2016 RM'000
Current						
Trade payables						
Third parties	(a)	3,146	3,975	28,988	-	-
Progress billings in respect of property development cost		1,001	-	-	-	-
Retention sum payables		14,560	24,312	23,890	-	-
Accruals for construction costs		13,452	6,782	9,282	-	-
		32,159	35,069	62,160	-	-
Other payables						
Amount due to subsidiaries	(b)	-	-	-	25,712	25,499
Amount due to companies related to major shareholders of the Company	(c)	9	25,161	23,761	-	-
Other payables	(d)	7,555	10,540	8,454	1,600	857
Accruals		11,263	5,125	6,507	546	497
		18,827	40,826	38,722	27,858	26,853
		50,986	75,895	100,882	27,858	26,853

	Note	Group 2017 RM'000	Group 2016 RM'000	Company 2017 RM'000	Company 2016 RM'000
Non-current					
Other payables					
Amount due to companies related to major shareholders of the Company	(c)	42,752	15,454	-	-
Other payables	(d)	1,732	1,676	-	-
		44,484	17,130	-	-
Total trade and other payables		95,470	93,025	27,858	26,853
Add: Borrowings (Note 27)		91,560	83,151	106	201
Total other financial liabilities at amortised cost		187,030	176,176	27,964	27,054

(a) Trade payables

Trade payables are non-interest bearing and the normal trade credit term granted to the Group is 30 days (2016: 30 days).

(b) Amount due to subsidiaries

Amount due to subsidiaries are unsecured, non-interest bearing and are repayable upon demand.

(c) Amount due to companies related to major shareholders of the Company

Amount due to companies related to major shareholders of the Company are unsecured and non-interest bearing except for amounts classified as non-current are remeasured at their amortised cost at a discount rate of 5.35% (2016: 5.10%) (Base lending rate ("BLR") minus 1.5%) over the period of repayments.

Notes to the Financial Statements

For the Financial Year Ended 31 March 2017 (Cont'd)

26. Trade and other payables (cont'd.)

(d) Other payables

(i) Included in other payables of the Group are refundable deposits amounting to RM507,000 (2016: RM510,000) and RM1,377,000 (2016: RM1,301,000) in relation to club membership deposits in a subsidiary, Sri Damansara Club Berhad, and student enrolment deposits in a subsidiary, Lang Education Sdn Bhd ("LESB"), respectively.

(ii) Included in other payables of the Group are student fees received in advance by LESB amounting to RM3,398,000 (2016: RM3,248,000).

27. Borrowings

	Group		Company	
	2017 RM'000	**2016 RM'000**	**2017 RM'000**	**2016 RM'000**
Current				
Secured:				
Bank overdraft (Note 24)	14,363	-	-	-
Hire purchase and finance lease liabilities (Note 28)	85	95	85	95
Term loan	10,868	-	-	-
	25,316	95	85	95
Non-current				
Secured:				
Hire purchase and finance lease liabilities (Note 28)	21	106	21	106
Term loan	66,223	82,950	-	-
	66,244	83,056	21	106
Total borrowings	91,560	83,151	106	201

The maturities of the borrowings as at end of the financial year are as follows:

	Group		Company	
	2017 RM'000	**2016 RM'000**	**2017 RM'000**	**2016 RM'000**
Within one year	25,316	95	85	95
More than 1 year and less than 2 years	11,877	10,953	21	85
More than 2 years and less than 5 years	35,568	35,589	-	21
More than 5 years	18,799	36,514	-	-
	91,560	83,151	106	201

Notes to the Financial Statements

For the Financial Year Ended 31 March 2017 (Cont'd)

27. Borrowings (cont'd)

The credit facilities granted to the subsidiaries are as follows:

(a) Term loan of RM82,950,000, was granted to Xtreme Meridian Sdn Bhd, to partially finance the purchase of leasehold land situated in Ampang. The said loan is secured by:

(i) a first legal charge over the said commercial leasehold land;
(ii) a specific debenture over development land and project together with fixed and floating assets, intellectual properties, goodwill, revenues, undertakings and all other rights relating to the Astoria project;
(iii) a corporate guarantee from the Company based on proportionate shareholdings of 50.01%;
(iv) a proportionately personal guarantee from Tan Sri Dato' David Chiu of 49.99%;
(v) a proportionately corporate guarantee from Malaysia Land Properties Sdn Bhd of 49.99%.

In accordance with supplemental letter of offer dated 3 April 2014, term loan is repayable over 83 equal monthly instalments of RM988,000 each and a final instalment of RM946,000. The repayment shall commence on 14 May 2017. The said loan bears interest at BLR minus 1.5% per annum.

(b) Bridging facility of RM115,000,000 (2016: Nil) to partially finance the development of the said land, comprising:

(i) Overdraft facility of RM15,000,000;
(ii) Term loan 2 of RM15,000,000; and
(iii) Bridging loan 1 and Bridging loan 2, both of which totalled to RM85,000,000.

Except for the overdraft which bears interest at bank's BLR, all other loans bears interest at bank's BLR minus 1.5% per annum.

Bridging loan 1 is repayable over 84 monthly instalments of RM536,000 with an adjustment in the last monthly instalment commencing on the 37 month from the date of first drawdown or via redemption units whichever is earlier.

Bridging loan 2 is repayable over 84 monthly instalments of RM477,000 with an adjustment in the last monthly instalment commencing on the 37 month from the date of first drawdown or via redemption units whichever is earlier. As of the date of this report, the said facility have not been drawdown.

(c) Revolving credit facilities (RC) amounting to RM54,000,000 was granted to Sri Damansara Sdn Bhd, comprising:

(i) Tranche 1 of RM27,000,000 for general working capital of Phase 1 of the Damansara Foresta project; and
(ii) Tranche 2 of RM27,000,000 to partially finance the development cost of the Damansara Foresta project.

The said revolving credit facilities are secured by:

(i) a first legal charge over the 3 parcels of project land;
(ii) a first floating charge over all the present and future assets pertaining to the project; and
(iii) corporate guarantee by the Company.

RC is subject to annual renewal and bears interest at 1.25% plus bank's cost of fund.

Total drawdown for Tranche 1 of RC was RM20,300,000 in previous year had been fully settled and withdrawn during the financial year whilst no drawdown has been made on Tranche 2 of the RC.

The hire purchase bear interest at flat rates between 2.30% to 4.77% (2016: 2.30% to 4.77%) per annum.

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Financial Statements
For the Financial Year Ended 31 March 2017 (Cont'd)

28. Hire purchase and finance lease liabilities

Future minimum lease payments under finance leases together with the present value of the net minimum lease payments are as follows:

	Group/Company	
	2017 RM'000	**2016 RM'000**
Future minimum lease payments:		
Not later than 1 year	94	106
Later than 1 year but not later than 2 years	24	95
Later than 2 years but not later than 5 years	-	23
Total future minimum lease payments	118	224
Less: Future finance charges	(12)	(23)
Present value of finance lease liabilities	106	201
Present value of payments:		
Not later than 1 year	85	95
Later than 1 years but not later than 2 years	21	85
Later than 2 years but not later than 5 years	-	21
Present value of minimum lease payments	106	201
Less: Amount due within 12 months (Note 27)	(85)	(95)
Amount due after 12 months (Note 27)	21	106

29. Share capital

	Group/Company			
	Number of ordinary shares		Amount	
	2017 RM'000	**2016 RM'000**	**2017 RM'000**	**2016 RM'000**
Issued and fully paid:				
At 1 April	1,093,091	1,072,994	218,618	214,599
Conversion of ICULS	29,494	20,097	6,099	4,019
Transition to no-par value regime on 31 January 2017	-	-	47,315	-
At 31 March	1,122,585	1,093,091	272,032	218,618

The holders of ordinary share are entitled to receive dividends as declared from time to time and are entitled to one vote per share at meetings of the Company. All the ordinary shares rank equally with regard to the Company's residual assets.

The conversion of ICULS with a nominal value of RM0.13 each can be effected by way of:

(a) the cash option, whereby one unit of ICULS is tendered together with cash payment of an amount that in aggregate is equivalent to the conversion price for one new ordinary share of the Company, or

(b) the surrender option, whereby the units of ICULS tendered are equivalent to the conversion price for one new ordinary share of the Company.

Notes to the Financial Statements

For the Financial Year Ended 31 March 2017 (Cont'd)

30. Share premium

Under the Companies Act 2016 in Malaysia, which came into effect on 31 January 2017, the concept of authorised share capital no longer exists.

In accordance with Section 74 of the Companies Act 2016 in Malaysia, the Company's share no longer have a par or nominal value with effect from 31 January 2017.

Pursuant to Section 618 of the Companies Act 2016 in Malaysia, the amount standing to the credit of the Company's share premium account of RM47,315,000 became part of the Company's share capital. There is no impact on the number of shares in issue or the relative entitlement of any members of the Company as a result of this transition.

The existing shares ranked pari passu in all respects with the existing shares of the Company.

31. Irredeemable Convertible Unsecured Loan Stocks ("ICULS")

The value of the ICULS has been split into the liabilities component and the equity component, representing the fair value of the conversion option. The ICULS are accounted for in the statements of financial position as follows:

	Group/Company		
	Equity component RM'000	**Liability component RM'000**	**Total RM'000**
At 1 April 2016	12,825	354	13,179
Converted into ordinary shares during the year:			
- by cash option	(3,748)	(77)	(3,825)
- by surrender option	(23)	-	(23)
Deferred tax effects on conversion (Note 34)	(18)	-	(18)
Accrual of interest	-	20	20
Payment of interest	-	(121)	(121)
At 31 March 2017	9,036	176	9,212
At 1 April 2015	15,388	534	15,922
Converted into ordinary shares during the year:			
- by cash option	(2,536)	(71)	(2,607)
- by surrender option	(1)	-	(1)
Deferred tax effects on conversion (Note 34)	(26)	-	(26)
Accrual of interest	-	38	38
Payment of interest	-	(147)	(147)
At 31 March 2016	12,825	354	13,179

The liability component is as follows:

	Group/Company	
	2017 RM'000	**2016 RM'000**
Current liabilities	56	78
Non-current liabilities	120	276
	176	354

Notes to the Financial Statements

For the Financial Year Ended 31 March 2017 (Cont'd)

31. Irredeemable Convertible Unsecured Loan Stocks ("ICULS") (cont'd.)

On 25 September 2013, the Company issued a renounceable rights issue of 598,304,530 units of 1% 5-year ICULS at nominal value of RM0.13 each which amounted to RM77,779,600 in proceeds. The ICULS were listed on Bursa Malaysia Securities Berhad on 30 September 2013.

The proceeds from the issuance is used to fund the acquisition of one block of thirteen storey stratified office floors constructed on a piece of freehold land in Putrajaya by Maple Domain Sdn Bhd, its wholly-owned subsidiary, and for the working capital requirements of the Group.

Pursuant to the by a Trust Deed dated 6 August 2013 made between the Company and the Trustee for the holders of the ICULS, the nominal value of the ICLUS and the conversion price were determined at RM0.13 each and RM0.26 respectively.

The main features of ICULS are as follows:

(a) The ICULS shall be convertible into ordinary shares of the Company during the period from 25 September 2013 to the maturity date on 24 September 2018 by:

  (i) surrendering of ICULS of each nominal value equivalent to the conversion price for one new ordinary share ("surrender option"); or

  (ii) surrendering nominal value of ICLUS with cash payment of an amount (the cash portion) such that in aggregate it being equivalent to the conversion price for every new ordinary share ("cash option").

(b) Upon conversion of ICULS into ordinary shares, such shares shall rank pari passu in all respects with the ordinary shares of the Company in issue at the time of conversion except that they shall not be entitled to any dividend or other distributions declared in respect of a financial period prior to the financial period in which the ICULS are converted or any interim dividend declared prior to the date of conversion.

(c) The ICULS bear a coupon rate of 1% per annum and is payable on an annual basis.

(d) At the end of the tenure, any outstanding ICULS will be automatically converted into fully paid new ordinary shares at the conversion price.

During the financial year, 29,494,301 ordinary shares of RM0.20 each were issued pursuant to the conversion of the following:

(a) 29,405,801 units of ICULS were converted into ordinary shares by way of cash option with a total receipt of RM3,822,754; and

(b) 177,000 units of ICULS were converted into ordinary shares by way of surrender option.

The outstanding ICULS as at 31 March 2017 was 73,647,743 (2016: 103,230,544) units at the Group and the Company levels.

On 18 April 2017, the Company announced the adjustment of the ICULS conversion price pursuant to the provision of the Trust Deed from its initial conversion price of RM0.26 to RM0.20 following the issuance of the Proposed Rights Issue. The adjusted conversion price shall be effective for all ICULS conversion on and subsequent to 17 April 2017.

32. Retained profits

The full imputation system has expired on 31 December 2013. The Company may distribute dividends out of its entire retained profits under the single tier system.

As at 31 March 2017, the Company has credit in the tax exempt account of RM85,370,000 (2016: RM85,370,000).

Notes to the Financial Statements

For the Financial Year Ended 31 March 2017 (Cont'd)

33. Other reserves

	Note	Group 2017 RM'000	Group 2016 RM'000
Capital reserve	(a)	12,133	12,133
Foreign exchange reserve	(b)	8,859	8,399
		20,992	20,532

The movements in each category of reserve were as follows:

(a) Capital reserve

	Group 2017 RM'000	Group 2016 RM'000
At 1 April/31 March	12,133	12,133

(b) Foreign exchange reserve

	Group 2017 RM'000	Group 2016 RM'000
At 1 April	8,399	8,454
Translation difference on net equity of foreign operations	460	(55)
At 31 March	8,859	8,399

The foreign exchange reserve comprises all foreign exchange differences arising from the translation of the financial statements of foreign operations.

34. Deferred tax

	Group		Company	
	2017 RM'000	2016 RM'000	2017 RM'000	2016 RM'000
At 1 April (as previously stated)	1,005	(374)	66	110
Adjustments (Note 43)	37,306	13,333	-	-
	38,311	12,959	66	110
Recognised in profit or loss (Note 9)	(16,586)	25,378	(19)	(18)
Recognised in equity (Note 31)	(18)	(26)	(18)	(26)
Acquisition of a subsidiary (Note 17(i))	(22,886)	-	-	-
At 31 March	(1,179)	38,311	29	66
Presented after appropriate offsetting as follows:				
Deferred tax assets	22,144	39,445	29	66
Deferred tax liabilities	(23,323)	(1,134)	-	-
	(1,179)	38,311	29	66

Notes to the Financial Statements

For the Financial Year Ended 31 March 2017 (Cont'd)

34. Deferred tax (cont'd)

The components of deferred tax assets and liabilities during the financial year are as follows:

Group
Deferred tax assets

	Provision for costs to complete RM'000	ICULS RM'000	Others RM'000	Total RM'000
At 1 April 2016 (as restated)	-	66	1,539	1,605
Adjustments (Note 43)	37,306	-	-	37,306
	37,306	66	1,539	38,911
Recognised in profit or loss	(18,009)	(19)	2,425	(15,603)
Recognised in equity (Note 31)	-	(18)	-	(18)
At 31 March 2017	19,297	29	3,964	23,290
At 1 April 2015 (as restated)	-	110	828	938
Adjustments (Note 43)	13,333	-	-	13,333
	13,333	110	828	14,271
Recognised in profit or loss	23,973	(18)	711	24,666
Recognised in equity (Note 31)	-	(26)	-	(26)
At 31 March 2016	37,306	66	1,539	38,911

Defferred tax liabilities

	Property, plant and equipment RM'000	Fair values adjustment of land RM'000	Others RM'000	Total RM'000
At 1 April 2016 (as restated)	(373)	(227)	-	(600)
Recognised in profit or loss	(1,008)	25	-	(983)
Acquisition of a subsidiary	-	(22,886)	-	(22,886)
At 31 March 2017	(1,381)	(23,088)	-	(24,469)
At 1 April 2015 (as restated)	(169)	(192)	(951)	(1,312)
Recognised in profit or loss	(204)	(35)	951	712
At 31 March 2016	(373)	(227)	-	(600)

Company

Deferred tax assets

	ICULS RM'000
At 1 April 2016	66
Recognised in profit or loss (Note 9)	(19)
Recognised in equity (Note 31)	(18)
At 31 March 2017	29

Notes to the Financial Statements

For the Financial Year Ended 31 March 2017 (Cont'd)

34. Deferred tax (cont'd.)

	ICULS RM'000
At 1 April 2015	110
Recognised in profit or loss (Note 9)	(18)
Recognised in equity (Note 31)	(26)
At 31 March 2016	66

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

	Group		Company	
	2017 RM'000	2016 RM'000	2017 RM'000	2016 RM'000
Unutilised tax losses	42,271	40,116	-	-
Unabsorbed capital allowances	29	55	-	-
Others	203	62		
	42,503	40,233	-	-

The unutilised tax losses of the Group are available indefinitely for set-offs against future taxable profits of the respective subsidiaries, subject to guidelines issued by the tax authorities. Deferred tax assets were not recognized as it is not probable that sufficient taxable profits will be available in those subsidiaries in the foreseeable future.

The carried forward unutilised tax losses is subject to the agreement of the tax authorities.

35. Dividends

	Group/Company			
	Dividend in respect of year		Dividends recognised in year	
	2017 sen	2016 sen	2017 RM'000	2016 RM'000
Recognised during the year:				
Final single tier dividend of 2 sen per share, on 1,118,352,717 (2016: 1,091,019,116) ordinary share of RM0.20 each (2 sen per ordinary share) paid on 26 October 2016	2	2	22,367	21,820
Interim single tier dividend of 2 sen per share, on 2,928,853,862 ordinary share of RM0.20 each (2 sen per ordinary share) paid on 7 June 2017	2	-	58,577	-

36. Capital commitments

	Group		Company	
	2017 RM'000	2016 RM'000	2017 RM'000	2016 RM'000
Capital expenditure				
Approved and contracted for:				
- Other commitments	314,348	81,000	314,348	-
Approved but not contracted for:				
- Property, plant and equipment	518	451	152	257
	314,866	81,451	314,500	257

Notes to the Financial Statements

For the Financial Year Ended 31 March 2017 (Cont'd)

37. Related party disclosures

(a) In addition to the transactions detailed elsewhere in the financial statements, the Group and the Company had the following transactions with related parties during the financial year:

	Group	
	2017 RM'000	**2016 RM'000**
Management fee paid by a joint venture	(244)	(443)

	Company	
	2017 RM'000	**2016 RM'000**
Rental income from subsidiaries	(3,108)	(2,702)
Management fee from subsidiaries	(2,143)	(2,249)
Interest income from a subsidiary	(725)	(718)
Rental expense paid to a subsidiary	110	110

Outstanding balances in respect of the above transactions are disclosed in Note 22.

(b) Compensation of key management personnel

The remuneration of directors and other members of key management during the year are as follows:

	Group		Company	
	2017 RM'000	**2016 RM'000**	**2017 RM'000**	**2016 RM'000**
Short term employee benefits	3,339	3,279	1,643	1,747
Post-employment benefits:				
- Defined contribution plan	401	394	198	209
- Other benefits	161	156	74	78
	3,901	3,829	1,915	2,034

Included in the total compensation of key management personnel are executive directors' remuneration and the estimated money value of benefits-in-kind as disclosed in Note 6.

38. Significant events

On 10 June 2015, a wholly-owned subsidiary of the Group namely Victory Vista Sdn Bhd ("the Purchaser") has entered into a conditional Shares Sale Agreement ("SSA") with several shareholders (hereinafter referred to as "the Vendors") to acquire 1,000 ordinary shares of RM1.00 each in Pembinaan Jaya Megah Sdn Bhd ("PJMSB"), representing 100% of the equity interest in PJMSB from the Vendors for a total cash consideration of Ringgit Malaysia Ninety Million (RM90,000,000). PJMSB was undertaking alienation of a piece of leasehold land, measuring approximately 112.343 acres in Mukim Bukit Raja, Daerah Petaling, Selangor Darul Ehsan.

On 14 September 2016, the Purchaser had entered into a supplemental SSA evidencing alienation premium borne by Purchaser is RM2,500,000. Consequently, the total cash consideration is RM92,500,000.

In the previous financial year, the Company had made payments of RM9,000,000 as deposit for the acquisition of PJMSB.

The acquisition was completed on 17 January 2017 upon fulfilment of all conditions precedent as set out in the SSA dated 10 June 2015 and supplemental SSA dated 14 September 2016. Consequently, the balance of the cash consideration of RM83,500,000 was paid during the financial year and PJMSB became a wholly owned subsidiary of the Group.

Notes to the Financial Statements
For the Financial Year Ended 31 March 2017 (Cont'd)

39. Subsequent events

The Company had on 15 November 2016, announced that it proposed to undertake the following:-

(i) proposed acquisitions by the Company from Malaysia Land Properties Sdn Bhd ("Mayland" or "Vendor") of the following:

(a) entire equity interests in Primal Milestone Sdn Bhd ("PMSB") for a cash consideration of approximately RM128.47 million ("Proposed PMSB Acquisition");

(b) entire equity interests in Quantum Bonus Sdn Bhd ("QBSB") for a cash consideration of approximately RM5.97 million ("Proposed QBSB Acquisition");

(c) entire equity interests in Triumph Bliss Sdn Bhd ("TBSB") for a cash consideration of approximately RM118.15 million ("Proposed TBSB Acquisition"); and

(d) entire equity interests in Forward Esteem Sdn Bhd ("FESB") for a cash consideration of approximately RM45.73 million ("Proposed FESB Acquisition"),

and the settlement of respective outstanding inter-company balances owing by PMSB, QBSB, TBSB and FESB to Mayland and its subsidiaries as at the completion date of the proposed acquisitions (Collectively, the Proposed PMSB Acquisition, Proposed QBSB Acquisition, Proposed TBSB Acquisition and Proposed FESB Acquisition are collectively referred to as the "Proposed Acquisitions".);

(ii) proposed call option granted by Mayland in favour of the Company for the acquisition of the entire equity interests in Soho Prestige Sdn Bhd ("SPSB") for a cash consideration of RM37.25 million ("Option") ("Proposed SPSB Option") and the settlement of outstanding inter-company balances owing by SPSB to the Mayland Group as at the completion date of the proposed acquisition upon exercise of the Option;

(iii) proposed renounceable rights issue of up to 1,914,063,296 new ordinary shares of RM0.20 each in the Company ("L&G Shares") ("Rights Shares") at an issue price to be determined later on the basis of eight (8) Rights Shares for every five (5) existing L&G Shares held on an entitlement date to be determined and announced later ("Entitlement Date") based on a minimum subscription level of 820,000,000 Rights Shares ("Proposed Rights Issue"); and

(iv) proposed exemption to Mayland Parkview Sdn Bhd ("MPSB"), the major shareholder of the Company under Paragraph 4.08 of the Rules on Take-Overs, Mergers and Compulsory Acquisitions from the obligation to undertake a mandatory take-over offer for all the remaining L&G Shares and convertible securities in the Company not already owned by MPSB and person(s) acting in concert with MPSB (if any) upon completion of the Proposed Rights Issue ("Proposed Exemption").

Hereinafter, the Proposed Acquisitions and Proposed SPSB Option are collectively referred to as the "Proposed Acquisitions and Option"; the Proposed Acquisitions and Option, Proposed Rights Issue and Proposed Exemption are collectively referred to as the "Proposals".

The said Proposals was approved by the non-interested shareholders at Extraordinary General Meeting ("EGM") on 15 March 2017 and the application for Proposed Exemption was subsequently approved by the Securities Commission on 17 March 2017.

On 15 May 2017, the Company announced the issuance of 1,798,854,888 new ordinary shares of Land & General Berhad at RM0.21 per share pursuant to the Proposed Rights Issues and the said shares were allotted on 18 May 2017.

The deposit paid for the Proposed Acquisitions is RM29,832,000. As at 22 May 2017, except for the Proposed SPSB Option, the Proposed Acquisitions, Proposed Rights Issue and Proposed Exemption were completed.

40. Financial instruments

(a) Financial risk management objectives and policies

The Group's financial risk management policy seeks to ensure that adequate financial resources are available for the development of the Group's businesses whilst managing its interest rate risk, foreign currency risk, liquidity risk, credit risk and market price risk. The Board reviews and agrees policies for managing each of these risks and they are summarised below. It is the Group's policy not to engage in speculative transactions.

40. Financial instruments (cont'd)

(b) Interest rate risk

Interest rate risk is the risk that the fair value or future cash flows of the Group's financial instruments will fluctuate because of changes in market interest rates.

The Group's primary interest rate risk relates to interest-bearing borrowings. The Group's income and operating cash flows are substantially independent of changes in market interest rates. The Group's and the Company's interest-bearing financial assets are mainly short term in nature and have been mostly placed in fixed deposits.

The information on maturity dates and effective interest rates of financial assets and liabilities are disclosed in their respective notes.

Sensitivity analysis for interest rate risk

At the reporting date, if interest rates had been 100 (2016: 100) basis points lower/higher, with all other variables held constant, the Group's profit for the year would have been RM51,000 (2016: RM44,000) higher/lower, arising mainly as a result of lower/higher interest expense on floating rate loans and borrowings. The assumed movement in basis points for interest rate sensitivity analysis is based on the currently observable market environment.

(c) Foreign currency risk

Foreign currency risk is the risk that the fair value or future cash flows of the Group's financial instrument will fluctuate because of changes in foreign exchange rates.

The Group is exposed to currency risk as a result of foreign currency transactions entered into by subsidiaries in currencies other than their functional currency. Foreign currency denominated assets and liabilities together with expected cash flows from anticipated transactions denominated in foreign currency give rise to foreign exchange exposures. Foreign exchange exposures in transactional currencies other than the functional currency of the operating entities are kept to an acceptable level.

The Company has a number of investments in foreign subsidiaries whose net assets are exposed to currency translation risk.

The currency exposure profile of financial assets and financial liabilities of the Group and of the Company are as follows:

	Group		Company	
	2017 RM'000	2016 RM'000	2017 RM'000	2016 RM'000
Functional currency				
Other receivables				
Australian Dollar	-	34	-	-
Sterling Pound	5	3	-	-
	5	37	-	-
Other current assets				
Australian Dollar	27	6	-	-
Deposits, cash and bank balances				
Australian Dollar	4,956	3,077	3,288	1,636
Sterling Pound	4,778	4,193	-	-
	9,734	7,270	3,288	1,636
Other payables				
Australian Dollar	85	115	-	-
Sterling Pound	8	8	-	-
	93	123	-	-

Notes to the Financial Statements

For the Financial Year Ended 31 March 2017 (Cont'd)

40. Financial instruments (cont'd.)

(d) Liquidity risk

Liquidity risk is the risk that the Group or the Company will encounter difficulty in meeting financial obligation due to shortage of funds.

The Group manages its debt maturity profile, operating cash flows and the availability of funding so as to ensure that refinancing, repayment and funding needs are met. As part of its overall liquidity management, the Group maintains sufficient levels of cash or cash convertible investments to meet its working capital requirements.

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:

	2017 RM'000			
	On demand or within one year	One to five years	Over five years	Total
Group				
Financial liabilities:				
Trade and other payables	50,073	51,703	969	102,745
Borrowings	30,156	58,613	20,373	109,142
	80,229	110,316	21,342	211,887
Company				
Financial liabilities:				
Trade and other payables	27,858	-	-	27,858
Borrowings	94	24	-	118
	27,952	24	-	27,976

	2016 RM'000			
	On demand or within one year	One to five years	Over five years	Total
Group				
Financial liabilities:				
Trade and other payables	236,793	26,770	1,039	264,602
Borrowings	4,540	50,179	54,384	109,103
	241,333	76,949	55,423	373,705
Company				
Financial liabilities:				
Trade and other payables	26,853	-	-	26,853
Borrowings	106	118	-	224
	26,959	118	-	27,077

40. Financial instruments (cont'd.)

(e) Credit risk

Credit risk is the risk of loss that may arise on outstanding financial instrument should a counterparty default on its obligation.

The Group is exposed to credit risk mainly from its customer base, including trade and other receivables. The Group extends credits to its customers based upon careful evaluation of the customer's financial condition and credit history. Trade receivables are monitored on an ongoing basis by the Group's credit control department.

At the reporting date, the Group's and the Company's maximum exposure to credit risk is represented by:

- The carrying amount of each class of financial assets recognised in the statements of financial position.
- A nominal amount of RM41,483,000 (2016: RM41,483,000) relating to corporate guarantees provided by the Company to financial institutions for credit facilities granted to subsidiaries.

(i) Trade and other receivables

Receivable balances are monitored continually with the results that the Group's exposure to credit risk is minimised.

The ageing analysis and information regarding impairment of the Group and of the Company are disclosed in Note 22.

(ii) Inter-company balances

The Company provides unsecured loans and advances to subsidiaries. The Company monitors the result of the subsidiaries regularly.

Other than the amount due from a joint venture and amount due from former subsidiaries, the Group does not have any significant exposure to any individual customer or counterparty nor does it have any major concentration of credit risk related to any financial instruments.

(f) Market price risk

Market price risk is the risk that the fair value of future cash flows of the Group's financial instruments will fluctuate because of changes in market prices (other than interest or exchange rates).

The Group is exposed to market price risks arising from quoted equity instruments. The Group does not actively trade these investments. To manage its market price risks arising from these investments, the Group closely monitors the effects of fluctuation in equity prices and manages its portfolio within the limit set by the Board of Directors.

There has been no change to the Group's exposure to market risks or the manner in which these risks are managed and measured.

Sensitivity analysis for market price risk

At the end of reporting period, if the prices of quoted shares had been 5% (2016: 5%) higher/lower, with all other variables held constant, the Group's profit for the year would have been RM654,600 (2016: RM173,700) higher/lower, arising as a result of higher/lower fair value gains on financial assets designated at fair value through profit or loss.

Notes to the Financial Statements

For the Financial Year Ended 31 March 2017 (Cont'd)

41. Fair value of financial instruments

(i) Financial instruments that are not carried at fair value and whose carrying amounts are reasonable approximation of fair value are as below:

	Note
Trade and other receivables (current and non-current)	
- Trade and other receivables	22
- Amounts due from subsidiaries	22
- Amounts due from a joint venture	22
Deposits, cash and bank balances	24
Trade and other payables (current and non-current)	26
Borrowings (current and non-current)	27

The carrying amounts of trade and other receivables (current), trade and other payables (current) and deposits, cash and bank balances are reasonable approximation of fair values due to their short-term nature.

The carrying amounts of the current portion of borrowings are reasonable approximations of fair values due to the insignificant impact of discounting.

The fair values of non-current borrowings, receivables and payables are estimated by discounting expected future cash flows at market incremental lending rate for similar types of lending, borrowing or leasing arrangements at the reporting date.

Non-current payables are recognized initially at fair value, which is calculated based on the present value of future principal and interest cash flows, discounted at the prevailing indicative interest rate of BLR 6.6% minus 1.50% (2016: 6.6% BLR minus 1.50%).

(ii) Quoted equity instruments

Fair value is determined directly by reference to their published market bid price at the reporting date.

(iii) Money market funds

Fair value is determined directly by reference to their published Net Asset Value ("NAV") at the reporting date.

The table below analyses financial instruments carried at fair value at the end of the reporting date by valuation method. The different levels have been defined as follows:

- Level 1 : Quoted prices (unadjusted) in active markets for identical assets or liabilities.
- Level 2 : Inputs other than quoted prices included within Level 1 that are observable for the assets or liabilities, either directly (such as prices) or indirectly (such as derived from prices).
- Level 3 : Inputs for the asset or liability that are not based on observable market date (unobservable inputs).

At the end of the reporting period, the Group held the following financial instruments carried at fair value on the statement of financial position:

	Level 1 RM'000	Level 2 RM'000	Total RM'000
Group			
2017			
Other investments			
Investment in quoted shares	13,092	-	13,092
Money market funds	-	7,380	7,380
2016			
Other investments			
Investment in quoted shares	3,473	-	3,473
Money market funds	-	9,691	9,691

Notes to the Financial Statements

For the Financial Year Ended 31 March 2017 (Cont'd)

41. Fair value of financial instruments (cont'd)

	Level 1 RM'000	Level 2 RM'000	Total RM'000
Company			
2017			
Other investments			
Investment in quoted shares	13,092	-	13,092
Money market funds	-	1,593	1,593
2016			
Other investments			
Investment in quoted shares	3,473	-	3,473
Money market funds	-	4,917	4,917

There were no transfers between level 1, level 2 and level 3 fair value measurements during the financial year ended 31 March 2017 and 31 March 2016.

(iv) Financial guarantee contract

The Company provided financial guarantees to banks for credit facilities granted to subsidiaries. As at reporting date, the fair value of the financial guarantees is negligible as the probability of the financial guarantees being called upon is remote due to the outstanding loans in the subsidiaries are adequately secured by land owned by the subsidiaries. Should the subsidiaries default any loans repayments, the proceeds from the realisation of the land will be able to satisfy the outstanding debts.

42. Capital management

The primary objective of the Group's capital management policy is to maintain a strong capital base to support its businesses and maximise shareholder value.

The Group manages its capital structure and makes adjustments to it, in the light of changes in economic conditions or expansion plans of the Group. The Group may adjust the capital structure by issuing new shares, returning capital to shareholders or adjusting the amount of dividend paid to shareholders or sell assets to reduce the debts.

The Group monitors capital utilisation using the gearing ratio. This ratio is used to assess the appropriateness of the Group's debt level, hence its capital structure. The ratio is calculated as gross debt divided by total equity. Gross debt excludes current and non-current hire purchase obligations, while total equity comprise equity attributable to the owners of the Company.

	Group		Company	
	2017 RM'000	2016 RM'000	2017 RM'000	2016 RM'000
Borrowings	77,091	82,950	-	-
ICULS - liability component	176	354	176	354
Gross debt	77,267	83,304	176	354
Equity attributable to owners of the Company	656,314	697,392	502,066	440,384
Gross gearing (times)	0.12	0.12	0.00	0.00

Notes to the Financial Statements

For the Financial Year Ended 31 March 2017 (Cont'd)

43. Comparatives

The following comparative figures have been restated as follows:

Statement of financial position

	Note	As previously reported RM'000	Adjustments RM'000	As restated RM'000
At 1 April 2016				
Group				
Provisions - current	(a)	(1,934)	(168,220)	(170,154)
Deferred tax assets	(a)	1,605	37,840	39,445
Deferred tax liabilities	(a)	(600)	(534)	(1,134)
At 31 March 2016				
Group				
Trade and other payables - current	(a)	(244,115)	168,220	(75,895)
Tax recoverable	(a)	3,033	(3,033)	-
Tax payable	(a)	(3,763)	(34,273)	(38,036)
Other investment - current	(b)	-	9,691	9,691
Deposits, cash and bank balances	(b)	525,906	(9,691)	516,215
Company				
Other investments - current	(b)	-	4,917	4,917
Deposits, cash and bank balances	(b)	111,796	(4,917)	106,879
At 1 April 2015				
Group				
Provisions - current	(a)	(1,884)	(68,332)	(70,216)
Deferred tax assets	(a)	938	13,142	14,080
Deferred tax liabilities	(a)	(1,312)	191	(1,121)
At 31 March 2015				
Group				
Trade and other payables - current	(a)	(169,214)	68,332	(100,882)
Tax recoverable	(a)	8,535	(7,756)	779
Tax payable	(a)	(1,625)	(5,577)	(7,202)
Other investments - current	(b)	-	67,096	67,096
Deposits, cash and bank balances	(b)	398,343	(67,096)	331,247
Company				
Other investment - current	(b)	-	12,661	12,661
Deposits, cash and bank balances	(b)	136,934	(12,661)	124,273

(a) The comparatives have been restated retrospectively to reclassify certain accruals for construction costs to provision for costs to complete and accounted for its related tax adjustments.

(b) The restatement is to reclass its short term funds previously classified as deposit, cash and bank balances to other investments.

These reclassifications had no effect on the financial results of the Group for the previous financial years and the current financial year.

Notes to the Financial Statements

For the Financial Year Ended 31 March 2017 (Cont'd)

44. Segment information

The Group has three reportable segments based on its products and services. The Managing Director together with the Board of Directors are collectively the chief operating decision maker ("CODM"). CODM assesses the performance of these segments regularly based on internal management reports. The operations in each of the reportable segment are as follows:

(i) Property development of residential and commercial properties

(ii) Education operation of co-education schooling from kindergarten to secondary education

(iii) Others investment holding, land cultivation, property management, management of club activities and dormant companies

Management monitors the operating results of its business units separately for the purpose of making decisions about resource allocation and performance assessment. Segment performance is evaluated based on operating profit or loss for the financial year, in certain respects as set out below, is measured differently from operating profit or loss in the consolidated financial statements.

Transfer prices between operating segments are on an arm's length basis in a manner similar to transactions with third parties.

With the exception of its property development in Australia via its joint venture, Hidden Valley Australia Pty Ltd, the Group's entire active business operations is located in Malaysia.

Notes to the Financial Statements

For the Financial Year Ended 31 March 2017 (Cont'd)

44. Segment information (cont'd.)

	Properties		Education		Others		Adjustments and eliminations		Notes	Consolidated financial statements	
	2017 RM'000	2016 RM'000	2017 RM'000	2016 RM'000	2017 RM'000	2016 RM'000	2017 RM'000	2016 RM'000		2017 RM'000	2016 RM'000
Revenue											
Sales to external customers	16,837	317,462	13,128	12,907	7,429	6,905	-	-		37,394	337,274
Interest income, dividends on money market funds, unit trust funds and quoted investment	-	-	-	-	5,256	4,788	-	-		5,256	4,788
Inter-segment sales	170	170	-	-	5,301	5,040	(5,471)	(5,210)	A	-	-
Total revenue	17,007	317,632	13,128	12,907	17,986	16,733	(5,471)	(5,210)		42,650	342,062
Results											
Operating profit	56,088	121,537	5,365	5,016	8,882	2,566	-	-		70,335	129,119
Interest income, dividends on money market funds and unit trust funds	12,866	5,249	594	445	196	1,135	-	-		13,656	6,829
Gain on fair value changes on quoted shares - financial assets at fair value through profit or loss	-	-	-	-	9,618	554	-	-		9,618	554
Depreciation and amortisation	908	1,216	450	437	3,334	870	-	-		4,692	2,523
Share of results of a joint venture	-	-	-	-	3,227	432	-	-	C	3,227	432
Other non-cash expenses	222	5,679	-	6	875	2,130	-	-	B	1,097	7,815
Profit before tax	56,088	121,537	5,365	5,016	8,882	2,049	(583)	(1,430)		69,752	127,172
Assets											
Additions to non-current assets	121,927	267	476	454	504	706	-	-	D	122,907	1,427
Segment assets	665,668	724,233	33,792	31,668	386,430*	333,757*	22,565	36,218	E	1,108,455	1,125,876
Liabilities											
Segment liabilities	257,790	340,935	6,173	5,769	104,264	38,231	67,361	39,170	F	435,588	424,105

* As at reporting date, included in the "Others" segment assets relate to investment holding segment which was RM254,576,000 (2016: RM199,606,000).

Notes to the Financial Statements

For the Financial Year Ended 31 March 2017 (Cont'd)

44. Segment information (cont'd.)

Notes: Nature of adjustments and eliminations to arrive at amounts reported in the consolidated financial statements.

A Inter-segment revenues are eliminated on consolidation.

B Other material non-cash expenses consist of the following items as presented in the respective notes to the financial statements:

	Note	2017 RM'000	2016 RM'000
Biological assets written off	8	-	12
Allowance for impairment on financial assets	8	-	1,677
Impairment loss on loans granted to a joint venture	8	1,283	1,457
Impairment loss on investment property	13	-	4,747
Inventories written down	8	222	-
Other provision	25	210	50
Unrealised foreign exchange gain	4	(618)	(128)
		1,097	7,815

C The following item is added to segment profit to arrive at profit before tax as presented in the consolidated statement of comprehensive income:

	2017 RM'000	2016 RM'000
Share of results of a joint venture	3,227	432

D Additions to non-current assets consist of:

	Note	2017 RM'000	2016 RM'000
Property, plant and equipment	11	2,721	603
Land held for property development	12(a)	119,766	202
Biological assets	15	420	622
		122,907	1,427

E The following items are added to/(deduct from) segment assets to arrive at total assets reported in the consolidated statement of financial position:

	2017 RM'000	2016 RM'000
Investment in a joint venture	-	(3,227)
Deferred tax assets	22,144	39,445
Tax recoverable	421	-
	22,565	36,218

Notes to the Financial Statements

For the Financial Year Ended 31 March 2017 (Cont'd)

44. Segment information (cont'd.)

F The following items are added to segment liabilities to arrive at total liabilities reported in the consolidated statement of financial position:

	2017 RM'000	2016 RM'000
Deferred tax liabilities	23,323	1,134
Tax payable	44,038	38,036
	67,361	39,170

Geographical information

Revenue and non-current assets information based on the geographical location of customers and assets respectively are as follows:

	Revenue		Non-current assets	
	2017 RM'000	2016 RM'000	2017 RM'000	2016 RM'000
Malaysia	42,329	341,565	364,497	254,007
Australia	284	468	-	(3,227)
Others	37	29	-	-
	42,650	342,062	364,497	250,780

Notes to the Financial Statements

For the Financial Year Ended 31 March 2017 (Cont'd)

45. Supplementary information

- Breakdown of retained profits into realised and unrealised

The breakdown of the retained profits of the Group and of the Company as at 31 March 2017 into realised and unrealised is presented in accordance with the directive issued by Bursa Malaysia Securities Berhad dated 25 March 2010 and prepared in accordance with Guidance on Special Matter No.1, Determination of Realised and Unrealised Profits and Losses in the context of Disclosure Pursuant to Bursa Malaysia Securities Berhad Listing Requirements, as issued by the Malaysian Institute of Accountants.

	Group		Company	
	2017 RM'000	**2016 RM'000**	**2017 RM'000**	**2016 RM'000**
Total retained profits of the Company and its subsidiaries:				
- Realised	259,685	339,737	262,940	201,316
- Unrealised	(22,273)	(25,064)	(41,942)	(38,120)
	237,412	314,673	220,998	163,196
Total share of accumulated losses from joint venture				
- Realised	-	(2,832)	-	-
	237,412	311,841	220,998	163,196
Add: Consolidation adjustments	116,842	87,831	-	-
Total retained profits as per statements of financial position	354,254	399,672	220,998	163,196

Analysis of Shareholdings

As at 30 June 2017

Type of Shares	:	Ordinary Shares
Issued and Paid Up Capital	:	2,928,953,862 Ordinary Shares

Voting Rights

On show of hands	:	one (1) vote for every member of the Company present in person or by proxy
On a poll	:	one (1) vote for each share held

DISTRIBUTION OF SHAREHOLDINGS

Category	NO. OF SHAREHOLDERS	NO. OF SHARES	% OF ISSUED SHARE CAPITAL
Less than 100	202	5,598	negligible
100 - 1,000	3,327	3,001,374	0.10
1,001 - 10,000	8,663	43,069,130	1.47
10,001 - 100,000	7,696	283,117,873	9.67
100,001 - less than 5% of issued shares	2,314	1,606,282,987	54.84
5% and above of issued shares	1	993,476,900	33.92
TOTAL	22,203	2,928,953,862	100.00

SUBSTANTIAL SHAREHOLDER

		DIRECT		INDIRECT	
	Name	No. of Shares	%	No. of Shares	%
1)	Mayland Parkview Sdn Bhd	993,476,900	33.92	-	-

DIRECTORS' INTEREST IN SHARES

		DIRECT		INDIRECT	
	Name	No. of Shares	%	No. of Shares	%
1)	Dato' Hj Zainal Abidin Putih	-	-	-	-
2)	Low Gay Teck	-	-	-	-
3)	Ferdaus Mahmood	-	-	-	-
4)	Dato' Ir Dr A Bakar Jaafar	-	-	-	-
5)	Dato' Hj Ikhwan Salim Dato' Hj Sujak	-	-	-	-
6)	Tengku Maruan Tengku Ariff	2,000	negligible	-	-
7)	Hoong Cheong Thard	-	-	-	-
8)	Chiu Andrew Wah Wai	-	-	993,476,900*	33.92*
9)	Chai Keng Wai	-	-	-	-

Note * Deemed interest through Mayland Parkview Sdn Bhd

List of Top 30 shareholders

As at 30 June 2017

NO	NAME	HOLDINGS	%
1	PUBLIC NOMINEES (ASING) SDN BHD PLEDGED SECURITIES ACCOUNT FOR MAYLAND PARKVIEW SDN BHD (KLC)	993,476,900	33.92
2	LEMBAGA TABUNG HAJI	126,094,540	4.31
3	CITIGROUP NOMINEES (ASING) SDN BHD CBNY FOR DIMENSIONAL EMERGING MARKETS VALUE FUND	36,334,020	1.24
4	CITIGROUP NOMINEES (TEMPATAN) SDN BHD EMPLOYEES PROVIDENT FUND BOARD (PHEIM)	30,879,940	1.05
5	LIM PEI TIAM @ LIAM AHAT KIAT	30,000,000	1.02
6	CITIGROUP NOMINEES (ASING) SDN BHD CEP FOR PHEIM SICAV-SIF	19,532,240	0.67
7	CITIGROUP NOMINEES (ASING) SDN BHD CBNY FOR EMERGING MARKET CORE EQUITY PORTFOLIO DFA INVESTMENT DIMENSIONS GROUP INC	19,466,720	0.66
8	PUBLIC NOMINEES (TEMPATAN) SDN BHD PLEDGED SECURITIES ACCOUNT FOR NIK AWANG @ WAN AZMI BIN WAN HAMZAH (E-KPG/JRL)	16,460,000	0.56
9	CIMSEC NOMINEES (ASING) SDN BHD EXEMPT AN FOR CIMB SECURITIES (SINGAPORE) PTE LTD (RETAIL CLIENTS)	16,334,100	0.56
10	HLB NOMINEES (TEMPATAN) SDN BHD PLEDGED SECURITIES ACCOUNT FOR TAN CHANG JOON	15,600,000	0.53
11	YONG HUA KONG	14,300,000	0.49
12	CITIGROUP NOMINEES (ASING) SDN BHD CBNY FOR DFA EMERGING MARKETS SMALL CAP SERIES	14,249,160	0.49
13	TOH KIM CHONG	14,000,000	0.48
14	CARTABAN NOMINEES (ASING) SDN BHD BBH (LUX) SCA FOR FIDELITY ASIAN SMALLER COMPANIES POOL (FIDELITY FUNDS)	12,903,200	0.44
15	ALLIANCEGROUP NOMINEES (TEMPATAN) SDN BHD PLEDGED SECURITIES ACCOUNT FOR TAN LIAN HONG (8092237)	12,740,600	0.43
16	WONG LEE PENG	12,466,400	0.43
17	CHONG AH HIM @ CHONG KUM KWAN	12,157,600	0.42
18	AMSEC NOMINEES (TEMPATAN) SDN BHD MTRUSTEE BERHAD FOR PACIFIC PEARL FUND (UT-PM-PPF)	11,755,000	0.40
19	MAYBANK NOMINEES (TEMPATAN) SDN BHD PLEDGED SECURITIES ACCOUNT FOR TAN KIAN HONG	11,733,200	0.40
20	HSBC NOMINEES (ASING) SDN BHD JPMCB NA FOR FIDELITY ASIAN VALUES PLC	10,552,400	0.36
21	MENTA CONSTRUCTION SDN BHD	10,303,800	0.35
22	CHA AU PENG	9,000,000	0.31
23	HSBC NOMINEES (ASING) SDN BHD BBH AND CO BOSTON FOR PHEIM ASEAN EQUITY FUND (TCSB)	8,785,400	0.30
24	MUHAMAD ALOYSIUS HENG	8,468,000	0.29
25	UOB KAY HIAN NOMINEES (ASING) SDN BHD EXEMPT AN FOR UOB KAY HIAN PTE LTD (A/C CLIENTS)	8,327,600	0.28
26	LEE HAW SHYANG	8,000,000	0.27
27	AMSEC NOMINEES (TEMPATAN) SDN BHD MTRUSTEE BERHAD FOR GREAT EASTERN LIFE ASSURANCE (MALAYSIA) BERHAD (PAR 1)	7,961,500	0.27
28	TEE BON PENG	7,562,000	0.26
29	HLB NOMINEES (TEMPATAN) SDN BHD PLEDGED SECURITIES ACCOUNT FOR MAH SIEW SEONG	7,274,800	0.25
30	ANG BON HUAN	7,230,000	0.25

Analysis of ICULS Holdings

As at 30 June 2017

Type of Securities	: Five (5)-year, 1%, Irredeemable Convertible Unsecured Loan Stocks (ICULS) at nominal value of RM0.13 each (issued on 25 September 2013 and expiring 24 September 2018)
Total ICULS issued	: RM77,779,589 consist of 598,304,530 ICULS at nominal value of RM0.13 each
Total Outstanding ICULS	: RM8,595,178.54 consist of 66,116,758 ICULS at nominal value of RM0.13 each

Voting Rights

On show of hands	: one (1) vote for every ICULS holder of the Company present in person or by proxy
On a poll	: one (1) vote for each ICULS held

DISTRIBUTION OF ICULS HOLDINGS

Category	NO. OF ICULS HOLDERS	NO. OF ICULS	% OF OUTSTANDING ICULS
Less than 100	5	60	negligible
100 - 1,000	286	267,633	0.40
1,001 - 10,000	1,351	6,834,515	10.34
10,001 - 100,000	682	23,114,500	34.96
100,001 - less than 5% of outstanding ICULS	103	35,900,050	54.30
5% and above of outstanding ICULS	-	-	-
TOTAL	2,427	66,116,758	100.00

DIRECTORS' INTEREST IN ICULS

	Name	DIRECT No. of ICULS	%	INDIRECT No. of ICULS	%
1)	Dato' Hj Zainal Abidin Putih	-	-	-	-
2)	Low Gay Teck	-	-	-	-
3)	Ferdaus Mahmood	-	-	-	-
4)	Dato' Ir Dr A Bakar Jaafar	-	-	-	-
5)	Dato' Hj Ikhwan Salim Dato' Hj Sujak	-	-	-	-
6)	Tengku Maruan Tengku Ariff	-	-	-	-
7)	Hoong Cheong Thard	-	-	-	-
8)	Chiu Andrew Wah Wai	-	-	-	-
9)	Chai Keng Wai	-	-	-	-

List of
Top 30 ICULS holders
As at 30 June 2017

NO.	NAME	HOLDINGS	%
1	TNG KEE MENG	3,300,000	4.99
2	ALLIANCEGROUP NOMINEES (TEMPATAN) SDN BHD PLEDGED SECURITIES ACCOUNT FOR ONG SIEW ENG @ ONG CHAI (8040800)	3,000,000	4.54
3	CIMSEC NOMINEES (ASING) SDN BHD EXEMPT AN FOR CIMB SECURITIES (SINGAPORE) PTE LTD (RETAIL CLIENTS)	2,372,550	3.59
4	CHOONG YOKE LEE	1,892,900	2.86
5	UOB KAY HIAN NOMINEES (ASING) SDN BHD EXEMPT AN FOR UOB KAY HIAN PTE LTD (A/C CLIENTS)	974,900	1.47
6	ALLIANCEGROUP NOMINEES (TEMPATAN) SDN BHD PLEDGED SECURITIES ACCOUNT FOR LOH KUAN FONG (8078549)	930,300	1.41
7	LOW BEE KENG	850,000	1.29
8	TEH POH TIN	850,000	1.29
9	ALLIANCEGROUP NOMINEES (TEMPATAN) SDN BHD PLEDGED SECURITIES ACCOUNT FOR BEH HENG SEONG (M0016)	589,900	0.89
10	LING PING CHING	545,000	0.82
11	WONG LEE PENG	521,800	0.79
12	PUBLIC NOMINEES (TEMPATAN) SDN BHD PLEDGED SECURITIES ACCOUNT FOR CHOW SOONG MING (E-SS2)	519,700	0.79
13	JF APEX NOMINEES (TEMPATAN) SDN BHD PLEDGED SECURITIES ACCOUNT FOR YEE KUM FOOK (DAYTRADE)	510,000	0.77
14	MAYBANK SECURITIES NOMINEES (TEMPATAN) SDN BHD PLEDGED SECURITIES ACCOUNT FOR AH CHOY @ CHONG AH CHOY (REM 148)	495,100	0.75
15	MAYBANK NOMINEES (TEMPATAN) SDN BHD PLEDGED SECURITIES ACCOUNT FOR SAI KIM SENG	463,400	0.70
16	SYARIKAT PERUMAHAN IRAMA SENDIRIAN BERHAD	450,000	0.68
17	RHB CAPITAL NOMINEES (TEMPATAN) SDN BHD PLEDGED SECURITIES ACCOUNT FOR CHEONG WENG TEONG (CEB)	445,800	0.67
18	KEMASEPAKAT SDN BHD	440,000	0.67
19	KHOO HENN KUAN	430,100	0.65
20	TONG CHIN HEN	410,000	0.62
21	LEE AH LEONG	403,400	0.61
22	TEO KWEE HOCK	389,900	0.59
23	MAH SIEW SEONG	365,000	0.55
24	KONG CHEE FIRE	345,000	0.52
25	CHAY MING KUM	330,600	0.50
26	MAYBANK NOMINEES (TEMPATAN) SDN BHD PLEDGED SECURITIES ACCOUNT FOR OO SIEW CHIN	323,000	0.49
27	FREDDIE PANG HOCK CHENG	311,500	0.47
28	RHB NOMINEES (TEMPATAN) SDN BHD PLEDGED SECURITIES ACCOUNT FOR LING HAN CHAI	305,000	0.46
29	CITIGROUP NOMINEES (ASING) SDN BHD EXEMPT AN FOR OCBC SECURITIES PRIVATE LIMITED (CLIENT A/C-NR)	300,500	0.45
30	AFFIN HWANG NOMINEES (TEMPATAN) SDN BHD PLEDGED SECURITIES ACCOUNT FOR ONG AIK LIN (ONG1097M)	300,000	0.45

List of Properties

As at 31 March 2017

	LOCATION	PURPOSE/ EXISTING AREA	TENURE	AGE OF BUILDING (YEARS)	LAND AREA (HECTARES)	BUILT-UP/ NET LETTABLE AREA *(SQ FT)	NET BOOK VALUE RM'000
1	Lot 3, Presint 3, Town and District of Putrajaya, State of Wilayah Persekutuan Putrajaya	13-storey stratified office	Freehold	2	-	132,687*	62,736
2	Ladang Kerling Mukim Kerling District of Ulu Selangor Selangor	Rubber and oil palm estate	Freehold	-	1,009.71	-	48,146
3	Lot no.62539 PT 120097 Jalan SD 12/5 Sri Damansara	Commercial units Carpark L&G office	Freehold	4	-	375,831	18,043
4	Bandar Sri Damansara Housing Development Project Balance of development land in Mukim Sungai Buloh District of Petaling Gombak, Selangor	Land held for development	Freehold	-	8.41	-	15,236
5	Sekolah Sri Bestari, Persiaran Margosa Bandar Sri Damansara Kuala Lumpur	School land and building	Leasehold land expiring in 2110	17-19	6.07	143,900	12,637
6	Lot 2058 & 2059, Mukim Tebrau Daerah Johor Bahru Johor	Land held for development	Freehold	-	5.56	-	11,988
7	Lot Nos.659,663,664 & 665 Mukim Sungai Petani District of Kuala Muda Kedah	Land held for development	Freehold	-	14.71	-	6,859
8	Lot 23304, Persiaran Perdana Bandar Sri Damansara Kuala Lumpur	Club house and club facilities	Freehold	21	14.48	51,184	3,752
9	Sena Parc Housing Development Project Balance of development land in Mukim Ampangan and Pekan Sungai Gadut, Daerah Seremban, Negeri Sembilan	Land held for development	Freehold	-	53.48	-	17,274
10	Compartment 32 Hutan Simpan Bukit Cherakah, Mukim Bukit Raja, Daerah Petaling, Shah Alam Selangor	Land held for development	Leasehold	-	45.47	-	24,011

Notice of the Fifty-Fourth (54th) Annual General Meeting

NOTICE IS HEREBY GIVEN THAT the Fifty-Fourth (54th) Annual General Meeting ("AGM") of Land & General Berhad ("L&G") will be held at the Saga Room, the Sri Damansara Club, Lot 23304, Persiaran Perdana, Bandar Sri Damansara, 52200 Kuala Lumpur on Wednesday, 13 September 2017 at 10.00 a.m. for the following purposes:-

1. To receive and adopt the Audited Financial Statements for the financial year ended 31 March 2017 and the Reports of the Directors and Auditors thereon — **Please refer Explanatory Note (i)**

2. To approve the payment of Directors' fees of RM400,000 in respect of the financial year ended 31 March 2017 (2016: RM372,500) — **Ordinary Resolution 1**

3. To approve Directors' Meeting Allowances to Non-Executive Directors up to an amount of RM180,000 from 31 January 2017 until the next AGM of the Company — **Ordinary Resolution 2**

4. To re-elect the following Directors who retire pursuant to Article 93 of the Articles of Association of the Company:-

   (i) YM Tengku Maruan Tengku Ariff; — **Ordinary Resolution 3**
   (ii) Mr Chiu Andrew Wah Wai; and — **Ordinary Resolution 4**
   (iii) Mr Chai Keng Wai. — **Ordinary Resolution 5**

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

AS SPECIAL BUSINESS

To consider and if thought fit, to pass the following resolutions :-

6. Authority to allot shares pursuant to Section 75 and 76 of the Companies Act, 2016 — **Ordinary Resolution 7**

"THAT pursuant to Section 75 and 76 of the Companies Act, 2016, the Directors be and are hereby authorised to allot and issue shares in the Company at any time until the conclusion of the next Annual General Meeting and upon such terms and conditions and for such purposes as the Directors may in their absolute discretion deem fit, provided that the aggregate number of shares to be allotted and issued does not exceed 10% of the total issued shares of the Company for the time being and that the Directors be and are also empowered to obtain approval for the listing of and quotation for the additional shares so issued on Bursa Malaysia Securities Berhad, subject always to the approval of all relevant regulatory bodies being obtained for such issues."

7. Continuing in Office as Independent Non-Executive Director
- Dato' Ir Dr A Bakar Jaafar — **Ordinary Resolution 8**

"THAT authority be and is hereby given to Dato' Ir Dr A Bakar Jaafar who has served as an Independent Non-Executive Director of the Company for a cumulative term of more than nine years, to continue to serve as an Independent Non-Executive Director of the Company."

8. Continuing in Office as Independent Non-Executive Director
- Dato' Hj Ikhwan Salim Dato' Hj Sujak — **Ordinary Resolution 9**

"THAT authority be and is hereby given to Dato' Hj Ikhwan Salim Dato' Hj Sujak who has served as an Independent Non-Executive Director of the Company for a cumulative term of more than nine years, to continue to serve as an Independent Non-Executive Director of the Company."

Notice of the Fifty-Fourth (54th) Annual General Meeting
(Cont'd)

9. Proposed Amendment to Article 95 of the Articles of Association of the Company **Special Resolution**

"THAT Article 95 of the Articles of Association of the Company be amended by deleting "(c) such Director has attained any retiring age applicable to him as Director" to read as follows:-

95. The Company at the meeting at which a Director retires under any provision of these presents may by Ordinary Resolution fill up the vacated office by electing a person thereto. In default the retiring Director shall be deemed to have been re-elected, unless:-

(a) at such meeting it is expressly resolved not to fill up such vacated office, or a resolution for the re-election of such Director is put to the meeting and lost; or

(b) such Director has given notice in writing to the Company that he is unwilling to be re-elected.

Provided that the total number of Directors shall not at any time exceed the maximum number fixed by or in accordance with the Article.".

10. To transact any other business for which due notice shall have been given in accordance with the Company's Articles of Association and the Companies Act, 2016.

By order of the Board

Lee Siw Yeng (MAICSA 7048942)
Secretary

Kuala Lumpur
31 July 2017

Notes:-

1. Appointment of Proxy

(i) A member entitled to attend and vote at this Meeting is entitled to appoint a proxy or proxies to attend and vote in his stead. A proxy need not be a member of the Company.

There shall be no restriction as to the qualification of the proxy.

A proxy appointed to attend and vote at a meeting of the Company shall have the same right as the Member to speak at the meeting.

(ii) A member shall be entitled to appoint more than one proxy to attend and vote at the AGM in accordance with the provision of Section 294(2) of the Companies Act, 2016.

(iii) Where a Member of the Company is an exempt authorised nominee which holds ordinary shares in the Company for multiple beneficial owners in one (1) securities account ("omnibus account"), there is no limit to the number of proxies which the exempt authorised nominee may appoint in respect of each omnibus account it holds.

An exempt authorised nominee refers to an authorised nominee defined under the SICDA which is exempted from compliance with the provisions of subsection 25A(1) of SICDA.

(iv) Where a Member appoints more than one proxy, the proportion of shareholdings to be represented by each proxy must be specified in the instrument appointing the proxies.

Where an exempt authorised nominee appoints two (2) or more proxies, the proportion of shareholdings to be represented by each proxy must be specified in the instrument appointing the proxies.

Notice of the Fifty-Fourth (54^{th}) Annual General Meeting

(Cont'd)

(v) The instrument appointing a proxy in the case of an individual shall be signed by the appointer or his attorney, and in the case of a corporation either under its common seal or signed by its attorney or by an officer on behalf of the corporation.

(vi) The Proxy Form, duly completed, must be deposited at the Registered Office of the Company at 8trium, Level 21 Menara 1, Jalan Cempaka SD12/5, Bandar Sri Damansara, 52200 Kuala Lumpur not less than forty-eight (48) hours before the time set for holding the Meeting or any adjournment thereof, or in the case of a poll, not less than twenty-four (24) hours before the time appointed for the taking of the poll, and in default the instrument of proxy shall not be treated as valid.

(vii) Only members whose names appear in the Record of Depositors as at 7 September 2017 will be entitled to attend and vote at the meeting or appoint proxy (proxies) to attend and vote on their behalf.

2. Explanatory Notes

(i) Item 1 of the Agenda – Audited Financial Statements for the financial year ended 31 March 2017
This agenda is laid before the AGM pursuant to Section 340(1) of the Companies Act, 2016, and does not require a formal approval of the shareholders. As such, it is meant for discussion only and not put forward for voting.

(ii) Ordinary Resolution 2 - Payment of Directors' fees
The directors' fees for financial year ended 31 March 2017 was RM400,000.00 (2016: RM372,500) as there were 2 additional Non-Executive Directors who were appointed and re-designated during financial year 31 March 2016, receiving fees for the full 12 months period for the financial year ended 31 March 2017 for services rendered. There is no increase of directors' fees.

(iii) Ordinary Resolution 3 – Meeting Allowances
The meeting allowance for each Non-Executive Director is RM1,000.00 per meeting attendance and the total estimated amount of meeting allowances amounting to RM180,000.00 are calculated based on estimated number of meetings for Board and Board Committees from 31 January 2017 until the next AGM.

(iv) Ordinary Resolution 7 - Authority to allot shares pursuant to Section 75 and 76 of the Companies Act, 2016
The proposed Ordinary Resolution 7, if passed, will empower the Directors to allot and issue ordinary shares of the Company up to an amount not exceeding 10% of the total issued shares of the Company for purpose of fund raising exercise including but not limited to further placement of shares for purpose of funding current and/or future projects, working capital, acquisition and/or for issuance of shares as settlement of purchase consideration. This authority unless revoked or varied at a general meeting will expire at the next Annual General Meeting.

As at the date of this notice, there was no issuance of new ordinary shares by the Company pursuant to the mandate obtained at the 53rd AGM held on 7th September 2016 and the Directors do not intend to utilise the mandate from the date of issuance of this Annual Report up to the expiry date of the said mandate.

(v) Ordinary Resolution 8 – Continuing in Office as Independent Non-Executive Director – Dato' Ir Dr A Bakar Jaafar
The Nominating Committee has assessed the Independence of Dato' Ir Dr A Bakar Jaafar, who has served as an Independent Non-Executive Director of the Company for a cumulative term of more than nine years, and recommended Dato' Ir Dr A Bakar Jaafar to continue to serve as an Independent Non-Executive Director of the Company based on the following justifications:-

a. he fulfills the criteria of an Independent Director pursuant to the Main Market Listing Requirements of Bursa Malaysia Securities Berhad;
b. he provides the Board a diverse set of experience, skill and expertise as he is a highly qualified person who has been contributing to academic fields relating to science and technology as well as serving government agencies for many years;
c. he is familiar with the Company's business operations and the property development market as he has been with the Company for more than 9 years and is aware of current issues confronting the Company and he continues to provide valuable input to steer the Company forward; and
d. he has devoted sufficient time and attention to his professional obligations for informed and balanced decision making.

Notice of the Fifty-Fourth (54th) Annual General Meeting
(Cont'd)

(vi) Ordinary Resolution 9 – Continuing in Office as Independent Non-Executive Director – Dato' Hj Ikhwan Salim Dato' Hj Sujak

The Nominating Committee has assessed the Independence of Dato' Hj Ikhwan Salim Dato' Hj Sujak, who has served as an Independent Non-Executive Director of the Company for a cumulative term of more than nine years, and recommended Dato' Hj Ikhwan Salim Dato' Hj Sujak to continue to serve as an Independent Non-Executive Director of the Company based on the following justifications:-

a. he fulfills the criteria of an Independent Director pursuant to the Main Market Listing Requirements of Bursa Malaysia Securities Berhad;
b. he provides the Board a diverse set of experience, skill and expertise as he is a highly experienced in financial and risk matters;
c. he is familiar with the Company's business operations and the property development market as he has been with the Company for more than 9 years and is aware of current issues confronting the Company and he continues to provide valuable input to steer the Company forward; and
d. he has devoted sufficient time and attention to his professional obligations for informed and balanced decision making.

(vii) Special Resolution - Proposed Amendment to Article 95 of the Articles of Association of the Company

Article 95 of the Articles of Association of the company is proposed to be amended in line with the removal of age limit of a director of public company following the implementation of the Companies Act, 2016 with effect from 31 January 2017.

Proxy
Form

LAND & GENERAL BERHAD
(Company No.: 5507-H)
(Incorporated in Malaysia)

I/We____
(FULL NAME IN BLOCK LETTERS)

of____
(ADDRESS IN FULL)

____

being a member / members of **LAND & GENERAL BERHAD** hereby appoint______________________________

____
(FULL NAME IN BLOCK LETTERS)

or failing him, the Chairman of the Meeting as my/our proxy/proxies to vote for me/us and on my/our behalf at the Fifty-Fourth (54^{th}) Annual General Meeting of Land & General Berhad to be held at the Saga Room, the Sri Damansara Club, Lot 23304, Persiaran Perdana, Bandar Sri Damansara, 52200 Kuala Lumpur on Wednesday, 13 September 2017 at 10.00 a.m. and at any adjournment thereof.

My/our proxy/proxies shall vote as indicated below:-

Item	Agenda	Resolution	For	Against
1.	Payment of Directors' fees	Ordinary Resolution 1		
2.	Payment of Meeting Allowances	Ordinary Resolution 2		
3.	Re-election of the following Directors:			
	(i) YM Tengku Maruan Tengku Ariff	Ordinary Resolution 3		
	(ii) Mr Chiu Andrew Wah Wai	Ordinary Resolution 4		
	(iii) Mr Chai Keng Wai	Ordinary Resolution 5		
4.	Re-appointment of Auditors	Ordinary Resolution 6		
5.	Authority to allot shares pursuant to Section 75 & 76, Companies Act 2016	Ordinary Resolution 7		
6.	Continuing in office as Independent Non-Executive Director - Dato' Ir Dr A Bakar Jaafar	Ordinary Resolution 8		
7.	Continuing in office as Independent Non-Executive Director - Dato' Hj Ikhwan Salim Dato' Hj Sujak	Ordinary Resolution 9		
8.	Proposed Amendment to Article 95 of the Articles of Association of the Company	Special Resolution		

(Please indicate with an "X" in the spaces provided how you wish your votes to be cast on the resolutions specified. If you do not do so, your proxy/proxies will vote or abstain from voting at his/her/their discretion.)

No. of Shares	
CDS Account No.	
Contact No.	

Signature :___________________________________

Date :_______________________________________

Notes:

1. Appointment of Proxy

(i) A member entitled to attend and vote at this Meeting is entitled to appoint a proxy or proxies to attend and vote in his stead. A proxy need not be a member of the Company.

There shall be no restriction as to the qualification of the proxy.
A proxy appointed to attend and vote at a meeting of the Company shall have the same right as the Member to speak at the meeting.

(ii) A member shall be entitled to appoint more than one proxy to attend and vote at the AGM in accordance with the provision of Section 294(2) of the Companies Act, 2016.

(iii) Where a Member of the Company is an exempt authorised nominee which holds ordinary shares in the Company for multiple beneficial owners in one (1) securities account ("omnibus account"), there is no limit to the number of proxies which the exempt authorised nominee may appoint in respect of each omnibus account it holds.

An exempt authorised nominee refers to an authorised nominee defined under the SICDA which is exempted from compliance with the provisions of subsection 25A(1) of SICDA.

(iv) Where a Member appoints more than one proxy, the proportion of shareholdings to be represented by each proxy must be specified in the instrument appointing the proxies.

Where an exempt authorised nominee appoints two (2) or more proxies, the proportion of shareholdings to be represented by each proxy must be specified in the instrument appointing the proxies.

(v) The instrument appointing a proxy in the case of an individual shall be signed by the appointer or his attorney, and in the case of a corporation either under its common seal or signed by its attorney or by an officer on behalf of the corporation.

(vi) The Proxy Form, duly completed, must be deposited at the Registered Office of the Company at 8trium, Level 21 Menara 1, Jalan Cempaka SD12/5, Bandar Sri Damansara, 52200 Kuala Lumpur not less than forty-eight (48) hours before the time set for holding the Meeting or any adjournment thereof, or in the case of a poll, not less than twenty-four (24) hours before the time appointed for the taking of the poll, and in default the instrument of proxy shall not be treated as valid.

(vii) Only members whose names appear in the Record of Depositors as at 7 September 2017 will be entitled to attend and vote at the meeting or appoint proxy (proxies) to attend and vote on their behalf.

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STAMP

The Secretary
LAND & GENERAL BERHAD (5507-H)
8TRIUM LEVEL 21 MENARA 1
JALAN CEMPAKA SD 12/5
BANDAR SRI DAMANSARA
52200 KUALA LUMPUR
MALAYSIA

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