



**TROPICANA**  
CORPORATION BERHAD



REDEFINING  
THE ART OF LIVING

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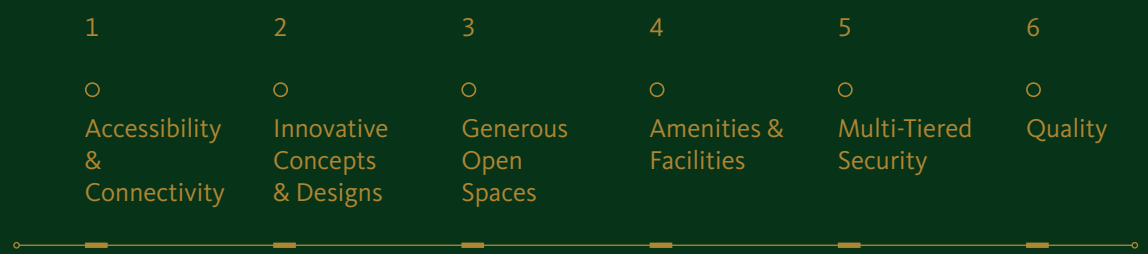
ANNUAL REPORT 2016



our  
*dna*

REDEFINING  
THE ART  
OF LIVING

TROPICANA AMAN, KOTA KEMUNING



Understanding the needs of its homeowners, Tropicana has established a unique DNA that sets it apart, one that is built on the cornerstones of accessibility, connectivity, innovative concepts and designs, generous open spaces, amenities, facilities, multi-tiered security, and quality.



**TROPICANA**  
CORPORATION BERHAD

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G R O W T H  
R O A D M A P

A T A  
*glance*

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ACHIEVED TOTAL REVENUE OF  
**RM4.78 BILLION**  
OVER THE PAST 3 YEARS



**44**  
COMPLETED DEVELOPMENTS  
WITH 16 IN PROGRESS



2016 TOTAL DEVELOPMENT  
PROPERTIES SALES OF  
**RM1.20 BILLION**



TOTAL ASSETS  
**RM7.32 BILLION**



RECORD UNBILLED SALES OF  
**RM2.54 BILLION**  
IN FY2016



CREATING VALUE, TO BUILD  
**3** INTERNATIONAL SCHOOLS  
AT 3 MAIN TOWNSHIPS



GROUP SHAREHOLDERS' FUNDS  
ROSE 49% FROM RM2.10 BILLION IN FY2012 TO  
**RM3.13 BILLION**  
IN FY2016



TAPPING INTO CURRENT AVAILABLE LANDBANK OF  
1,283 ACRES WITH POTENTIAL GDV OF MORE THAN  
**RM50.0 BILLION**



NET TANGIBLE ASSETS  
PER SHARE  
**RM2.19**  
IN FY2016



GROUP NET GEARING IMPROVED  
FROM 0.77X IN FY2012 TO  
**0.31X**  
IN FY2016

## OUR VISION

We strive to be the leading property group that delivers innovative and quality products that enhance stakeholders' value.

## OUR BUSINESS PRINCIPLES



### OUR CUSTOMERS COME FIRST

In delivering innovative products and services, we work towards optimum customer satisfaction. We recognise and reward our loyal customers, who are our pillars of strength and a driving force behind the success of our Company.



### OUR COMMITMENT TO OUR SHAREHOLDERS

In practicing the principles of good governance, we endeavour to create shareholder value through our sustainable strategies, full accountability, business continuity and profitability.



### OUR PEOPLE ARE OUR GREATEST ASSETS

As a performance-driven organisation, our greatest assets are our people and their dedication to deliver the best. We are not only committed to the growth of our human capital, but we also encourage a culture of excellence and leadership towards greater successes.



### OUR TEAMWORK

We have built a nurturing organisation, with shared values and culture, and we are motivated to think and deliver as One Team and One Organisation with One Vision.

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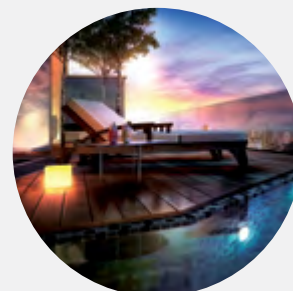
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PENANG ISLAND

# TROPICANA 218 MACALISTER



ACRES

2.1

Exclusive Neo Suites cater to the young and trendy who desire greater flexibility in workstyles and lifestyles

# ABOUT TROPICANA

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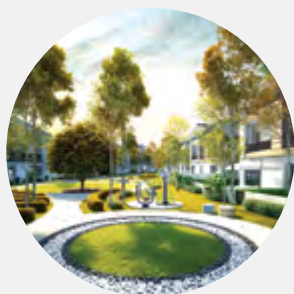


CULTIVATING A BALANCED

# *lifestyle*

A walk-and-bike friendly environment, Tropicana Aman is a self-contained 863-acre mixed township that offers residents an ideal quality of life in a secured enclave. Designed to meet the needs of consumers and at the same time, ensure the sanctity of the natural environment is maintained, Tropicana Aman consists of four residential phases complete with its very own 85-acre Central Park and a community hub. The entire development is dotted by the Yellow Bicycle sign, a constant reminder to residents to slow down and enjoy life to the fullest. Built upon the Tropicana DNA, this slice of paradise draws people into a lush environment where man and nature live in complete balance.

**For more info, please log on to [www.tropicanaaman.com.my](http://www.tropicanaaman.com.my)**



KOTA KEMUNING

# TROPICANA AMAN



Enjoy nature like you should at the 85-acre Central Park which is easily accessible by 7km of trails and paths

ACRES  
**863**

## ABOUT TROPICANA CORPORATION BERHAD

Incorporated in 1979, Tropicana Corporation Berhad ("Tropicana" or "Group" or "Company") is a rapidly evolving company with diversified business interests including property and resort development, property investment and investment holding.

Following strong performance shown in its principal business segments, the Company was listed Main Market of Bursa Malaysia Securities Berhad since 1992. Today, 90% of the Group's revenue is generated by property development.

Since its rebranding exercise in 2013, Tropicana continued to build on its reputation of excellence by building quality homes and integrated developments that reflect the growing aspirations of a broad range of home purchasers across Malaysia.

Guided by its unique Tropicana DNA and brand values, Tropicana remains focused on delivering long-term sustainable growth and maximising shareholders' value. Fuelled by the Tropicana transformation plan and the unique development DNA, the Group has achieved many memorable milestones as it moves towards realising its vision of becoming a premier property group in Malaysia.

### 1979 - 1996

#### 1979

Tropicana Group was incorporated and has since become one of the fastest growing property developers in Malaysia.



#### 1992

Listed on the Main Market of Bursa Malaysia Securities Berhad.

Pioneered the concept of resort-themed development concept in Malaysia with the introduction of the highly-sought after 624-acre Tropicana Golf & Country Resort which also houses the 380,000 square feet award winning clubhouse.



#### 1995

Tropicana Golf & Country Resort won the prestigious Best Leisure Development in Malaysia by FIABCI Malaysia Chapter.

#### 1996

Developed the 409-acre Tropicana Indah Resort Homes.

### 1996 - 2010

#### 1996 - 2009

Built its first integrated development, the Sri Desa condominiums with shop offices at Taman Desa.

Unveiled its first commercial development, Damansara Intan e-Business Park at Petaling Jaya.

Won multiple awards and accolades for its outstanding developments across Tropicana Golf & Country Resort and Tropicana Indah townships.



#### 2009

Unveiled the nine-acre Tropicana City integrated development encompassing Tropicana City Mall, Tropicana City Office Tower and Tropics Serviced Apartments.

#### 2010

First entry into Johor to build a 37-acre mixed development known as Tropicana Danga Bay, a joint-venture project with Iskandar Waterfront Sdn Bhd.



### 2011

- Achieved a five-fold increase in Company assets from RM500 million to RM2.5 billion, with unbilled sales in excess of RM500 million.
- Entered into an agreement with Starwood Hotels & Resorts Worldwide to build the first five-star W Kuala Lumpur Hotel within the Kuala Lumpur City Centre.
- Entered into a joint venture ("JV") agreement with Ivory Properties Group Berhad to develop mixed residential and commercial properties at Bayan Mutiara, Penang.
- Acquired 227 acres of freehold land in Iskandar Malaysia to build a mixed development known as Tropicana Danga Cove.
- Unveiled its first property membership card in Malaysia known as the Tropicana Privilege Card.
- Incorporated Tropicana Foundation, a charity organisation dedicated to improve the lives of under-privileged communities.



## ABOUT TROPICANA CORPORATION BERHAD

## 2012 - 2013

## 2012

- Conducted the Tropicana amalgamation exercise to consolidate all property development and investment activities into the Tropicana Group.
- Officially launched Tropicana Gardens (Phase 1) and this sold out within two days.

## 2013

- Achieved record revenue of RM1.48 billion and record sales of RM2.16 billion.
- Tropicana changed its operation name from Dijaya to Tropicana Corporation Berhad.
- Officially launched Tropicana Metropark at Subang and conducted the signing ceremony to build the direct flyover from Tropicana Metropark to the Federal Highway.
- Entered into a strategic partnership with Marriot International to develop Courtyard by Marriot, the first Courtyard Hotel in Malaysia.
- Won seven prestigious awards for projects and its continuous effort as a community builder in Malaysia.
- Ground breaking ceremony of Penang WorldCity by Tropicana and Ivory Properties Group Berhad.



## 2014

- Entered into a joint-venture with HK-listed Agile Property Holdings Ltd to develop Jalan Bukit Bintang land.
- Achieved record revenue of RM1.97 billion and unbilled sales of RM2.7 billion.
- Ground breaking ceremony of St Joseph's Institution International School Malaysia (Tropicana PJ Campus), Tropicana's first education project.
- Won 17 prestigious awards for its projects and continuous effort as a community builder in Malaysia.
- Tan Sri Dato' Tan Chee Sing was honoured for his outstanding achievements in the property industry by Tatler Malaysia, Asia Pacific Entrepreneur Awards and the Chinese Chamber of Commerce & Industry of Kuala Lumpur and Selangor.



## 2015

- Company assets increased more than two-fold from RM2.5 billion in 2011 to RM6.0 billion in 2015.
- Possessed a land bank size of more than 1,600 acres with a potential gross development value of more than RM50 billion.
- Achieved total sales of RM1.55 billion, with record high unbilled sales of RM3.13 billion.
- Net gearing improved from 0.77x as at end 2012 to 0.30x in 2015 as a result of the Group's de-gearing initiatives.
- Entered into an agreement with GEMS Education to develop a school campus at Tropicana Metropark in Subang.
- Entered into an agreement with Tenby Schools to develop an international school campus at Tropicana Aman in Kota Kemuning, Shah Alam.
- Continued to win prestigious property awards, namely the BCI Asia Top 10 Developers' Award, Highest Profit Growth Company by The Edge Billion Ringgit Club Award 2015 and Asia Pacific Property Awards 2015.



## 2016

- Entered into an agreement with Kenanga Investment Bank to sell Dijaya Plaza tower for a cash consideration of RM140 million.
- Entered into a sales and purchase agreement with Tiarn Oversea Group Sdn Bhd for the disposable land in Pulau, Johor Bahru for RM569.8 million.
- Tropicana's Founder & Advisor, Tan Sri Dato' Tan Chee Sing recognised as FIABCI Property Man of the Year Award 2016 at the FIABCI Malaysian Chapter Property Awards 2016.
- Honoured with various property awards such as BCI Top 10 Developers' Award 2016, Pioneer Development Award at The Edge Property Excellence Awards 2016, Best Mixed Development Award at the iProperty.com People's Choice Award 2015 and Asia Pacific Property Awards 2016.

## AWARDS AND ACCOLADES 1992 - 2016



### - 2016 -

- Tropicana's Founder & Advisor, Tan Sri Dato' Tan Chee Sing awarded FIABCI Property Man of the Year Award 2016 at the FIABCI Malaysian Chapter Property Awards 2016.
- Tropicana won the Commercial Landscape Architecture Malaysia Award for Tropicana Aman Sales Gallery at Kota Kemuning at the Asia Pacific Property Awards 2016.
- Tropicana won the BCI Top 10 Developers' Award 2016.
- Tropicana Golf & Country Resort was awarded the inaugural Pioneer Development Award at The Edge Property Excellence Awards 2016.
- Tropicana Gardens at Kota Damansara won Best Mixed Development Award at the iProperty.com Malaysia People's Choice Award 2016.
- Tropicana Corporation Berhad's 2015 Annual Report achieved a Merit mention at the National Annual Corporate Report Awards (NACRA) 2016.

## AWARDS AND ACCOLADES 1992 - 2016

With a credible and established track record in residential and commercial developments in Malaysia, Tropicana has garnered many prestigious industry awards, including:

**›1992**

- Tropicana Golf & Country Resort was named the Best Leisure Development in Malaysia by FIABCI Malaysia Chapter

**›1997**

- Tropicana Golf & Country Club won the Best Landscape in Selangor, Malaysia by Selangor State Government

**›1997, 1999 to 2006**

- Tropicana Golf & Country Club was awarded the Best Clubhouse/Facilities Award in Malaysia by Golf Malaysia

**›2005 & 2006**

- Tropicana Golf & Country Club was named the Best Customer Service Club in Malaysia by Golf Malaysia

**›1995, 2003 to 2006**

- Tropicana Golf & Country Club won the Best Golf Course in Malaysia by Golf Malaysia

**›2009**

- Villa Green semi-detached homes were accorded the Best Residential Development with the highest five-star rating in Malaysia, Best Residential Development in Asia Pacific and Best Residential Development in the World by International Property Awards in association with CNBC

**›2010**

- Tropicana Golf & Country Resort was named the Best Golf Development with the highest five-star rating in Malaysia and Best Golf Development 2010 in Asia Pacific by International Property Awards in association with Bloomberg Television

**›2011**

- Casa Indah 1 condominiums received the Best Medium-High Cost Apartment Award by Dream Home Award
- Tropicana Grande golf-fronted condominiums was accorded the Best Residential High-Rise Development with the highest five-star rating in Malaysia and Best Residential High-Rise Development in Asia Pacific by International Property Awards in association with Bloomberg Television

**›2012**

- Tropicana won BCI Asia Top 10 Developers Award by BCI Asia Awards
- Pool Villas three-storey semi-detached homes received the Best Multiple Units Development (Highly Commended) Award in Malaysia by Asia Pacific Property Awards in association with HSBC Bank Malaysia Berhad and the Royal Institute of Chartered Surveyors Asia
- Arnica Residence, Tropicana Gardens at Kota Damansara was named Property of the Year by PropertyTalk & Lifestyle Group Malaysia (PTLM) wholly-owned by the HAI Sdn Bhd, Patchay Urban Research and Patchay Retail Consulting
- Tropicana Metropark, Subang was named Best Development Masterplan of the Year by PropertyTalk & Lifestyle Group Malaysia (PTLM) wholly owned by the HAI Sdn Bhd, Patchay Urban Research and Patchay Retail Consulting

**›2013**

- Tropicana won BCI Asia Top 10 Developers Award 2013 by BCI Asia Awards
- Tropicana Metropark at Subang, was awarded the highest five-star rating for Best Mixed Use Development Award (Malaysia) at the Asia Pacific Property Award 2013
- Tropicana was awarded the Power Brand Award 2013 for Organisation, Management and Brand Management
- Tropicana won the Hall of Fame Award at the 9th Asia Pacific Super Excellent Award 2013

**›2014**

- Tropicana was awarded BCI Asia Top Developers' Award 2014
- Tropicana won five accolades at the South East Asia Property Awards 2014
- Tropicana Metropark's Property Gallery won Malaysia Institute of Architect's (PAM) 2014 Silver Award for Adaptive Re-use
- Tropicana won The Edge's Most Notable Achievement Award, The Edge Malaysia Top Property Developers' Award (ranked sixth), and The Edge Malaysia Highest Profit Growth Company in Property and REIT category, earning a place in The Edge Billion Ringgit Club Award 2014

- Tropicana Metropark's Pandora and Paloma Serviced Residences won the iProperty.com People's Choice Award in the Best High Rise Development category
- Tropicana won Asia Pacific Entrepreneurship Award (APEA) 2014

**›2015**

- Tropicana Gardens, Kota Damansara obtained highest five-star rating for the best mixed-used development in Malaysia while Tropicana Corporation won the highest five-star rating for Best Developer Website in Malaysia
- Tropicana won BCI Asia Top 10 Developers Award 2015
- Tropicana The Residences and Tropicana Avenue won the Green Real Estate (GreenRE) Gold Awards
- Tropicana won Brand Excellence for Best Property Property Award while Tropicana's Founder & Advisor, Tan Sri Dato' Tan Chee Sing was awarded Brandpreneur Life Inspired Achievement Award at the BrandLaureate Special Edition World Awards
- Tropicana's Founder & Advisor, Tan Sri Dato' Tan Chee Sing, was honoured with The Edge Malaysia Outstanding Property Entrepreneur Award 2015
- Tropicana was awarded The Edge Billion Ringgit Club Award 2015 for the Highest Profit Growth Company for the second year in a row
- Tropicana received the People's Choice Award in Property Development at the Putra Brand Awards 2015
- Tropicana won Best Developer Website Asia Pacific at the International Property Awards Summit 2015
- Tropicana was awarded Top 10 Developers Award at the inaugural Prestigious Developer Award, organised by Property Insight Malaysia

## COMMITMENT TO EXCELLENCE

①

### FIABCI'S PROPERTY MAN OF THE YEAR AWARD 2016



Sultan Ibrahim Ibni Almarhum Sultan Iskandar, Sultan of Johore presenting the Coveted FIABCI Property Man of the Year Award 2016 to Tan Sri Dato' Tan Chee Sing, Founder & Advisor of Tropicana



**Tan Sri Dato' Tan Chee Sing, Tropicana's Founder & Advisor was honoured with the FIABCI Property Man of the Year Award 2016 at the FIABCI Malaysian Chapter Property Awards 2016 gala dinner.**

This prestigious award bestowed on Tan Sri Dato' Tan not only recognises the benchmarks set, but also represents the highest accolades and standards of professionalism in the property and real estate industry. Held annually, the FIABCI-Malaysia's Malaysia Property Award honours property developments in Malaysia, regardless of its size or location, which shows excellence in all aspects of their creation. It is also known as the "Oscars" for the property and real estate development industry.

②

### APPA AWARDS 2016



The stunning Tropicana Aman Property Gallery which won the commercial Landscape Architecture Malaysia Award at the Asia Pacific Property Awards 2016



**Tropicana was awarded the Commercial Landscape Architecture Malaysia Award for its Tropicana Aman Sales Gallery at Kota Kemuning at the Asia Pacific Property Awards 2016.**

The Asia Pacific Property Awards celebrate the highest levels of achievement by companies operating in all sectors of the property and real estate industry. The awards are split into regions covering Africa, Asia Pacific, Arabia, Canada, Caribbean, Central and South America, Europe, UK and USA. Participants were judged by a highly-experienced team of professionals who cover the whole range of property disciplines from interior design to architecture.

## COMMITMENT TO EXCELLENCE

**3 TROPICANA WINS BCI TOP 10 DEVELOPERS' AWARD 2016**

Tropicana walked away with the BCI Top 10 Developers' Award 2016 for the fourth consecutive year.

The award cemented Tropicana's dedication in creating innovative developments that cater to market needs.

Since 2005, the BCI Top Asia Top 10 Awards has been one of the most coveted awards for the Asian building and design industry. Held across seven different Asian territories, the Award recognises developers and architecture firms with the highest value portfolios during the last full calendar years.

**4 TROPICANA GOLF & COUNTRY RESORT WINS THE EDGE'S PIONEER DEVELOPMENT AWARD**

Tropicana Golf & Country Resort took home the Pioneer Development Award at The Edge Property Excellence Awards 2016.

The Edge Malaysia Pioneer Development Award was introduced in 2016 to recognise innovative companies in the property industry whose development concepts have initiated new trends in the property arena as well as contributed positively to the growth of its surrounding areas.

**5 iProperty.com AWARD**

Tropicana Corporation Berhad garnered attention at the iProperty.com Malaysia People's Choice Award 2016, winning the Best Mixed Development Award for Tropicana Gardens at Kota Damansara.

The iProperty.com People's Choice Award recognises, honours and celebrates the achievements of developers who have made a difference in providing homes, offices and various properties to meet the housing needs of Malaysians.

**6 NATIONAL ANNUAL CORPORATE REPORT AWARDS 2016**

Tropicana Corporation Berhad's 2015 Annual Report achieved a Merit mention at the National Annual Corporate Report Awards (NACRA) 2016.

This is the second time in a row that Tropicana's Annual Report has achieved this, further cements the Company's focus on transparency, accountability in the presentation of its financial and business information to increase the level of confidence and trust amongst its investors as well as stakeholders.



## OUR SIGNATURE DEVELOPMENTS

Tropicana Indah Resort Homes, Petaling Jaya



## OUR SIGNATURE DEVELOPMENTS

**TROPICANA GOLF & COUNTRY RESORT**

Petaling Jaya, Selangor

**Residential**

- Tropicana Grande golf-fronted condominiums
- Casa Tropicana condominiums
- Eva townhouses
- Ana and Bella linked houses
- Cora and Dora semi-detached houses
- Green Acres 1 Gloria and Floria semi-detached houses
- Green Acres 2 linked houses and semi-detached houses, bungalows and prime bungalow lots

**Mixed-use Development and Commercial**

- Tropicana Avenue retail, offices and serviced apartments
- Merchant Square shop offices

**TROPICANA INDAH RESORT HOMES**

Petaling Jaya, Selangor

**Residential**

- Grand Villas bungalows
- Golf Villas bungalows
- Pool Villas semi-detached houses
- Link Villas linked houses
- Adam and Eve linked houses
- Romeo and Juliet linked houses
- Mustika and Persona linked houses
- Green Haven bungalow lots
- Green Haven 1 resort villas
- Villa Green 1 linked bungalows
- Villa Green 2 semi-detached houses
- Villa Green semi-detached houses
- Casa Indah 1 and 2 condominiums

**Mixed-use Development, Commercial and Education**

- Tropicana Gardens Mixed Development, Kota Damansara
- St Joseph's Institution International School Malaysia (Tropicana PJ Campus)

**TROPICANA CITY**

Petaling Jaya, Selangor

**Residential**

- Tropicana City Tropics serviced apartments
- Casa Damansara 1 and 2 condominiums

**Retail and Commercial**

- Tropicana City Mall
- Tropicana City Office Tower
- Damansara Intan e-Business Park

**OTHER KLANG VALLEY DEVELOPMENTS**

Petaling Jaya, Selangor

**Residential**

- Tropicana Cheras linked houses, semi-detached houses and bungalows, Cheras, Selangor
- Tropicana Heights mixed-development, Kajang, Selangor
- Fortune Park apartments, Kuala Lumpur
- Casa Kiara 1 and 2 condominiums, Mont' Kiara, Kuala Lumpur\*
- Casa Suites apartments, Petaling Jaya, Selangor

**Mixed-Use Development, Commercial, Hospitality and Education**

- The Residences and W Kuala Lumpur Hotel in Kuala Lumpur
- TSB Commercial Centre, Sungai Buloh, Selangor
- Tropicana Metropark mixed-development, Subang, Selangor
- GEMS International School at Tropicana Metropark, Subang, Selangor
- Arena Mentari shop offices, Dataran Mentari, Petaling Jaya, Selangor\*\*
- Tropicana Aman mixed-development, Kota Kemuning, Shah Alam
- Tenby International School at Tropicana Aman, Kota Kemuning, Shah Alam

**PENANG, JOHOR AND SABAH DEVELOPMENTS****Residential**

- 10 Island Resort condominiums, Batu Ferringhi, Penang\*
- Aston Villa linked houses, semi-detached and shop offices, Bukit Mertajam, Penang
- Tropicana Landmark condominiums, Kota Kinabalu, Sabah
- Tropicana 218 Macalister integrated mixed-development, Penang

**Mixed-Use Development**

- Penang WorldCity mixed-development, Bayan Mutiara, Penang\*\*\*
- Tropicana Danga Bay mixed-development, Iskandar Malaysia, Johor\*\*\*\*
- Tropicana Danga Cove mixed-development, Iskandar Malaysia, Johor\*\*\*\*
- Tropicana Business Park commercial development, Iskandar Malaysia, Johor

**Note:**

\* Project Manager

\*\* Joint-venture project with Aliran Firasat Sdn Bhd

\*\*\* Joint-venture project with Ivory Properties Group Berhad

\*\*\*\* A joint-venture between Tropicana Corporation Berhad and Iskandar Waterfront Sdn Bhd

## CORPORATE STRUCTURE OF TROPICANA GROUP

### PROPERTY DEVELOPMENT, PROPERTY INVESTMENT, RECREATION AND RESORT OPERATIONS

**Advent Nexus Sdn Bhd 100%**

**Bakat Rampai Sdn Bhd 100%**

- ❖ Dicorp Land Sdn Bhd 100%
- ❖ Tropicana City Sdn Bhd 100%
  - Dicasa Management Services Sdn Bhd 100%
  - Tropicana City Management Sdn Bhd 100%
  - Tropicana Parking Sdn Bhd 100% (fka Tropicana City Parking Sdn Bhd)
  - Tropicana Kajang Hill Sdn Bhd 100%
- ❖ Tropicana Indah Realty Sdn Bhd 100%
  - Tropicana Indah Sdn Bhd 70%

**Daya Petaling Sdn Bhd 100%**

**Tropicana Aman Sdn Bhd 100%**

**(fka Sapphire Index Sdn Bhd)**

- ❖ Sapphire Step Sdn Bhd 100%

**Tropicana Bukit Bintang Development Sdn Bhd 100%**

**Tropicana Coliseum (Ipoh) Sdn Bhd 100%**

**Tropicana Cheras Sdn Bhd 100%**

**Tropicana Danga Bay Land Sdn Bhd 100%**

- ❖ Tropicana Danga Bay Sdn Bhd 60%
  - Tropicana Danga Bay Pte Ltd 100%
- ❖ Desiran Realiti Sdn Bhd 100%

**Tropicana Danga Cove Holding Sdn Bhd 100%**

- ❖ Tropicana Danga Cove Sdn Bhd 50%

**Tropicana Danga Lagoon Sdn Bhd 80%**

- ❖ Tropicana Lagoon Sdn Bhd 100%

**Tropicana Danga Senibong Holding Sdn Bhd 100%**

- ❖ Tropicana Danga Senibong Sdn Bhd 70%

**Tropicana Development (Johor Bahru) Sdn Bhd 100%**

**Tropicana Development (Penang) Sdn Bhd 100%**

- ❖ Tropicana Ivory Sdn Bhd 55%
  - Tropicana Ivory Realty Sdn Bhd 100%

**Tropicana Development (Sabah) Sdn Bhd 100%**

**Tropicana Golf & Country Resort Berhad 100%**

- ❖ Tropicana Desa Mentari Sdn Bhd 100%
- ❖ Tropicana Management Services Sdn Bhd 100%
- ❖ Tropicana Sungai Buloh Sdn Bhd 100%

**Tropicana Harapan Sdn Bhd 100%**

**Tropicana Jaya Sdn Bhd 100%**

**Tropicana Kemayan Development Sdn Bhd 100%**

**Tropicana KL Development Sdn Bhd 100%**

**Tropicana Lahad Datu Development Sdn Bhd 100%**

**Tropicana Land Sdn Bhd 100%**

**Tropicana Land (Sandakan) Sdn Bhd 100%**

**Tropicana Landmark Sdn Bhd 100%**

**Tropicana Lido Development Sdn Bhd 100%**

**Tropicana Macalister Avenue (Penang) Sdn Bhd 100%**

**Tropicana Metro Sdn Bhd 100%**

**Tropicana Metropark Sdn Bhd 100%**

- ❖ Noble Kinetic Sdn Bhd 100%
- ❖ Tropicana Paisley Sdn Bhd 100% (fka Cherry Boulevard Sdn Bhd)

**Tropicana Mentari Development Sdn Bhd 100%**

**Tropicana Plaza Sdn Bhd 100%**

**Tropicana Properties (Keningau) Sdn Bhd 100%**

**Tropicana Properties (Klang) Sdn Bhd 100%**

**Tropicana Properties (Sabah) Sdn Bhd 100%**

**Tropicana Properties (Sandakan) Sdn Bhd 100%**

**Tropicana Property Management Sdn Bhd 100%**

**Tropicana Rahang Development Sdn Bhd 100%**

**Tropicana Residences Sdn Bhd 100%**

**Tropicana Resort Holding Sdn Bhd 100%**

- ❖ Tropicana Danga Bay Resort Sdn Bhd 60%

**Tropicana Serdang Suria Sdn Bhd 100%**

**Tropicana Tawau Development Sdn Bhd 100%**

**Tropicana Wisma TT Sdn Bhd 100%**

### OTHER INVESTMENTS

**Arah Pelangi Sdn Bhd 100%**

**Kuasa Cekapmas Sdn Bhd 100%**

**Sumber Saujana Sdn Bhd 100%**

- ❖ Tropicana Saujana Sdn Bhd 100%

**Supreme Converge Sdn Bhd 100%**

- ❖ Agile Tropicana Development Sdn Bhd 30%

**Tropicana Building Materials Sdn Bhd 100%**

**Tropicana Credit & Leasing Sdn Bhd 100%**

**Tropicana Collections (MM2H) Sdn Bhd 100%**

**Tropicana Corporate Solutions Sdn Bhd 100%**

**Tropicana Development (Sg Besi) Sdn Bhd 100%**

**Tropicana Education Management Sdn Bhd 85%**

**Tropicana Global Development Sdn Bhd 100%**  
(fka Tropicana Properties Odeon Sdn Bhd)

**Tropicana Holding (Hong Kong) Limited 100%**

**Tropicana Innovative Landscape Sdn Bhd 100%**

**Tropicana Investment Consulting Pte Ltd 100%**

**Tropicana Jalan Selangor Development Sdn Bhd 100%**

**Tropicana Kia Peng Sdn Bhd 100%**

**Tropicana KK City Sdn Bhd 100%**

**Tropicana Lintas Development Sdn Bhd 100%**

**Tropicana Marketplace Sdn Bhd 100%**  
(fka Arena Influx Sdn Bhd)

**Tropicana Properties Ampang Sdn Bhd 100%**

**Tropicana Properties (Puchong) Sdn Bhd 100%**

**Tropicana Sadong Jaya Development Sdn Bhd 100%**

**Tropicana Senibong Sdn Bhd 100%**

**Tropicana Shared Services Sdn Bhd 100%**  
(fka Terbit Berkat Sdn Bhd)

**Tropicana SJII Education Management Sdn Bhd 51%**

**Tropicana Subang South Development Sdn Bhd 100%**

**Tropicana Technology Sdn Bhd 100%**

**Tropicana Urban Homes Sdn Bhd 49%**  
(fka Antara Tuah Sdn Bhd)

**Ultimate Support Sdn Bhd 100%**

Definition : "fka" – formerly known as  
As at 28 March 2017

## CORPORATE INFORMATION

## BOARD OF DIRECTORS

**Tan Sri Rastam Bin Mohd Isa**  
(Independent Non-Executive Chairman)

**Dillon Tan Yong Chin**  
(Executive Director)

**Datuk Michael Tang Vee Mun**  
(Independent Non-Executive Director)

**Dato' Yau Kok Seng**  
(Group Chief Executive Officer)

**Dion Tan Yong Chien**  
(Executive Director)

**Tan Sri Othman Bin Abd Razak**  
(Independent Non-Executive Director)

**Dato' Dickson Tan Yong Loong**  
(Deputy Group Chief Executive Officer)

**Dato' Gan Nyap Liou @  
Gan Nyap Liow**  
(Senior Independent Non-Executive Director)

**Mohd Najib Bin Abdul Aziz**  
(Independent Non-Executive Director)

**AUDIT COMMITTEE**

Mohd Najib Bin Abdul Aziz (Chairman)  
Datuk Michael Tang Vee Mun  
Dato' Gan Nyap Liou @ Gan Nyap Liow

**RISK MANAGEMENT COMMITTEE**

Datuk Michael Tang Vee Mun (Chairman)  
Mohd Najib Bin Abdul Aziz  
Dato' Yau Kok Seng  
Dato' Dickson Tan Yong Loong  
Dion Tan Yong Chien

**NOMINATION COMMITTEE**

Dato' Gan Nyap Liou  
@ Gan Nyap Liow (Chairman)  
Datuk Michael Tang Vee Mun  
Tan Sri Rastam Bin Mohd Isa

**REMUNERATION COMMITTEE**

Dato' Gan Nyap Liou  
@ Gan Nyap Liow (Chairman)  
Datuk Michael Tang Vee Mun  
Dato' Dickson Tan Yong Loong

**INVESTMENT COMMITTEE**

Datuk Michael Tang Vee Mun (Chairman)  
Dato' Gan Nyap Liou @ Gan Nyap Liow  
Dato' Yau Kok Seng  
Dato' Dickson Tan Yong Loong  
Dillon Tan Yong Chin  
Dion Tan Yong Chien

**PRICING COMMITTEE**

Dato' Gan Nyap Liou  
@ Gan Nyap Liow (Chairman)  
Datuk Michael Tang Vee Mun  
Dato' Yau Kok Seng  
Dato' Dickson Tan Yong Loong  
Dion Tan Yong Chien

**HEAD OFFICE**

Level 2, 7, 9, 10, 11 & 12  
Tropicana City Office Tower  
No. 3, Jalan SS 20/27  
47400 Petaling Jaya  
Selangor Darul Ehsan  
Malaysia  
Telephone: 03-7710 1018

**REGISTERED OFFICE**

Lot LG-A1, Lower Ground Floor  
Tropicana City Mall  
No. 3, Jalan SS 20/27  
47400 Petaling Jaya  
Selangor Darul Ehsan  
Malaysia  
Telephone: 03-7713 8288  
Facsimile: 03-7713 8228

**AUDITORS**

Ernst & Young  
Chartered Accountants  
Level 23A, Menara Milenium  
Jalan Damanlela  
Pusat Bandar Damansara  
50490 Kuala Lumpur  
Malaysia  
Telephone: 03-7495 8000  
Facsimile: 03-2095 5332

**SHARE REGISTRAR**

Symphony Share Registrars Sdn Bhd  
Level 6, Symphony House  
Pusat Dagangan Dana 1  
Jalan PJU 1A/46  
47301 Petaling Jaya  
Selangor Darul Ehsan  
Malaysia  
Telephone: 03-7841 8000  
Facsimile: 03-7841 8151/8152  
Helpdesk: 03-7849 0777

**COMPANY SECRETARY**

Teh Peng Peng (MAICSA 7021299)

**PRINCIPAL BANKERS**

Alliance Bank Malaysia Berhad  
AmBank (M) Berhad  
Affin Bank Berhad  
Bank of China (Malaysia) Berhad  
CIMB Bank Berhad  
Malayan Banking Berhad  
OCBC Bank (Malaysia) Berhad  
Public Bank Berhad  
RHB Bank Berhad  
Standard Chartered Bank Berhad  
HSBC Bank Malaysia Berhad

**WEBSITE**

[www.tropicanaacorp.com.my](http://www.tropicanaacorp.com.my)

**EMAIL**

[corpcomm@tropicanaacorp.com.my](mailto:corpcomm@tropicanaacorp.com.my)

**STOCK EXCHANGE LISTING**

Main Market  
Bursa Malaysia Securities Berhad  
Stock name: TROP  
Stock code: 5401

# TROPICANA IN THE NEWS

**2016 年度 产业风云人物大奖得主**

**丹斯里拿督陈志成**

副总理兼 创办人兼顾问

2016 马来西亚产业大奖

FRASER MALAYSIA 东方日报 Maybank

## Tropicana Corp launches online property bidding campaign

**REDEFINING THE ART OF BIDDING**

Tropicana Corp has launched an online property bidding campaign, allowing investors to bid on properties through a digital platform. The campaign is part of the company's efforts to modernize its sales process and reach a wider audience.

The online bidding platform, known as Tropicana Just Bid It, is available on the company's website. It allows investors to view properties, place bids, and track the progress of the bidding process in real-time.

The campaign is expected to generate significant interest from both local and international investors. Tropicana Corp is confident that this new platform will streamline the bidding process and provide a more transparent and efficient experience for all parties involved.

**Tropicana Aman 泛黄活动推广健康生活**

新打音文字 Tropicana Aman 泛黄活动推广健康生活。活动旨在推广健康生活，提高环保意识。参与者将有机会赢取丰厚奖品，并享受健康的生活方式。

活动内容包括：泛黄活动、健康生活推广、环保意识教育等。参与者可以通过参加各种活动，如骑行、徒步等，来推广健康生活。

活动将于近期在 Tropicana Aman 举行，欢迎各界人士踊跃参加。活动旨在通过实际行动，为社区带来积极的影响，并推动健康生活的普及。

**Tropicana, PanaHome meteteral kerjasama**

Tropicana Corp and PanaHome have entered into a strategic partnership to develop innovative eco-homes. This collaboration aims to combine the strengths of both companies to create sustainable living environments.

The partnership will focus on developing eco-friendly housing projects that incorporate green building practices and sustainable materials. The goal is to provide high-quality living spaces that are both environmentally friendly and economically viable.

This collaboration is a testament to the commitment of both companies to sustainable development and innovation in the real estate industry.

## Tropicana joins PanaHome to build innovative eco homes

Low home project in Tropicana Aman will involve GAN of KUALA, and group CEO.

The partnership between Tropicana Corp and PanaHome is a significant milestone in the development of eco-friendly housing. The project, located in Tropicana Aman, will showcase the latest in sustainable building technology and design.

The eco-homes will feature green roofs, solar panels, and other sustainable features designed to reduce environmental impact and lower living costs. The project is expected to set a new standard for eco-friendly housing in the region.

This collaboration demonstrates the commitment of both companies to creating a more sustainable and livable future for their communities.

41 Founder and adviser of Tropicana Corp and PanaHome have signed a joint declaration of intent to build innovative eco homes. The declaration outlines the shared vision and goals of the partnership.

The executives from both companies have committed to working together to develop sustainable housing solutions that meet the needs of the community while protecting the environment.

This joint declaration is a formal commitment to the partnership and the shared goal of building innovative eco-homes.

## JUST BID IT FOR 5 TROPICANA DREAM HOMES

From Tropicana Gardens, Tropicana Heights, Tropicana Aman and Tropicana Metropark - bid your lowest price at TropicanaJustBidIt.com

The online bidding campaign offers investors the opportunity to bid on five premium properties from Tropicana's portfolio. The properties are located in some of the most desirable areas of the region, offering excellent investment opportunities.

The bidding process is simple and secure, with all transactions handled through the Tropicana Just Bid It platform. Investors can view property details, place bids, and track the bidding process from the comfort of their homes.

This campaign is a great way for investors to acquire high-quality properties at competitive prices. Don't miss out on this unique opportunity.

## Tropicana set for stronger quarters

As it enters the value of its land bank in Klang Valley, northern region.

Tropicana Corp is well-positioned for a strong performance in the upcoming quarters. The company's land bank in the Klang Valley and northern region is a key asset that will drive its growth.

The company has a strong track record of successful development projects and a solid financial foundation. With its strategic focus on sustainable development and innovation, Tropicana is confident in its ability to achieve its goals.

Investors and stakeholders can expect a strong performance from Tropicana in the coming quarters, driven by its strategic initiatives and strong land bank.

**Tropicana The Residences and W Hotel**

The opening ceremony for Tropicana The Residences and W Hotel was a grand event, attended by many guests and officials. The ceremony marked the official launch of these two new developments.

Tropicana The Residences is a luxury residential project, while W Hotel is a high-end hotel. Both developments are located in prime locations and offer exceptional quality and service.

The opening ceremony was a testament to the success of the development process and the commitment of Tropicana to providing high-quality living and hospitality experiences.





ISKANDAR MALAYSIA

# TROPICANA DANGA COVE



ACRES  
**227**

Oasis 2 is Tropicana Danga Cove's second phase which strategically located close to numerous upcoming high rise residences and accessibility routes

## OUR STRATEGIC PERFORMANCE

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<b>32</b>	Financial Highlights & Insights
<b>34</b>	Value Added Statement
<b>35</b>	Investor Relations
<b>36</b>	Quality Assurance

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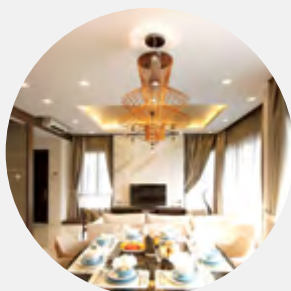
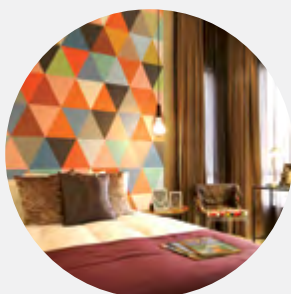


RESTORING THE NATURAL

# ecosystem

The transformation of Tropicana Heights in Kajang into a resort development further reinforces Tropicana's master planning expertise in restoring the natural ecosystem of the land. Once a 199-acre golf course, this development comprises a 16-acre Central Park with its very own 750-metre linear lake, tree-lined pedestrian walkways, commercial hubs and residential precincts that encourages the growth of strong community spirit amongst its residents. A key concept in the design of this development involved replanting the native tree species into the Central Park area, and greening the whole area with beautiful lush landscaping that provided pockets of recreation and relaxation sanctuaries for its residents.

**For more info, please log on to [www.tropicanaheights.com.my](http://www.tropicanaheights.com.my)**



KAJANG

# TROPICANA HEIGHTS



The 2-acre recreation hub is the home to life-enriching facilities such as swimming pool, gymnasium, tennis courts and a multi-purpose hall

ACRES

199

## MANAGEMENT DISCUSSION AND ANALYSIS



Over the past few years, Tropicana has focused on its transformation strategy to drive growth and deliver long-term shareholder value.



The first St Joseph's Institution International School Malaysia (Tropicana PJ Campus) located in Persiaran Tropicana

Over the past few years, Tropicana has focused on its transformation strategy to drive growth and deliver long-term shareholder value.

The Group continued to build its competitive advantage despite challenges on the economic front. On a macro level, the Malaysian economy continued to manage risks from heightened volatility in the local and global markets, higher construction costs and a weak ringgit throughout 2016. In addition to this, the property sector industry was faced with a more subdued market due to strict lending guidelines by financial institutions to curb household debt and speculative activities.

Regardless of these headwinds, Tropicana made progress on its transformation strategy, known as Redefining the Art of Living which was first introduced in 2013 to strengthen its property development portfolio. The strategy was introduced to realign its portfolios as the need for change was established in order to strengthen the Company. Key projects were introduced and executed, building the foundation for a stronger Company. Two years later, the Group accelerated on its strategy, improved its capabilities, delivered innovative and quality products. Meanwhile, the de-gearing efforts carried out also demonstrated positive impact on the Group's performance, following the disposal of non-strategic land banks.

Today, Tropicana's property development sector continues to be a key growth driver for the Group. The Group remained market-driven and adapted to market needs. To achieve this, several initiatives were introduced to strengthen the business, increase visibility and at the same time, instituted stronger platforms to adapt to changes in the market place, consumer sentiment and manage demand.

### Financial Performance

For the financial year ("FY") ended 31 December 2016, the Group reported a commendable revenue of RM1.46 billion, an increase of 16.8% compared to RM1.25 billion recorded in the previous year, due to higher work progress from the Group's on-going developments in the Klang Valley and Northern Region.

An one-off gain on disposals of properties and land of RM148.5 million reported in the preceding year caused the Group to record lower profit before tax ("PBT") of RM168.0 million and net profit of RM115.0 million in 2016. Excluding the aforementioned one-off gain of RM13.6 million in the current year as compared to RM148.5 million in the preceding year, the Group's PBT was higher by RM33.2 million.

For the year in review, the Group's financial position continued to be strong as its net gearing stood at 0.31X following business strategies to unlock the value of its land with the disposals of its properties and lands to realise gains, raise working capital and reduce the Group's bank borrowings. In addition, its financial costs were reduced by RM24.6 million while administration and other expenses also decreased marginally.

The Group's financial results reflected strong underlying performance across its business, and, most importantly, met all its major financial commitments with relatively low gearing and stronger bottom line.

Notwithstanding the challenges faced, the Group remained committed to deliver sustainable returns for its shareholders in 2016. On 24 February 2017, the Group paid an interim dividend of 2.5 sen per share and the Group also declared a second interim single tier dividend of 1.2 sen per share, which raised the total single tier dividend declared for FY2016 to 3.7 sen per share, a commendable return for its shareholders.

## MANAGEMENT DISCUSSION AND ANALYSIS

Tropicana Heights opened up their Central Park to host the mid-autumn festival celebration to members of the public



### Executing on Strategy

In realising Tropicana's transformation strategy, the Group believes that it is important to be constantly innovating to deliver valuable growth to its stakeholders and here, customers' interest was embedded at the heart of its business.

Besides Redefining the Art of Living through the creation of its integrated developments that incorporate residential and commercial components to bring about thriving townships that are strategically located, the Group also launched various customer-focused initiatives to meet their evolving demands.

### **Delivered Quality Customer Experience through Sharpened Brand and Product Portfolio**

The property sector is a very competitive market in Malaysia, as recent trends indicate that more and more home purchasers are from the younger segment of society. In fact, reports showed that Malaysia today has a large young population, and the largest share of this consist of the Gen-Y or Millennials who take up 10.8 million or 38.2% of the population.

Upon studying the market trends and customer feedback closely, the Group introduced a wide variety of offerings across its strategically located integrated developments to cater to this group of young, internet-savvy home owners.

To stay in the game, the Group revisited some of its practices in order to engage the younger generation, including putting in place clear online value propositions to drive traffic and activities. Throughout the year in review, the Group invested in delivering a seamless online experience for these customers with frequent updates on Tropicana's news, events, products and latest offerings via its corporate website and social media sites so that customers can find out practically everything there is to know about the Group - all done with only the click of a button and without having to go anywhere or speak to anyone. Tropicana's customers may even use their mobile devices to search for information at their fingertips via the Group's mobile application or its mobile-friendly corporate website, as well as sign up for alerts for new updates and events.

Tropicana also used various social media platforms such as Facebook and YouTube to strengthen its online presence and connect with this digitally-inclined generation. In 2016, the Group rolled out its annual signature digital campaign, "Just Bid It", the first online property bidding in Malaysia that allowed registrants to bid for five exclusive Tropicana properties. By going digital, the Group recorded the highest social engagement, with more than 170,000 views and emerged as the first developer to attain this while garnering a weekly page reach of over one million. The five winners were essentially home owners between the ages of 35 to 74, demonstrating Tropicana's ability reach out to a wider segment of potential homeowners.

These efforts clearly demonstrated Tropicana's ability to stay agile, adaptable and flexible to changing market trends and customer needs, current and future.

### **Established Stronger Go-to Market and Customer Experience**

The Group established a strong go-to-market and customer experience with the introduction of its sales points via 12 property galleries at its key integrated developments and townships nationwide. Aside from gaining information from Tropicana website on its properties, customers may now visit these galleries which provide greater convenience and easier access for insightful information on Tropicana's exclusive developments. These property galleries enabled the Group to extend its reach and improve customer experience as they also served as an important platform to showcase its integrated developments to customers.

## MANAGEMENT DISCUSSION AND ANALYSIS

**Transformation: Holistic Integrated Developments**

A series of new projects were launched across the Central and Northern Regions with encouraging response from the market as follows:

**PENANG WORLD CITY**  
-Tropicana Bay Residences (Tower F)-



Set to become the next pulse of Penang, the 102-acre Penang WorldCity (“PWC”) is an integrated waterfront development by Tropicana Group and Ivory Properties Group. Strategically located within Bayan Mutiara, PWC is located at the gateway of Penang Island, right off the iconic Penang Bridge. Working along the tagline of “For Penang, In Penang, By Penang”, this project aims to become an international gateway for foreign tourists and investors to Penang.

Tropicana Bay Residences is the first phase of PWC, comprising five 22-storey blocks and one 21-storey condominium tower housing units sized ranging between 400 sq ft to 1,945 sq ft. Launched in first half of 2016, Tower F comprises 65 studio units (400 sq ft each), 136 one plus one bedroom units (550 sq ft each) and 68 two plus one bedroom units (800 sq ft each).

**GDV OF TOWER F**  
**TOTAL OF 269 UNITS**

**RM178**  
**MILLION**

**205**  
**UNITS SOLD**

**TROPICANA AMAN**  
-Cheria Residences & Sinaria Shop Lots-



Tropicana Aman is situated next to the growing affluent neighbourhood of Kota Kemuning, Shah Alam. It encompasses 863 acres of idyllic setting that offers an array of facilities and features such as a generous 85-acre central linear park that comes with its own lake, a 7km vehicular free bike trail, jogging path and green spaces that draw people into a life of relaxation and peace. It also features a central community clubhouse and the Tenby International School.

Launched in the second half of 2016 were Cheria Residences, the third phase of its residential precinct and the Sinaria Shop Lots, the first commercial phase in Tropicana Aman. Cheria Residences offer innovative semi-detached homes with the latest Japanese technology, a built-in home network and security systems. Meanwhile, Sinaria Shop Lots consists of 152 units of investment grade shop offices that has the strategic mission to serve 30,000 over residences in the community.

**GDV OF CHERIA RESIDENCES**  
**TOTAL OF 272 UNITS**

**RM417**  
**MILLION**

**127**  
**UNITS SOLD**

**GDV OF SINARIA SHOP LOTS**  
**TOTAL OF 152 UNITS**

**RM296**  
**MILLION**

**23**  
**UNITS SOLD**

**TROPICANA GARDENS**  
-Dianthus Serviced Residences-



Set to be the new centre stage of Kota Damansara is Tropicana Gardens, an integrated development that features diverse components comprising high-rise residences, a designer office tower and a one million sq ft shopping mall, all interspersed with lush green landscapes. This 17-acre development is directly connected to the elevated Surian Mass Rapid Transit (MRT) station which is currently operational.

Launched in the second half of 2016, Dianthus, the final residential tower of this award-winning development offers low-density luxury living, with its diverse sets of layout plans that include one plus one bedroom units, two-bedroom units as well as three plus one bedroom units.

**GDV OF DIANTHUS SERVICED RESIDENCES**  
**TOTAL OF 271 UNITS**

**RM314**  
**MILLION**

**64**  
**UNITS SOLD**

## MANAGEMENT DISCUSSION AND ANALYSIS

**TROPICANA HEIGHTS**  
**-Ridgefield Residences-**


Tropicana Heights which encompasses 199 acres of freehold land in Kajang, replete with lush greenery, is anchored by a 16-acre Central Park with a 750 meter linear lake. Residents can enjoy tranquil living amidst nature with dedicated private community parks, seamless pedestrian walkways, including its very own recreational and commercial hub. The gated and guarded enclaves of each phase is complemented by beautiful landscaping and parkland views.

Ridgefield Residences, the third phase of Tropicana Heights was launched in the second half of 2016, offering spacious semi-detached homes and contemporary Park Villas.

**GDV OF RIDGEFIELD RESIDENCES**
**TOTAL OF 218 UNITS**
**RM235**  
**MILLION**
**72**  
**UNITS SOLD**
**TROPICANA METROPARK**  
**-Paisley Serviced Residences-**


The 88-acre Tropicana Metropark offers serviced residences, retail units, business suites, SOHOs, office towers, shopping mall and GEMS International School. This urban and vibrant development will be served by a network of highways, including a new RM106 million flyover that will directly link the development to the Federal Highway which will be ready by 2017. At the heart of this integrated project is a large green oasis that is essentially a 9.2 acre Central Park, which features a man-made lake, pedestrian promenade and an F&B strip for alfresco indulgence.

In 2016, Paisley Residences, the third residential phase was launched, offering serviced apartments that comprised of three different layout plans namely one plus one bedroom units, two-bedroom units and three plus one bedroom units with built-ups ranging between 601 sq ft and 1,491 sq ft.

**GDV OF PAISLEY SERVICED RESIDENCES**
**TOTAL OF 587 UNITS**
**RM474**  
**MILLION**
**85**  
**UNITS SOLD**

**2016 REVENUE**
**RM1.46**  
**BILLION**
**+**  
**8.1%**
**2015 REVENUE RM1.35 billion**

**THE GROUP'S POTENTIAL  
 GROSS DEVELOPMENT  
 VALUE IN EXCESS OF**
**RM50.0**  
**BILLION**
**For land banks in Southern,  
 Central and Northern Regions**

## MANAGEMENT DISCUSSION AND ANALYSIS

**ACHIEVED****TOTAL DEVELOPMENT  
PROPERTIES SALES**

**RM1.20**  
BILLION

for the financial year 2016



**The Group is expected to be on track to register positive earnings in 2017, backed by unbilled sales of RM2.54 billion, strategic approaches to unlock the value of 1,283 acres of prime land with potential GDV in excess of RM50.0 billion and a steady income stream from its property investment portfolio that include St Joseph's Institution International School Malaysia (Tropicana PJ Campus), GEMS International School, Tenby International School, as well as the introduction of a new mall and offices at Tropicana Gardens.**

These developments essentially encapsulate Tropicana's unique DNA, one that is built on the cornerstone of accessibility, connectivity, innovative concepts and designs, generous open spaces, amenities, facilities, multi-tiered security and quality.

For instance, Tropicana Gardens at Kota Damansara, is the first of its kind integrated development that is connected to four major highways, and served by the Surian Mass Rapid Transit. It comprises of high-rise residences and designer office blocks that will be located above a retail mall, all interspersed with lush green landscapes. It is poised to become the next pulse of Petaling Jaya and a central meeting hub for the surrounding communities.

Notwithstanding the challenging market conditions, the Group achieved total development properties sales of RM1.20 billion for the financial year 2016. The commendable sales performance resulted in the Group's unbilled sales reaching RM2.54 billion, anchored by encouraging demand for its developments within prime locations.

On that note, Tropicana also celebrated the topping-out ceremony of W Kuala Lumpur Hotel and The Residences at KLCC on 22 September 2016. Once completed in 2018, The Residences which has been categorised as a green building with resource and energy-efficient features, will be one of the most exclusive and luxurious properties within the Kuala Lumpur Golden Triangle.

The Group also believes in the importance of reaching out and ensuring quality education is provided to its customers, a key focal point in building holistic and vibrant townships. On 28 August 2016, the St Joseph's Institution International School Malaysia (Tropicana PJ Campus) began operations with more than 400 students enrolled. This campus would provide a source of new recurring income for the Group moving forward.

Similarly, two other schools, GEMS International School at Tropicana Metropark in Subang and Tenby International Schools at Tropicana Aman in Kota Kemuning are expected to open their doors in September 2017 and 2018 respectively.

***Unlocked the Value of its Land Banks, Improving Gearing Position and Strategic Partnerships***

In line with its transformation strategy to refocus on property development, Tropicana maintained its momentum by unlocking the value of its land banks, improved its gearing position and entered into strategic partnerships.

On the partnerships front, Tropicana entered into a strategic collaboration with PanaHome Malaysian Sdn Bhd, a local subsidiary of PanaHome Corporation in Japan, to fit intelligent Japanese construction technology and improve the lifestyle quality of the residents at Cheria Residences, the third phase of Tropicana Aman. With this partnership, homeowners of Cheria Residences will enjoy energy efficient and environmentally-friendly homes that have been built using quality building structures as well as equipped with smart home applications. This is a testament of Tropicana's commitment in building value-added lifestyle properties that reflect the growing aspirations of home purchasers across the country.

Suffice to say, 2016 was a year where Tropicana began to reap the benefits of its transformation strategy, slowly but surely. Despite tougher market conditions, Tropicana grew into a more defined brand that achieved higher brand awareness among the young consumers through strategic touch points, both physical and digitally, as well as well-thought through on-ground execution.

## MANAGEMENT DISCUSSION AND ANALYSIS



Topping-Out Ceremony For W Kuala Lumpur Hotel & The Residences (From Left): Ung Lay Ting, Executive Director of Marketing & Sales of Tropicana; Xin Xin, Deputy Project Director of MCC Overseas; Xu Yong Jie, Head of Overseas Division of China MCC; Dion Tan, Executive Director Of Tropicana; Dillon Tan, Executive Director of Tropicana; Daniel Teh, Group Managing Director of Tropicana, Dato' Yau Kok Seng, Group CEO of Tropicana; Zhang Zhao Xiang, Group CEO of China MCC; Wu Qing Yu, Managing Director of MCC Overseas Ltd; Zhang Xing Wu, Managing Director of China Third MCC Ltd and Robin Yang, Managing Director of MCC Overseas

## 2017 OUTLOOK

Through its transformation strategy, Redefining the Art of Living, Tropicana has redefined its growth parameters and emerged more resilient than before. The Group is today reinforcing its position as one of the top developers in Malaysia and a strong contributor to the country's growth and development.

Moving forward into 2017, prospects for the property sector is expected to remain challenging in the short-term. However, the Group believes that there will still be demand for landed properties and integrated developments in prime locations with accessibility to good amenities and attractive pricing.

More new projects are targeted to be launched in 2017 such as two new phases comprising semi-detached homes at Tropicana Aman and another phase of serviced residences at Tropicana Heights.

Tropicana's strategy will remain on being market driven and adaptable to market demand while at the same time, focused on unlocking value of its sizeable land bank in strategic locations in the Klang Valley, Northern and Southern Regions.

The Group is expected to be on track to register positive earnings in 2017, backed by unbilled sales of RM2.54 billion, strategic approaches to unlock the value of 1,283 acres of prime land with potential GDV in excess of RM50.0 billion and a steady income stream from its property investment portfolio that include St Joseph's Institution International School Malaysia (Tropicana PJ Campus), GEMS International School, Tenby International School, as well as the introduction of a new mall and offices at Tropicana Gardens.

The Group is confident that its relentless efforts in delivering exceptional value to its customers will set them apart from competitors, putting them in a stronger position for further growth in the year ahead.

## Protecting Shareholders Value

Tropicana remains committed towards protecting shareholders' value at all times. The Group believes that the challenges faced are not unassailable and the efforts put in by the Group over the last few years will ensure that it will continue to reward shareholders appropriately.

The journey that Tropicana has set for itself is a transformation over the long-term and the Group has thus far remained on track. While the Group concedes that it may have to make adjustments in mitigating its operational risks, the Group is well on its way to become a leading developer in the country.

## APPRECIATION

Tropicana is today among the leading property developers in the country and the Group continues to strive for performance excellence. The Group will continue to build on the momentum created and leverage on its early successes to make it a relevant source of value for all stakeholders, both internal and external.

On this note, I would like to thank the Board of Directors and my colleagues in the Management team for contributing their wise counsel and expertise in driving the Tropicana brand forward.

On behalf of Tropicana's Management, I would like to thank our stakeholders who have supported and collaborated with us to help making Tropicana what it is today. We would like to thank our staff who have worked tirelessly and with complete dedication to realise the vision that we have set for ourselves.

In 2017, I hope that we will continue to receive the support of our stakeholders as we embark on the final leg of our transformation into becoming a top property developer.

## DATO' YAU KOK SENG

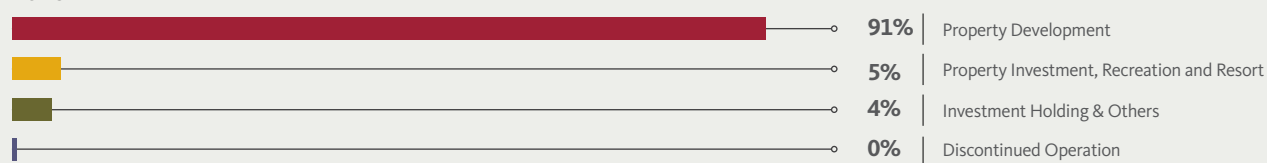
Group Chief Executive Officer

## PERFORMANCE AT A GLANCE

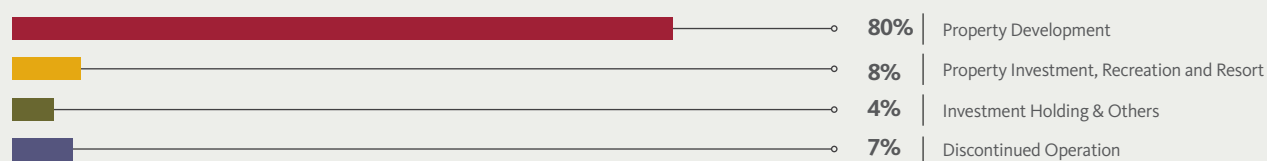
	2016 Segmental Revenue  RM'000	2015 Segmental Revenue  RM'000	2016 Segmental Operating Profits RM'000	2015 Segmental Operating Profits RM'000
Property Development	1,330,757	1,087,384	139,356	125,875
Property Investment, Recreation and Resort	74,338	111,447	31,721	151,524
Investment Holding and Others	54,310	53,883	(3,024)	(7,842)
Discontinued Operation	-	98,990	-	43,272
	<b>1,459,405</b>	<b>1,351,704</b>	<b>168,053</b>	<b>312,829</b>

SEGMENTAL  
REVENUE

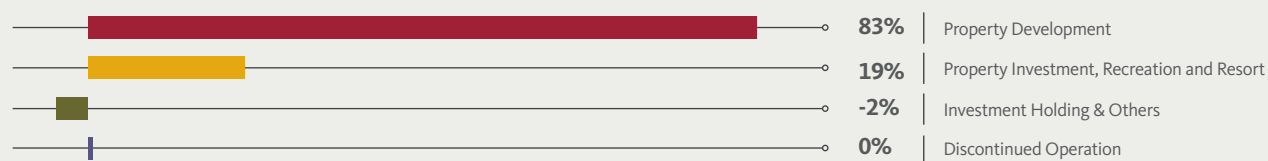
2016



2015

SEGMENTAL  
OPERATING  
PROFITS

2016

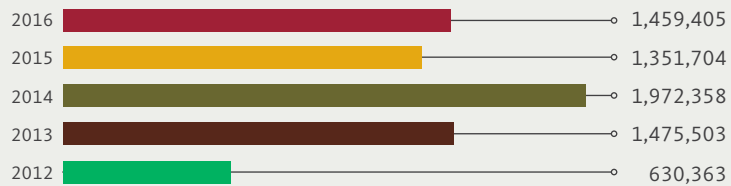
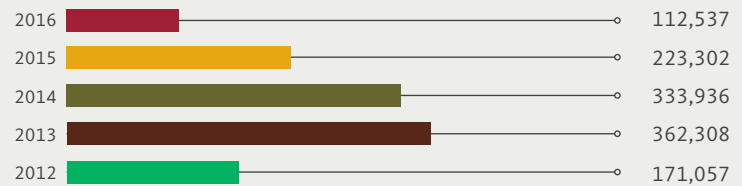
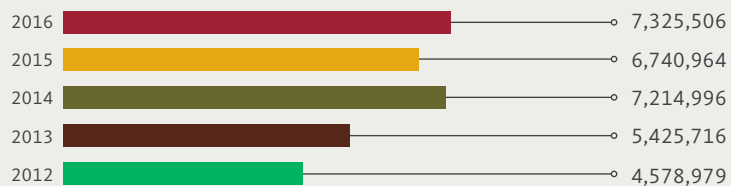
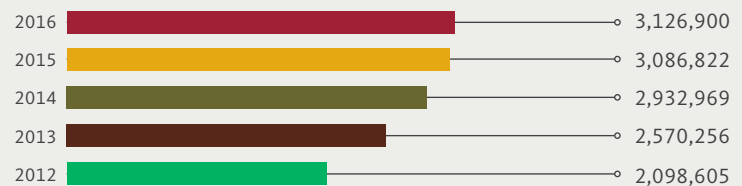
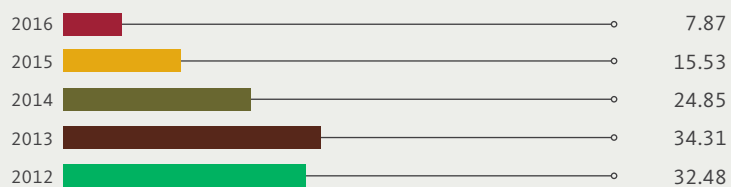
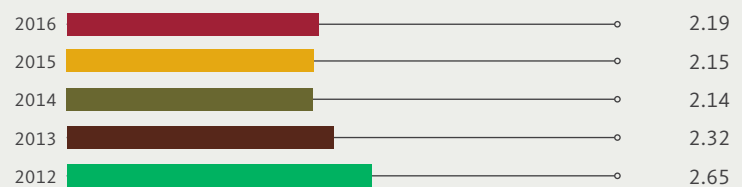


2015



## PERFORMANCE AT A GLANCE

Financial Years	2016	2015	2014	2013	2012
Revenue (RM'000)	<b>1,459,405</b>	1,351,704	1,972,358	1,475,503	630,363
Profit after tax and non-controlling interests (RM'000)	<b>112,537</b>	223,302	333,936	362,308	171,057
Total assets (RM'000)	<b>7,325,506</b>	6,740,964	7,214,996	5,425,716	4,578,979
Shareholders' equity (RM'000)	<b>3,126,900</b>	3,086,822	2,932,969	2,570,256	2,098,605
Basic earnings per share (sen)	<b>7.87</b>	15.53	24.85	34.31	32.48
Net assets per share (RM)	<b>2.19</b>	2.15	2.14	2.32	2.65

REVENUE  
(RM'000)PROFIT AFTER TAX AND NON-CONTROLLING INTERESTS  
(RM'000)TOTAL ASSETS  
(RM'000)SHAREHOLDERS' EQUITY  
(RM'000)BASIC EARNINGS PER SHARE  
(SEN)NET ASSETS PER SHARE  
(RM)

## FINANCIAL HIGHLIGHTS & INSIGHTS

### Key Financial Highlights for Financial Year Ended 31 December 2016

- Total sales RM1.20 billion and high unbilled sales of RM2.54 billion
- Net gearing slightly increased from 0.30x (2015) to 0.31x (2016)
- Second interim single tier dividend of 1.2 sen per share, raising total single tier dividend in FY16 to 3.7 sen per share

### Group Financial Review

RM'000	2016	2015
<b>Continuing operations:</b>		
Revenue	<b>1,459,405</b>	1,252,714
Profit before tax ("PBT")	<b>168,053</b>	269,557
<b>Profit, net of tax from discontinued operation</b>	-	39,677
<b>Profit attributable to owners of the parent ("PATMI")</b>	<b>112,537</b>	223,302

### A. CONTINUING OPERATIONS

The Group achieved total development properties sales of RM1.20 billion for the financial year ("FY") 2016, the strong sales performance has sustained the Group's unbilled sales at RM2.54 billion, placing it in a comfortable position to deliver sustainable earnings performance in the current financial year.

The Group's revenue in FY ended 31 December 2016 stood at RM1.46 billion compared to RM1.25 billion in FY2015. The performance was in line with expectations with revenue contribution driven by steady construction progress from the Group's on-going developments.

For the year in review, the Group's PBT decreased to RM168.0 million from RM269.6 million in FY2015, whilst net profit attributable to shareholders in FY2016 was RM112.5 million compared to RM223.3 million in FY2015. The lower PBT was mainly due to lower gains from land sales (2016: Nil; 2015: RM22.4 million) and lower gains from disposal of investment properties (2016: Nil; 2015: RM126.0 million) which was mitigated by higher gain on disposal from asset classified as held for sales (2016: RM13.6 million; 2015: Nil). Excluding the impact on the above gains, the Group's PBT performance in FY2016 was higher by RM33.2 million.

The Group's PATMI was contributed by strong performance in the Property Development segment of our on-going development projects. Tropicana declared a second interim single tier dividend of 1.2 sen per share, which raised the total single tier dividend declared for the FY ended 2016 to 3.7 sen per share, translating to a dividend yield of 3.7% (based on Tropicana share price of RM1.00 per share).

In FY2016, Tropicana's developments in the Central region continue to draw healthy interest. New launches such as Cheria Residences, the third phase of the residential precinct at the 863-acre Tropicana Aman, Kota Kemuning and Ridgefield Residences, the third residential phase at Tropicana Heights, Kajang both attracted good take up rates of 54% and 43% respectively from buyers. While the sky-scrapping 55-floors of The Residences at the heart of Kuala Lumpur's city centre recorded impressive take up rate of 80%.

With an unbilled sales of RM2.54 billion and strategic approaches to unlock the value of 1,283 acres of prime land with potential gross development value in excess of RM50.0 billion, the Group is expected to be on track to register positive earnings in FY17.

In FY17, Tropicana's strategy will remain to be market driven and adapted to market demand while focusing on unlocking value of its sizeable land bank in strategic locations in Klang Valley, Northern and Southern Regions. Coupled with the Group relentless efforts in delivering exceptional values to its customers and convincing track record, Tropicana remains well positioned on delivering sustainable growth.

### Detailed analysis of the various business segments is as follows:

#### PROPERTY DEVELOPMENT

The Group's revenue from property development segment increased by 22.4% or RM243.3 million to RM1,330.8 million from RM1,087.4 million in FY15. The segment operating profit was higher by 10.6% or RM13.4 million to RM139.3 million from RM125.9 million in FY15. The higher performance was contributed by higher profit recognitions across key projects within the Klang Valley such as Tropicana Gardens in Kota Damansara, Tropicana Aman in Kota Kemuning, The Residence at KLCC, and Tropicana Metropark in Subang.

## FINANCIAL HIGHLIGHTS &amp; INSIGHTS

**PROPERTY INVESTMENT, RECREATION AND RESORT**

The Group's revenue from Property Investment, Recreation and Resort segment recorded at RM74.3 million as compared to RM111.4 million in FY15, decreased by RM37.1 million or 33.3%. The segmental profit was lower by 79.1% to RM31.7 million compared to RM151.5 million in FY15. The lower segmental profit was attributed to gain from various disposal of properties of RM13.6 million during the financial year in review as compared to RM126.0 million registered in the preceding financial year.

Overall, the earnings from this segment continue to remain at sustainable levels through recurring incomes of its investment properties.

**INVESTMENT HOLDINGS & OTHERS**

The Group's revenue from this segment recorded at RM54.3million in FY16 as compared to RM53.9 million in FY15; increased by RM0.4 million or 0.8%. The earnings from this segment continue to remain at sustainable levels which are contributed by a few subsidiaries namely Tropicana Building Materials Sdn. Bhd. and Tropicana Innovative Landscape Sdn. Bhd.

As a result, the segmental loss of RM3.0 million in FY16 has improved by 61.5% or RM4.8 million when compared with FY15. Mainly contributed by the above and also higher share of profits from Joint-Venture.

**B. DISCONTINUED OPERATION**

In FY2015, the Group disposed of a 73% owned subsidiary, namely Tenaga Kimia Sdn Bhd and its group of companies. The Group's profits from this discontinued operation recorded at RM39.7 million in FY2015. Included in the profit was the gain of disposal of RM27.5 million.

**Group Capital Structure**

RM'000	2016	2015
Shareholders' Fund	3,126,900	3,086,822
Gross Borrowings	1,813,264	1,753,442
Cash	841,265	837,493
Net Borrowings	971,999	915,949
Gross Gearing Ratio	0.58	0.57
Net Gearing Ratio	0.31	0.30
Net Assets Per Share (RM)	2.19	2.15

The shareholders' equity of the Group improved by 1.3% or RM40.1 million to RM3,126.9 million as at 31 December 2016. The improvement was mainly due to better operational performance and higher retention of the current profit.

The Group's financial position has strengthened considerably, with net gearing at the end of 31 December 2016 slightly increased to 0.31 times, as compared to 0.30 times registered as at the end of 31 December 2015.

## VALUE ADDED STATEMENT

	2016 RM'000	2015 RM'000
<b>Value Added</b>		
Total turnover	1,459,405	1,351,704
Purchases of goods and services	(1,182,230)	(864,510)
<b>Value Added by the Group</b>	277,175	487,194
Share of results in associate	(2,184)	(17)
Share of results in joint ventures	43,854	19,616
<b>Total Value Added</b>	318,845	506,793
Reconciliation :		
Profit for the financial year	112,537	223,302
Add : Depreciation and amortisation	26,448	28,268
Finance costs	40,447	65,341
Salaries and other staff costs	83,897	100,355
Taxation	53,052	64,348
Non-controlling interests	2,464	25,179
<b>Total Value Added</b>	318,845	506,793
<b>VALUE DISTRIBUTED</b>		
<b>Employees</b>		
Salaries and other staff costs	83,897	100,355
<b>Government</b>		
Corporate taxation	53,052	64,348
<b>Providers of capital</b>		
Dividends	64,292	90,320
Finance costs	40,447	65,005
Non-controlling interests	2,464	25,179
<b>Reinvestment and growth</b>		
Depreciation and amortisation	26,448	28,268
Income retained by the Group	48,245	133,318
<b>Total Distributed</b>	318,845	506,793

## INVESTOR RELATIONS

Dato' Yau Kok Seng, Group CEO of Tropicana engaging with analyst and investors to strengthen Tropicana ties with the investing community



### Constructive Conversations that Matter

Engaging and conducting constructive conversations with our stakeholders is at the core of our commitment to being a responsible company. We strive to create value for all our stakeholders and shareholders, both for the short and long-term.

In order to measure progress and achieve this, constructive conversations that focus on Tropicana's values, best practices, transformation strategy, performance goals and long term growth were conducted with stakeholders as it allowed Tropicana to build and sustain market confidence. These sessions helped us make informed decisions, strengthen our relationships and ensure we delivered on our commitments, both financial and non-financial. The opinions and feedback of our stakeholders are very important to us.

As such, we worked in partnership with the investing community, who consisted mainly of existing and potential shareholders, employees, customers and analysts, by providing them with timely, transparent, accurate and open communication on our business performance.

In nurturing our relationship with the investing community, we kept them informed and updated on our strategies, activities and performance via a well-planned Investor Relations programme. The Investor Relations team does this via constructive conversations and effective dialogues that allows us to listen, obtain as well as interpret feedback and understand different point-of-views that is vital to the growth of our business.

These effective engagements were conducted via briefings, one-on-one meetings, investor-related events and media presentations. During the year under review, the events involving face to face briefings include the 2nd Quarter 2016 Analyst Group Meeting dated 25th August 2016 and the 4th Quarter 2016 Analyst Group Meeting dated 15th March 2017. In addition, our AGM which was held on the 26th May 2016 gave us the platform to update our shareholders on our performance progress.

Tropicana also has an Investor Relations site on our corporate website that acts as an additional communication platform for stakeholders, shareholders and the general public to obtain information about us. The site encompasses the Group's annual reports, disclosures to Bursa Malaysia, share information, financial results and more. This is to ensure that our stakeholders and shareholders are able to make a fair, balanced and informed assessment on the Group's position and prospects.

Tropicana continues to be a member of the Malaysian Investor Relations Association (MIRA) as this keeps us informed on industry best practices and builds relationships with the community.

**Analysts, current and potential investors who have any questions or would like to provide feedback on the Company are encouraged to contact our IR Team:**

Contact Person:

**Foong Pek San**

Email:

**ir@tropicanacorp.com.my**

Tel:

**03-7710 1018**

Fax:

**03-7725 5392**

We will respond to all received questions, promptly. For latest updates on the Company, shareholders and interested parties are also encouraged to access the Tropicana corporate website at **www.tropicanacorp.com.my** as well as through the Bursa Malaysia Securities website, **www.bursamalaysia.com**

## QUALITY ASSURANCE

At Tropicana, our quality commitment has been brought to life by the relentless efforts we demonstrate in delivering high quality product to our customer, strengthening our quality commitment, upholding fine workmanship standards in every construction processes and advocate the strong quality culture amongst our people and associates.

Evolving amongst the premier master builders in this nation, Tropicana had been consciously working in sync with the pulse and expectation of market towards delivering commendable products. This is reflected thru our operating policy to place all our medium to high-end development projects within the Group to be assessed by the internationally recognised Construction Quality Assessment System (CONQUAS). The CONQUAS score on our projects are used as a yardstick to benchmark against competitor and advocate progress of our quality journey.

We fully understand that a sustainable quality culture is not just about propaganda of our achievements, it is more meaningful with proactive engagement with the employees and our business associates. Their awareness, believe, alignment and passion towards “Built-in Quality” in every aspects of their works remain fundamental to the quality culture Tropicana envision forwards.

Thus, we recognise the importance of growing the capabilities of our contractors through a series of self-driven Quality Benchmark Training (QBT) session which challenges the workmanship of our contractors up to the next level. Through this process of share, unlearn and re-learning, we align and strengthen our construction team with good industry practices which aligned across our development projects.

Tropicana’s owned a culture to systematically drawn customer feedback and assessed our products and services quality thru our Customer Satisfaction Survey (CSS) upon project vacant possession. Year 2016 is definitely a busy yet rewarding year for Tropicana, we take great pride that 87% and 88% of the survey respondents/ customers from Tropicana Fairfield and Tropicana Avenue respectively said “YES” to express their satisfaction in our products and services.

We valued every constructive feedback from our customers thru CSS on the 5 key perspectives as shown below. We consistently take serious efforts to challenge our team and associates to meet higher expectation in every opportunities.



At Tropicana, leadership by example to consistently communicate on quality commitment and customer satisfaction in our business are essential to nurture and strengthen

a corporate culture which promote the high quality standard of work performance. This was made possible through the relentless efforts and initiatives by our strong leadership team, supported by key personnel together with the commitment from all levels of staff in our organisation. We believed “Quality is a shared commitment”.

ARE YOU SATISFIED IN OUR PRODUCTS/SERVICES?

**88%**  
**SAID “YES”**

RESPONDENTS/CUSTOMERS  
FROM TROPICANA AVENUE



Tropicana Avenue, Persiaran Tropicana



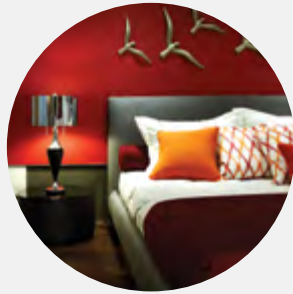
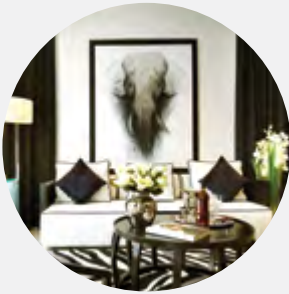


CREATING VIBRANT

# communities

Tropicana Metropark is an abbreviation for “Metropolitan living in the park”, has set a new standard in the seamless living space concept that is ideal for the younger consumers. This vibrant and thriving community was formerly an 88-acre industrial site. Today, this resort gateway for city dwellers boasts residences, business spaces, a retail boulevard, the GEMS International School, medical amenities, recreational areas and even its own flyover that links directly to the Federal Highway – all anchored around its iconic 9.2 acre Central Park that comes complete with a man-made self-sustaining lake. Tropicana Metropark has captured the essence of placemaking – a development that encapsulates the unique culture and qualities of the area as well as the needs of the community with the creation of homes that comes complete with sprawling green areas for residents to interact and lead a vibrant lifestyle.

**For more info, please log on to [www.tropicanametropark.com.my](http://www.tropicanametropark.com.my)**



SUBANG

# TROPICANA METROPARK



Connectivity to Tropicana Metropark is a breeze with the direct highway link to the Federal Highway

ACRES

88

## FOUNDER & ADVISOR'S PROFILE

### TAN SRI DATO' TAN CHEE SING

Age	Founder & Advisor of Tropicana Corporation Berhad Group
62	MALAYSIAN



Tan Sri Dato' Tan Chee Sing, a Malaysian, male, aged 62, is the Founder and Advisor of Tropicana Corporation Berhad ("**Tropicana**") Group. He was appointed to the Board of Tropicana on 5 July 1995. On 7 January 2013, he relinquished from his position as the Group Chief Executive Officer and was re-designated as the Group Executive Vice Chairman of Tropicana. He resigned as the Group Executive Vice Chairman and Director of Tropicana on 18 June 2015.

Tan Sri Dato' Tan is a businessman and entrepreneur having a wide spectrum of businesses with extensive experience in property development, resort management, restaurants and leisure through his investments in public and private limited corporations.

He is currently the Group Executive Vice Chairman of Tropicana Golf & Country Resort Berhad (a wholly-owned subsidiary of Tropicana), the Chairman of Sports Toto Malaysia Sdn Bhd and the Deputy Chairman of the Tropicana Foundation.

## DIRECTORS' PROFILE

## TAN SRI RASTAM BIN MOHD ISA

Age	Independent Non-Executive Chairman	Member since
66	MALAYSIAN	25 April 2014



Tan Sri Rastam Bin Mohd Isa, a Malaysian, male, aged 66, was appointed to the Board of Directors with the designation Independent Non-Executive Chairman of the Board on 25 April 2014. He is also member of the Nomination Committee.

Tan Sri Rastam obtained his Bachelor of Social Science Degree from Universiti Sains Malaysia in 1974 and a Certificate in Diplomacy from the University of Oxford in 1977. He also obtained a Master of Arts Degree in International Relations and Strategic Studies from the University of Lancaster in 1986.

Tan Sri Rastam began his career in the Malaysian Administrative and Diplomatic Service in 1974. He was appointed as High Commissioner of Malaysia to Pakistan in October 1994. In November 1996, he became the first Malaysian Ambassador to Bosnia Herzegovina, resident in Sarajevo. He was posted to New York as Ambassador and Deputy Permanent Representative to the United Nations in May 1998. From September 1999 to March 2003, Tan Sri Rastam assumed the post of Malaysian Ambassador to the Republic of Indonesia. He returned to New York and

served as Malaysia's Permanent Representative to the United Nations from March 2003 to August 2005. He served as Deputy Secretary General at the Ministry of Foreign Affairs, Malaysia before being appointed as Secretary General. Tan Sri Rastam served as the Secretary General of the Ministry of Foreign Affairs, Malaysia from 8 January 2006 to 2 September 2010.

Tan Sri Rastam served as an Advisor to the Chief Minister's Department, Sarawak from November 2010 to December 2013. He was appointed as the Chief Executive of the Institute of Strategic and International Studies (ISIS) Malaysia on 1 January 2014 and on 9 January 2015, he was appointed Chairman and Chief Executive of ISIS Malaysia.

He is an Independent Non-Executive Director of Eversendai Corporation Berhad and Batu Kawan Berhad as well as the Chairman of the Board of Trustees of the Tropicana Foundation.

Tan Sri Rastam does not have any family relationship with any Directors and/or major shareholders of Tropicana, nor any conflict of interest with Tropicana.

## DIRECTORS' PROFILE

**DATO' YAU KOK SENG**

Group Chief Executive Officer

Dato' Yau Kok Seng, a Malaysian, male, aged 58, was appointed as a Director and the Group Chief Executive Officer of Tropicana on 7 January 2013. He is a member of the Risk Management Committee, Investment Committee and Pricing Committee.

Dato' Yau is a Chartered Accountant and a member of the Malaysian Institute of Accountants and the Malaysian Institute of Certified Public Accountants. He has more than 30 years of experience in auditing, corporate finance and general management in which he has held various positions including senior management positions in various companies in the Sunway Group. Dato' Yau started his career with Ernst & Young from 1980 to 1992 before joining the Sunway Group as Head of Corporate Finance in 1992. He was promoted to Group Finance Director in 1995 and subsequently as the Managing Director of Sunway Holdings Berhad in April 2001.

Dato' Yau was the Group Managing Director of Hong Leong Industries Berhad from September 2011 to December 2012. He joined Tropicana as the Group Chief Executive Officer on 7 January 2013.

Dato' Yau is a Director and an Executive Committee member of the Federation of Public Listed Companies Berhad. He is also the Group Chief Executive Officer of Tropicana Golf & Country Resort Berhad, a wholly-owned subsidiary of Tropicana, and a member of the Board of Trustees of the Tropicana Foundation.

Dato' Yau does not have any family relationship with any Directors and/or major shareholders of Tropicana, nor any conflict of interest with Tropicana.

**DATO' DICKSON TAN YONG LOONG**

Deputy Group Chief Executive Officer

Dato' Dickson Tan Yong Loong, a Malaysian, male, aged 36, was appointed to the Board of Tropicana on 20 May 2009. He is currently the Deputy Group Chief Executive Officer of Tropicana. He is a member of the Investment Committee, Risk Management Committee, Pricing Committee and Remuneration Committee of Tropicana.

Dato' Dickson Tan graduated with a Bachelor of Science (Honours) in Business Management from King's College, University of London, United Kingdom in 2002. He obtained a Master of Science in Internal Auditing and Management from Cass Business School, City University, United Kingdom in 2003.

He joined Tropicana as Business Development Manager in 2005 and has been promoted to several senior management positions prior to his current position. He presently oversees the corporate strategy, marketing, planning and risk management of the Tropicana Group.

He serves on the board of Berjaya Sports Toto Berhad, Tropicana Golf & Country Resort Berhad (a wholly-owned subsidiary of Tropicana) and several other local and international private limited companies involved in investment holding, services, media, leisure and retail. Dato' Dickson Tan was a Non-Independent Non-Executive Director of Berjaya Corporation Berhad and Berjaya Land Berhad from 2011 to 2016, and of Berjaya Assets Berhad from 2012 to 2016.

Dato' Dickson Tan is affiliated with certain non-profit organisations, including as the Deputy Chairman of the Tropicana Foundation, a member of the Kuala Lumpur Business Club and a member of the Malaysian Institute of Management.

His father, Tan Sri Dato' Tan Chee Sing, is the Founder & Advisor and a major shareholder of Tropicana. His brothers, Mr Dillon Tan Yong Chin and Mr Dion Tan Yong Chien, are Executive Directors of Tropicana. Save as disclosed, he does not have any family relationship with any other Directors and/or major shareholders of Tropicana, nor any conflict of interest with Tropicana.

## DIRECTORS' PROFILE

**DILLON TAN YONG CHIN***Executive Director*

Mr Dillon Tan Yong Chin, a Malaysian, male, aged 34, was appointed to the Board of Tropicana as an Executive Director on 21 May 2013. He is a member of the Investment Committee.

Mr Dillon Tan graduated with a Bachelor of Science (Honours) in Business Management from King's College, University of London, United Kingdom in 2004. He obtained a Master of Science in Information Security from Royal Holloway, University of London, United Kingdom in 2005.

Mr Dillon Tan has been involved in the property and hospitality sector since 2006 and was based in Ho Chi Minh, Vietnam from 2009 to 2013. He returned to Malaysia for residence in 2013.

He sits on the Board of Tropicana Golf & Country Resort Berhad (a wholly-owned subsidiary of Tropicana) as well as several private limited companies locally and in Vietnam.

His father, Tan Sri Dato' Tan Chee Sing, is the Founder & Advisor and a major shareholder of Tropicana. His brothers, Dato' Dickson Tan Yong Loong and Mr Dion Tan Yong Chien, are the Deputy Group Chief Executive Officer and an Executive Director of Tropicana respectively. Save as disclosed, he does not have any family relationship with any other Directors and/or major shareholders of Tropicana, nor any conflict of interest with Tropicana.

**DION TAN YONG CHIEN***Executive Director*

Mr Dion Tan Yong Chien, a Malaysian, male, aged 27, was appointed to the Board of Tropicana as an Executive Director on 18 June 2015. He is a member of the Investment Committee, Risk Management Committee, Pricing Committee and Remuneration Committee of Tropicana.

Mr Dion Tan graduated with a Bachelor of Science in Information Management for Business from University College London, United Kingdom in 2011. He obtained a Master of Science in Management with Information Systems and Innovation from London School of Economics, United Kingdom in 2012.

Mr Dion Tan was with Accenture, a global management and technology consulting firm, as a strategy consultant with experience in telecommunications, media and property sector.

He sits on the Board of Tropicana Golf & Country Resort Berhad (a wholly-owned subsidiary of Tropicana) as well as several private limited companies locally.

His father, Tan Sri Dato' Tan Chee Sing, is the Founder & Advisor and major shareholder of Tropicana. His brothers, Dato' Dickson Tan Yong Loong and Mr Dillon Tan Yong Chin, are the Deputy Group Chief Executive Officer and an Executive Director of Tropicana respectively. Save as disclosed, he does not have any family relationship with any other Directors and/or major shareholders of Tropicana, nor any conflict of interest with Tropicana.

## DIRECTORS' PROFILE

**DATO' GAN NYAP LIOU @ GAN NYAP LIOW**

Senior Independent Non-Executive Director

Dato' Gan Nyap Liou @ Gan Nyap Liow, a Malaysian, male, aged 63, was appointed to the Board of Tropicana as an Independent Non-Executive Director on 1 August 2013. On 18 June 2015, he was appointed as the Senior Independent Non-Executive Director of Tropicana. He is the Chairman of the Nomination Committee, Remuneration Committee and Pricing Committee and a member of the Audit Committee and Investment Committee.

Dato' Gan is a Certified Management Consultant and Chartered Accountant.

Dato' Gan was with Accenture, a global management and technology consulting firm for 26 years until his retirement in December 2004. He was a worldwide partner for 16 years and held many global leadership positions including Managing Director of Asia and member of the Global Management Council from 1997 to 2004.

Dato' Gan had served as the Chairman of the Association of Computer Industry Malaysia (PIKOM) and was a member of the Ministry of Science and Technology Think Tank, Copyright Tribunal and the Labuan International Financial Exchange Committee.

He is the Chairman of Cuscapi Berhad and Rev Asia Berhad, and a Board member of Saujana Resort (M) Berhad. He is also an Independent Non-Executive Director of the Minority Shareholder Watchdog Group and Director of the British Malaysian Chamber of Commerce.

Dato' Gan does not have any family relationship with any Directors and/or major shareholders of Tropicana, nor any conflict of interest with Tropicana.

**DATUK MICHAEL TANG VEE MUN**

Independent Non-Executive Director

Datuk Michael Tang Vee Mun, a Malaysian, male, aged 44, was appointed to the Board of Tropicana on 13 November 2009. He is the Chairman of the Risk Management Committee and the Investment Committee. He is also a member of Audit Committee, Nomination Committee, Remuneration Committee and Pricing Committee.

He is the principal of Mettiz Capital Limited, an investment and advisory firm with particular focus on private equity and alternative investments.

Datuk Michael Tang has significant experience in corporate and financial matters spanning across various asset classes including real estate, natural resources, energy and manufacturing. He commenced his career as a legal practitioner and was previously a partner of one of the oldest and largest law firms in Malaysia.

He sits on the boards of several companies where he contributes time to their businesses with the objective of achieving strategic and corporate improvements.

Beyond the business sphere, he is a founding trustee of 1Malaysia Community Alliance Foundation, a charitable entity dedicated to crisis relief and community services.

Datuk Michael Tang graduated with a Bachelor of Laws (Honours) Degree from the London School of Economics and Political Science, University of London and was admitted as a Barrister-at-Law of the Honourable Society of Lincoln's Inn, London.

Datuk Michael Tang does not have any family relationship with any Directors and/or major shareholders of Tropicana, nor any conflict of interest with Tropicana.

## DIRECTORS' PROFILE

**TAN SRI OTHMAN BIN ABD RAZAK**

Independent Non-Executive Director

Tan Sri Othman Bin Abd Razak, a Malaysian, male, aged 68, was appointed as an Independent Non-Executive Director of Tropicana on 18 April 2016.

Tan Sri Othman graduated with a Bachelor of Arts (Honours) Degree in History/International Relations from the University of Malaya in 1972. He obtained a Certificate in International Security and Defence from the Royal College of Defence Studies, United Kingdom in 1996.

Tan Sri Othman began his career in the Malaysian Administrative and Diplomatic Service in 1972. He served in various capacity in the Malaysian foreign missions in Asia, Europe and the Middle East. Before his retirement, he served as the Director General in the Prime Minister Department from 2002 to 2006.

Upon his retirement in 2006, Tan Sri Othman served as an advisor to the Prime Minister of Malaysia. In this capacity, he was the Malaysian Government Chief Facilitator in the Peace Process between the Government of the Philippines and Moro Islamic Liberation Front (GRP-MILF) until 2010. During his tenure, he attended several forums and discourses in conflict resolutions, peace mediation and peacekeeping in Europe and the Middle East.

He also initiated several contacts between the Thai authorities and the Patani Separatist Movements with support from The Organisation of Islamic Conference and international non-governmental organisations in an attempt to bring peace to the conflict in South Thailand.

To date, Tan Sri Othman continues to serve as an advisor to the Prime Minister of Malaysia.

Tan Sri Othman was an Independent Non-Executive Director and an Audit Committee member of Keretapi Tanah Melayu Berhad from 2006 to 2010. He was also a Director of Kumpulan Ikram Sdn Bhd, a wholly-subsiary of Protasco Berhad, from 2006 to 2007.

Tan Sri Othman does not hold any directorship in public companies.

Tan Sri Othman does not have any family relationship with any Directors and/or major shareholders of Tropicana, nor any conflict of interest with Tropicana.

**MOHD NAJIB BIN ABDUL AZIZ**

Independent Non-Executive Director

Mr Mohd Najib Bin Abdul Aziz, a Malaysian, male, aged 44, was appointed to the Board of Tropicana on 13 July 2016. He is the Chairman of the Audit Committee and a member of the Risk Management Committee of Tropicana.

He is an accountant by profession and graduated with a Bachelor of Commerce (Accounting) Degree from the University of New South Wales, Australia. He is a member of the Institute of Chartered Accountants in Australia (ICAA) as well as a member of the Malaysian Institute of Accountants (MIA).

Mr Mohd Najib was the Assistant Manager of Global Corporate Finance in Arthur Andersen & Co. and had held the position of Senior Consultant with the Corporate Recovery Division of KPMG for three years in Perth, Western Australia. He was previously an Independent Non-Executive Director of Kumpulan Jetson Berhad, ECM-Avenue Securities Sdn Bhd and Alam Flora Sdn Bhd.

Mr Mohd Najib is currently an Independent Non-Executive Director of Bina Puri Holdings Berhad and the Managing Director of Corporate-Pacific Holdings Sdn Bhd.

Mr Mohd Najib does not have any family relationship with any Directors and/or major shareholders of Tropicana, nor any conflict of interest with Tropicana.

**Note:**

None of the Directors of Tropicana has any conviction for offences within the past 5 years (traffic offences excluded from contemplation), and any public sanction or penalty imposed by the relevant regulatory bodies during the financial year.

## MANAGEMENT PROFILES

### DANIEL TEH

Group Managing Director,  
Project (Central Region)

Daniel Teh Chee Huat, a Malaysian, aged 52, is currently the Group Managing Director, Central Region at Tropicana Corporation Berhad since 2015.

He has 28 years experience in the property industry with Gerbang Perdana (CIQ) Johor and Nakheel (Dubai, UAE). He started his career as a consultant with Veritas Architect, taking the role of architect; later as Contractor with Gerbang Perdana.

Currently he is in charge of project executions for developments within the Central Region. These projects include a mixture of township development, integrated development and standalone parcel, like Tropicana Heights, Tropicana Aman, Tropicana Metropark, Tropicana Gardens and others.

Daniel Teh does not have any family relationship with any Directors and/or major shareholders of Tropicana, nor any conflict of interest with Tropicana.



### DATO' ANDY KHOO POH CHYE

Group Managing Director, Project  
(Northern & Southern Regions)

Dato' Andy Khoo Poh Chye, a Malaysian, aged 50, Dato' Andy Khoo Poh Chye, is currently the Group Managing Director, Northern & Southern Regions at Tropicana Corporation Berhad.

He has 28 years experience in the property industry including a 7 years' stint with Pengurusan Danaharta Nasional Berhad as the Deputy General Manager, Property Division. Danaharta was setup by the Ministry of Finance to revive Malaysia's banking industry and economy during the 1997 Asian Financial Crisis.

He had held several key management positions, among others, as the Managing Director of GLM REIT Management Sdn Bhd, Executive Director of Guocoland Malaysia Berhad (Hong Leong Group Malaysia) and the Executive Director of SunwayMas Sdn Bhd, the property division of Sunway Holdings Berhad. He was the Chief Executive Officer of Trinity Group Sdn Bhd during the period, August 2014 to January 2016.

Dato' Andy Khoo does not have any family relationship with any Directors and/or major shareholders of Tropicana, nor any conflict of interest with Tropicana.



### KELVIN CHOO

Executive Director, Project

Kelvin Choo Yung Yau, a Malaysian, aged 52, is currently an Executive Director, Project at Tropicana Corporation Berhad.

A Civil Engineer by profession, he currently holds a position as Treasurer with the Real Estate and Housing Developers' Association Malaysia Selangor Branch (REHDA - Selangor).

He has 27 years of experience in the property industry. He has held several key management positions with Sunway Integrated Property, HS Liao Sdn Bhd and J.K. (SEA) Sdn Bhd. Currently he is in charge of township developments such as Tropicana Aman, Tropicana Heights and parcel developments in Cheras, Petaling Jaya. Task include overseeing business planning and execution of the projects.

Kelvin Choo does not have any family relationship with any Directors and/or major shareholders of Tropicana, nor any conflict of interest with Tropicana.



## OUR RESPONSIBILITIES & EVENT HIGHLIGHTS 2016

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### CONTENT

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<b>50</b>	Sustainability at Tropicana
<b>56</b>	Event Highlights 2016 <ul style="list-style-type: none"><li>• Tropicana Corporation Berhad</li><li>• Tropicana Golf &amp; Country Resort</li></ul>

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DESIGNING LUXURIOUS

living

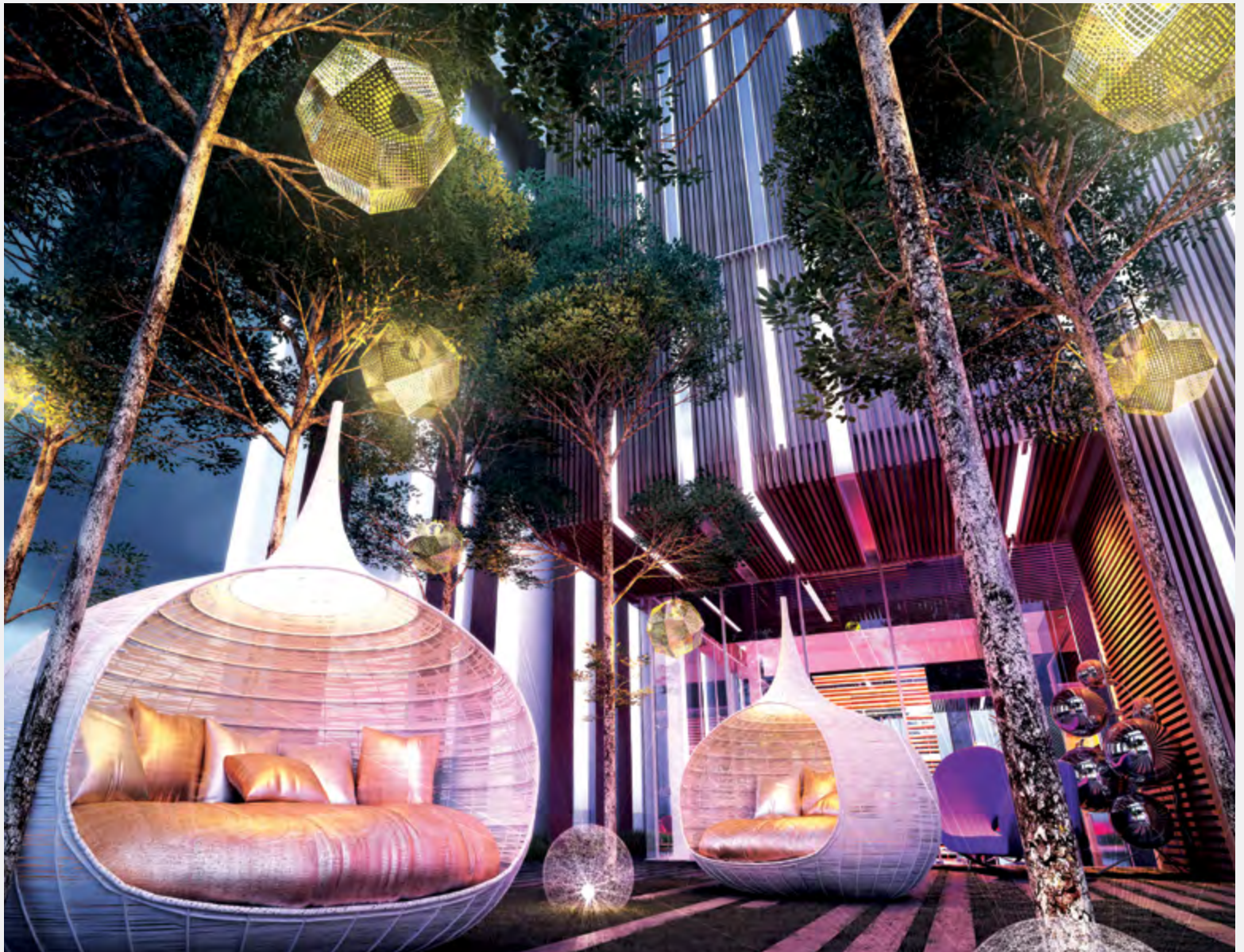
The Residences at Kuala Lumpur City Centre offers its residents unmatched luxury and sophistication, the first of its kind in Kuala Lumpur. A vision of urban indulgence, The Residences offers unmistakable elegance, modern accents that comes complete with resource and energy efficient features. This high-rise luxury residences, which will also anchor the first five-star W Hotel Kuala Lumpur, is situated strategically along Jalan Ampang and just a two-minute walk away from the Petronas Twin Towers. This 55-storey tower was designed by the world-renowned Skidmore, Owings and Merrill whose impressive portfolio include the Burj Khalifa Tower and One World Trade Centre.

**For more info, please log on to [www.tropicanatheresidences.com](http://www.tropicanatheresidences.com)**



KUALA LUMPUR CITY CENTRE

THE  
RESIDENCES



Nature lovers can commune with the greenery along the  
Misty Walk located on level 53

ACRES  
1.28

## SUSTAINABILITY AT TROPICANA

### COMMUNITY

Tropicana strongly believes in the importance of making a difference to build a brighter future. This translates into conducting outreach efforts that spark meaningful exchange and progress towards a more sustainable future that is shared by all.



### MARKETPLACE

Good governance, accountability and transparency has a fundamental role in the way we do our business. Tropicana upholds a high standard of corporate governance across all areas of its operations as this builds trust with its stakeholders and shareholders alike.

### ENVIRONMENT

Across all its business operations and process, Tropicana has taken various steps to minimise its impact on the environment and integrate a more green approach in its products and services. At Tropicana, it is about creating balance, where man and nature live together in perfect harmony.



### WORKPLACE

Tropicana employees are the lifeblood of the Group, the key enabler in delivering the Tropicana transformation strategy. Tropicana aspires to be an Employer of Choice and the Group places high importance in creating a work place that allows its employees to recognise their unique strengths and build meaningful careers.

## SUSTAINABILITY AT TROPICANA

Over the past 20 years, Tropicana has consistently focused on creating real value for those whose lives are impacted by its developments.

Harnessing its strengths, Tropicana has centred its efforts on delivering the right balance – strong financial performance, positive social engagement and growing its environmental footprint – as the Group worked towards realising its transformation strategy and delivering long-term shareholder value.

With its deep consumer insights and industry experience, the Group believes in improving the lifestyles of individuals by creating value that will last a lifetime. Hence, Tropicana has identified four key pillars – Community, Environment, Market place and Workplace – that will help the Group build social and environmental capitals, leading to better performance and attract high quality employees. These key pillars will also help the Group make a lasting contribution to the communities around it, contribute towards the social landscape and manage its environmental impact.

Tropicana's staffs ushering prosperity and joy into the office



#### Progress in 2016

Throughout 2016, Tropicana worked hard to deliver on its sustainable initiatives.

#### Building Meaningful Relationships in the Community

Extending assistance to others is what defines Tropicana as a company, and also as individuals. Towards this cause, Tropicana has an important role to play in reaching out and improving the lives of those who live in and around its developments and townships. The Group takes pride in its work in these communities as its efforts go beyond just creating a lasting impact, but instead, building meaningful relationships based on mutual respect and trust with all stakeholders in the community.

In 2016, the Group amplified its community efforts by increasing its community footprint with various charities, non-governmental organisations and organisations in an effort to help them. During the year under review, the Group donated more than RM2.9 million through the Tropicana Foundation and other companies within the Group.

## SUSTAINABILITY AT TROPICANA

Tropicana Foundation supporting the Lions Mount Everest Expedition



Some of the outreach programmes conducted are as follows:

*Improving Lives: Towards Positive Social Upliftment*

- Donated RM50,000 to the Thean How Temple located in Langkawi to complete the building of the Temple's three main shrines and community hall.

*Investing in our Future: Supporting Child Education and Health*

- Donated RM1.5 million towards the St Joseph's Institution International School Malaysia's International Baccalaureate Scholarship Programme.
- Contributed RM10,000 to the National Cancer Society of Malaysia in conjunction with their 50th Anniversary Gala Charity Dinner.
- Donated RM500,000 towards the Tunku Laksamana Johor Cancer Foundation to help promote public awareness, early detection and treatment of cancer.
- Donated RM20,000 to the Malaysian Mental Health Association to help building a residential mental health facility.

*Inspiring Talent: Cultivating a Spirit for Joy and Welfare*

- Tropicana Danga Bay and Tropicana Danga Cove contributed RM2 million to the National Sports Council to support the continued growth of national athletes and sports in the Johor.
- Donated RM10,000 to Nadira Music Management Sdn Bhd's 'CINTA Concert' to help promote Malaysia as an entertainment hub and encourage art appreciation among Malaysians.
- Tropicana Heights contributed RM42,000 to the Lions Clubs International District 308B1 Malaysia to support the organisation's Mount Everest Expedition 2016.

*Running for a Good Cause*

- Tropicana donated RM18,000 in support of the charity race at The Edge Rat Race.

**Building Trust with Good Governance and Integrity**

Tropicana recognises that effective risk management, accountability and transparency is fundamental in realising its strategic business goals and long-term sustainable performance. To realise the Tropicana transformation strategy, the Group believe that it is important that everyone does the right thing every day, across the Company. As a company that built on trust, it is about taking personal responsibility and doing it with integrity.

This is an essential element because in today's marketplace, managing its reputation sustainably means upholding its values of trust, integrity, honesty, accountability and responsibility.

Hence, the Group has put in place a disciplined approach towards governance, where compliance towards best practices and governance is infused into the way business is conducted. These governance structures and practices have also been further strengthened within the Company, translated into workplace processes and procedures to help heighten understanding amongst employees.

## SUSTAINABILITY AT TROPICANA

As the Group continues to execute on its transformation strategy, the Group see this as a platform to grow sustainably and reinforce a culture that aspires trust, good governance and integrity, both internally and externally.

Moving forward, Tropicana will continue to do the right thing, practice a high standard of governance and integrity as this will guide the Group in making sound and ethical decisions that will impact its business positively.

#### Minimising our Impact on the Environment

Tropicana is firmly rooted on minimising its impact on the surrounding environment. The Group believes that as a responsible business, it has an important role in protecting the environment for the sake of its future generations. As such, the Group is committed to do what is right for the environment, working on multiple fronts to minimise its impact on the environment.

In property development, a house is a product that is used for many years, a place where people live in for decades. Today, this has changed. Not only do they require a house, but also high quality, well-designed homes with low environmental impact.

Understanding this, Tropicana goal is to provide its customers and residents with peace of mind when they live in its neighbourhoods and townships. So, the Group continuously ask itself, even at concept level, two important questions - “how can people live in this space as a community?” and secondly, “how can we create a balance between man and nature?”.

Taking note of these requirements, Tropicana has made sure that across all its integrated developments and townships, 15% to 16% consists of green and open spaces, as compared to the industry practice of 10%. The Central Parks of Tropicana Heights, Tropicana Aman and Tropicana Metropark are easily accessible, so even the wider community are able to enjoy the facilities present there.

In addition to green space allocation, Tropicana efforts have to date focused largely on preserving the biodiversity of the area, increase energy efficiency and also use sustainable construction methods that protect the environment and promote green living.

In the area of biodiversity preservation, the Group has also collectively focused its resources on regenerating the ecosystem at its developments by taking extensive measures to protect the biodiversity. These efforts include tree planting as well as designing landscaping of each community with extensive greenery to create a natural setting for its developments.

Some of its achievements at its integrated developments and townships:

- At Tropicana Metropark, the biodiversity in this former industrial area was increased by turning this piece of industrial, barren land into haven for nature lovers, with constructed wetland cells introduced at the development's Central Park. The property gallery fully utilises energy savings facilities such as open air washrooms as well as usage of artificial lighting mode based on user requirements, resulting in only 20% energy usage.

Tropicana Metropark's Property Gallery won the PAM Awards for adaptive reuse



## SUSTAINABILITY AT TROPICANA

- Tropicana Grande, a former brownfield area was rehabilitated and transformed with planned land clearing techniques that minimised total bare earth area put in place. Lush landscaping, low gradient areas were turfed and watered regularly while water quality was enhanced with regular cleaning of silts to ensure clean run-off. Sustainable construction methods with environmentally-friendly building techniques were used, including system formwork, lightweight blocks and efficient selection of tiles to avoid wastage.
- Tropicana Gardens at Kota Damansara, which has achieved and maintained its Green Building Index (GBI) Malaysia Gold rating, has put in place climate control design strategies to create a cool microclimate that discourages heat build-up, promotes mass cooling and encourages natural ventilation and maintains solar gains. The development complies with the GBI building requirements such as regenerative lifts, energy efficient lights, water efficient fittings, landscaped roof-top gardens with a rain-water harvesting system, low emission glass and aluminium screens and low volatile organic compound (VOC) paints.
- Tropicana Avenue, a Gold GreenRE Award recipient has in place full height glass windows that allow full sunlight, an efficient energy feature that doubles up as a design feature. Rainwater harvesting units, motion sensor escalators are used, in addition to carparks that are controlled by carbon oxide sensors.
- Formerly a golf course, Tropicana Heights in Kajang was successfully redeveloped, with original golf terrains reshaped with a good flow of waterways, vistas, hills and valleys. More than 150 original trees were retained and replanted at the development's green areas. Apart from the central park, each community precinct has access to their own community parks, and this accounts to more than 50% of green spaces within the precinct.
- Tropicana Aman at Kota Kemuning was designed to ensure balance between man and nature is maintained. The overall development is ringed in by 100-feet wide tree-lined boulevard, with a Central Park created at the heart of the enclave. The 85-acre central linear park is the green lung of the development, complete with 2,400 native and tropical trees, in addition to a variety of flora and fauna. Residents have access to biking trails and jogging paths that built around the whole development and the parks.
- Tropicana Aman's Cheria Residences in Kota Kemuning, Shah Alam, which was launched in 2016 will offer residents PanaHome features, which is essentially Japanese building technology. Each home will have its own puretech system for indoor air quality management as well as smart security and monitoring systems for security surveillance purposes. The ceilings also come complete with heat insulation to conserve energy.

## Recognising Our People at the Workplace

At Tropicana, its employees are the cornerstones success of this organisation. The Group believes that it is important to create a conducive workplace environment that allows its employees to achieve their full potential, both on a professional and personal level.

Building upon its transformation strategy, Redefining the Art of Living, the Group continued its efforts in realising its goal of becoming an Employer of Choice.

In 2016, Tropicana invested in the growth of its employees by putting in place a diverse talent pipeline and programmes that will harness their talent, build knowledge and foster accountability across all work processes. This is an important component in realising its transformation strategy as it will help sustain a flexible and agile workforce to meet the current and future needs of the Group.

During the year under review, Tropicana invested more than RM150,904.80 in human capital development programmes. In addition, more than 572 employees underwent more than 5,432 training hours. Aside from learning programmes, employees were provided with on-the-job development opportunities that allowed them to grow their capabilities in challenging environments.

In driving a culture that inspires its people to improve every day, they have been empowered to introduce changes that will enhance customer experience and productivity. To encourage their creativity and innovative spirit, several employee engagement platforms such as Family Day, Durian Feast, Employee Health Awareness Day; various trainings in Achieving Personal Breakthrough, ISO Awareness, CONQUAS, Project Management for Property Development and more were conducted throughout the year. These activities allowed the employees to interact, build bonds with colleagues from various department, strengthen inter-disciplinary team performance and most importantly, discuss and debate ideas that can be transformed into solutions that will help in redefining the art of living for customers.



Tropicana has been a loyal supporter of the EDGE Rat Race to create awareness and to support charitable causes



ISKANDAR MALAYSIA

# TROPICANA DANGA BAY



An ambitious and exciting development located on a prime land within Zone A of Iskandar Malaysia and only 10-minute drive to the Johor-Singapore Causeway link

ACRES

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## EVENTS HIGHLIGHTS 2016

## TROPICANA CORPORATION BERHAD

**27 January 2016**

Tropicana donated RM1.5 million to the St Joseph's Institution International School's first International Baccalaureate Scholarship Programme (SJI IB Scholarship) in Malaysia.

**31 January 2016**

Tropicana hosted its Fun Fest at the Tropicana Golf & Country Resort for its community.

**7 March 2016**

Tropicana Danga Bay and Tropicana Danga Cove contributed RM2 million to the National Sports Council to support the continued growth of national athletes and the state of sports as a whole.

**15 March 2016**

Tropicana Heights, a subsidiary of Tropicana Corporation Berhad, contributed RM42,000 to the Lions Clubs International District 308B1 Malaysia to support the organisation's Mount Everest Expedition 2016.

**21 March 2016**

Tropicana launched "Just Bid It", its second digital campaign that offered registrants the opportunity to bid for five units of four Tropicana exclusive properties.

**29 March 2016**

Tropicana donated RM18,000 in support of the charity race, The Edge Rat Race KL 2016.

**18 April 2016**

Tropicana Aman's Sales Gallery in Kota Kemuning won the Asia Pacific Property Awards 2016, under the Commercial Landscape Architecture Malaysia Category.

**10 May 2016**

Tropicana second's digital campaign, "Just Bid It" recorded 170,000 views on its video with just three bids and garnered more than one million page reach weekly, the first property developer in Malaysia to achieve this.

## EVENTS HIGHLIGHTS 2016

## TROPICANA CORPORATION BERHAD

**22 May 2016**

Tropicana Aman's "Walk & Ride Yellow Event" attracted more than 500 participants who either walked for 2 km or pedalled 16 km leisurely around the development.

**28 June 2016**

Tropicana entered into a strategic collaboration with PanaHome Malaysia Sdn Bhd to build 272 semi-detached, innovative, intelligent eco-friendly homes at Cheria Residences in Tropicana Aman, Kota Kemuning.

**16 July 2016**

Tropicana Foundation donated RM50,000 to the Langkawi Thean Hou Temple Committee in Kuah, Langkawi to help finance the finishing works for the first proper temple on the island.

**27 July 2016**

Tropicana donated RM10,000 to Nadira Music Management Sdn Bhd's 'CINTA Concert' to help promote Malaysia as an entertainment hub and encourage art appreciation among Malaysians.

**19 and 20 August 2016**

Tropicana awarded the BCI Top 10 Developers Award 2016 for the fourth year in a row.

**29 August 2016**

Tropicana's St Joseph's Institution International School Malaysia (Tropicana PJ campus) opened its doors to receive its first student intake.

**22 September 2016**

Tropicana celebrated the topping-out ceremony of W Kuala Lumpur Hotel and The Residences.

**24 and 25 September 2016**

Tropicana Heights in Kajang celebrated the impressive take up rate of over 90% of its development by hosting the "Eat, Play & Bond" event that saw more than 2000 guests and visitors over a two day period.

## EVENTS HIGHLIGHTS 2016

## TROPICANA CORPORATION BERHAD

**19 October 2016**

Tropicana Innovative Landscape Sdn Bhd was awarded the 'Best Project Award for Infrastructure Project (Small to RM20 million) – Landscape Contractor for The Rafflesia Central Lake' in Damansara Perdana at the Malaysian Construction Industry Excellence Awards (MCIEA) 2016.

**14 November 2016**

Tropicana Foundation donated RM10,000 to the National Cancer Society Malaysia to help fund the society's work in providing cancer screening services and support to cancer sufferers.

**30 November 2016**

Tropicana Foundation donated RM20,000 to the Malaysian Mental Health Association.

**1 December 2016**

Tropicana Berhad achieved Merit mention at the National Annual Corporate Report Awards (NACRA) 2016.

**15 December 2016**

Tropicana Gardens at Kota Damansara won the Best Mixed Development Award at the iProperty.com Malaysia People's Choice Award 2016.

## EVENTS HIGHLIGHTS 2016

## TROPICANA GOLF &amp; COUNTRY RESORT (TGCR)



13 FEB



15 FEB



13 APR



20-31 JUL



29 AUG



15 JUN



15 OCT



27 FEB

**30 January 2016**

TGCR's the New Year Trophy was conducted successfully.

**13 February 2016**

In conjunction with Chinese New Year, TGCR hosted a lion dance performance and the God of Wealth was present to give out Ang Pows.

**15 February 2016**

TGCR Management gave out goodies to children from Kindyland who serenaded them to Chinese New Year songs.

**27 February 2016**

The Make A Difference (MAD) Cuban Night organised at TGCR gave its members and guests the change to enjoy a night filled with entertainment, dance, excitement and games.

**13 April 2016**

The Prudential Astro Masters Golf Tournament was held at TGCR. The winners were invited to compete in the Prudential Astro Masters grand finals at the Laem Chabang and Siam Country Club Course in Pattaya, Thailand.

**15 June 2016**

TGCR won the Brandlaureate Best Brands President's Award 2015-2016 category for Lifestyle Golf.

**20 – 31 July 2016**

TGCR Closed Championship is held with Jaydon Pang and Ireen Teng emerging as the winner in the Men's and Women's category respectively.

**29 August 2016**

TGCR announced a collaboration with music label Pop Pop Music to produce an old school jazz and retro-pop concert.

**11 September 2016**

TGCR's Grand Ballroom held the Pop Pop All Stars Concert, headlined by Celist Chow, May Mow and Nutserlar Lim and accompanied by local jazz ensemble, WVC.

**15 October 2016**

More than 200 runners took part in the annual Nite Race held at TGCR.

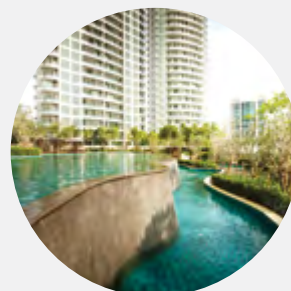
**31 October 2016**

TGCR won the Pioneer Development Award at the The Edge Property Excellence Awards (TEPEA) 2016.



PERSIARAN TROPICANA

# TROPICANA GRANDE



ACRES

5.17

A luxury high-rise condominium boasting the breath-taking view of Tropicana Golf & Country Resort golf course

## HOW WE'VE GOVERNED

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ESTABLISHING CONNECTED

# communities

Building quality homes is at the heart of establishing safe, secure and connected communities. We understand that today's changing demographics has changed housing needs, especially the younger population. Tropicana Gardens at Kota Damansara epitomises the essence of a connected community. A first-of-its-kind integrated development that comprises of serviced residences, it is anchored by retail mall and served by the elevated Surian MRT station that provides residents and visitors access to and from nearby locations. With established neighbourhoods nearby and enveloped by lush greenery, Tropicana Gardens has created a new benchmark in establishing connected communities of the future.

**For more info, please log on to [www.tropicanaganagardens.com.my](http://www.tropicanaganagardens.com.my)**



KOTA DAMANSARA

# TROPICANA GARDENS



Serviced residences, shopping mall, offices and direct MRT access all within the pulsating vicinity of Kota Damansara

ACRES

17

## STATEMENT ON CORPORATE GOVERNANCE

The Board of Directors of Tropicana Corporation Berhad (“**Tropicana**” or “**the Company**”) is committed to maintain high standards of corporate governance to protect and enhance the shareholders’ value as well as the continued growth and success of the Company and its subsidiaries (“**the Group**”). The Board supports the principles and recommendations of the Malaysian Code on Corporate Governance 2012 (“**MCCG 2012**”) issued by the Securities Commission of Malaysia. The Board will continue to review the existing corporate governance practices throughout the Group and to undertake appropriate actions in embedding the principles and recommendations of the MCCG 2012 in its existing corporate governance practices in achieving excellence in corporate governance.

This statement, which is made pursuant to paragraph 15.25 of the Main Market Listing Requirements (“**MMLR**”) of Bursa Malaysia Securities Berhad (“**Bursa Securities**”), sets out the extent to which the Group has applied the principles and the recommendations of the MCCG 2012 throughout the financial year ended 31 December 2016 (“**FY2016**”).

### BOARD OF DIRECTORS

#### Board Size and Composition

Throughout the FY2016, the Board composition complies with paragraph 15.02 of the MMLR of Bursa Securities whereby at least 2 directors or one-third of the Board, whichever is the higher, must be made up of independent directors. The Board, as at the date of this statement, consists of nine (9) members made up of five (5) Independent Non-Executive Directors and four (4) Executive Directors.

The Board comprises members from diverse backgrounds ranging from property development, investments, finance, corporate finance, audit, legal, business and general management, technology consulting and public administration, all of which provide the Group with a diversity of views and a wealth of expertise, experiences and networks to draw upon. The profiles of the Directors are set out in pages 41 to 45 of this annual report.

#### Board Balance and Independence

Not only is the Chairman an Independent Non-Executive Director, the majority of the Board is also made up of Independent Non-Executive Directors. The presence of a sizable number of experienced Independent Non-Executive Directors ensures proper check and balance in the Board, and provides unbiased and independent views, advice and judgement, besides playing key supporting roles.

There is a clear division of responsibilities at the head of the Company. The Independent Non-Executive Chairman represents the Board to the shareholders and is responsible for the effective running of the Board. The Group Chief Executive Officer, assisted by the Deputy Group Chief Executive Officer and the Executive Directors are fully responsible for the effective running of the Group’s operations and the implementation of the Board’s policies and decisions.

The clear distinction of responsibilities between the Chairman and the Group Chief Executive Officer ensures a balance of power and authority, such that no individual or small group of individuals can dominate the Board’s decision making. It is mandatory for all members of the Board to declare any of their interests in the transactions undertaken by the Group. In such instances, the interested Director(s) shall abstain from deliberation and the decision-making process.

#### Board Duties and Responsibilities

The Board assumes the following principal responsibilities in discharging its fiduciary and leadership functions:-

- reviews and adopts the strategic plan for the Group;
- oversees the conduct of the Group’s business to determine whether the business is being properly managed;
- identifies principal risks and ensures the implementation of appropriate systems to manage these risks;
- establishes a succession plan for the Company;
- oversees the development and implementation of an investor relations programme or shareholder communications policy for the Company;
- reviews the adequacy and the integrity of the Group’s internal control systems and management information systems, including systems for compliance with applicable laws, regulations, rules, directives and guidelines;
- ensures that the Company’s financial statements are true and fair and conform with the laws; and
- ensures that the Company adheres to high standards of ethics and corporate behaviour.

The Board is also mindful of the importance of building a sustainable business and therefore, takes into consideration its environmental, social and governance impact when developing the corporate strategy of the Group. The Company’s activities in corporate social responsibilities for the year under review are disclosed in pages 50 to 54 of this annual report.

## STATEMENT ON CORPORATE GOVERNANCE

**Board's delegation to the management,****Board's reserved matters and Board's oversight of the management**

The Board delegates the day-to-day management of the Company's business to the management under the stewardship of Dato' Yau Kok Seng as the Group Chief Executive Officer, who is assisted by Dato' Dickson Tan Yong Loong, the Deputy Group Chief Executive Officer, and Mr Dillon Tan Yong Chin and Mr Dion Tan Yong Chien, who are Executive Directors of the Company.

The Group Chief Executive Officer and his Deputy hold management meetings fortnightly or whenever the needs arise to discuss and review the Group's businesses and concerns, and to make the appropriate day-to-day business and management decisions.

The Company also holds operational review meetings once in every quarter where the Group Chief Executive Officer and the Deputy Group Chief Executive Officer meet the heads of projects and heads of departments to review and discuss operational performance or any critical issues.

To ensure that the direction and control of the Group is firmly in its hands, having an oversight of the management, the matters reserved for the Board's decisions are as follows:-

- to approve corporate plans and strategic issues of the Company;
- to approve annual budgets of the Company;
- to approve material acquisitions and disposals of undertakings and assets as well as major investments of the Group;
- to approve new ventures of the Group;
- to approve changes to the control structure of the Company including key policies, capital expenditure, authority levels, treasury policies and risk management policies;
- to approve material borrowings of the Company; and
- to review of the financial statements of the Company and of the Group on a consolidated basis.

The strategic business plan for the Group is presented by the Group Chief Executive Officer to the Board for approval on an annual basis and the milestones achieved and progress of the strategic plan and financial targets are reported to the Board on a quarterly basis.

In ensuring the management reverts to the Board on any material acquisitions and disposals of undertakings and assets as well as major investments of the Group including any new ventures of the Group, and for more detailed review of such proposals, the Board has set up the Investment Committee of the Board on 19 May 2016.

To strengthen the Board's oversight of the management (in addition to the above), the Board has the following agendas at its quarterly meetings:-

- the review of the operations of the Group by the Group Managing Director of the Company for the Central Region (non-Board member of Tropicana), and the Group Managing Director for the Northern and Southern Regions (non-Board member of Tropicana); and
- the reporting of the marketing and sales status of the Group by its head, the Executive Director of Marketing & Sales (non-Board member of Tropicana).

**Board's delegation to Board Committees**

During the FY2016, the Board has delegated specific responsibilities to several Board Committees, namely the Audit Committee, Nomination Committee, Remuneration Committee, Risk Management Committee, Executive Committee ("EXCO"), Investment Committee and Pricing Committee to oversee, manage and review specific aspects of the Company's business operations and corporate matters. The Board Committees operate within their respective approved defined terms of reference and specific authority delegated by the Board. All the Board Committees makes recommendation to the Board for approval save for the Pricing Committee, which is empowered by the Board to make decision within its terms of reference. The Chairman of the respective Board Committees will report to the Board the outcome of each Board Committee meeting and the reporting of the outcome will be minuted accordingly. The Board retains full responsibility for the final decision on all matters.

In accordance with the terms of reference of the EXCO, the Chairman of the EXCO shall be the Deputy Chairman of the Board, who shall be an Independent Non-Executive Director of the Company. Dato' Sri Mohamad Norza Bin Zakaria had resigned as the Chairman of the EXCO on 3 May 2016. The Nomination Committee had recommended and the Board had agreed and confirmed the abolishment of the EXCO and hence, did not fill up the vacant position of the Chairman of the EXCO. It was noted that the Investment Committee was formed on 19 May 2016 and its terms of reference was approved by the Board at its meeting held on 25 August 2016.

## STATEMENT ON CORPORATE GOVERNANCE

**(i) Audit Committee**

As at the date of this statement, the Audit Committee consists of three (3) Independent Non-Executive Directors, two of whom are qualified Accountants. The members of the Audit Committee are as follows:-

- Mohd Najib Bin Abdul Aziz (Chairman)
- Datuk Tang Vee Mun
- Dato' Gan Nyap Liou @ Gan Nyap Liow

The Audit Committee assists and supports the Board in fulfilling its fiduciary responsibilities in terms of the Group's applicable financial reporting standards, practices, accounting policies, internal controls, business ethics policies and in assessing the suitability and independence of the Group's external and internal auditors.

Every year, the external auditors, at one of the Audit Committee meetings, would confirm to the Audit Committee members their independence throughout the conduct of the audit engagement with the Company in accordance with the independence criteria set out by the Malaysian Institute of Accountants. It is a policy of the external auditor firm to rotate the partner-in-charge after five (5) years of audit engagement with the Company.

The Audit Committee met five (5) times during the FY2016. The activities of the Audit Committee for the FY2016 are reported in the Audit Committee Report as set out in pages 77 to 78 of this annual report.

The Audit Committee Report is set out in pages 77 to 79 of this annual report.

**(ii) Nomination Committee**

The Nomination Committee, as at the date of this statement, comprises the following three (3) members, all being Independent Non-Executive Directors:-

- Dato' Gan Nyap Liou @ Gan Nyap Liow (Chairman)
- Datuk Tang Vee Mun
- Tan Sri Rastam Bin Mohd Isa

The Nomination Committee has been given the responsibility to recommend new appointments to the Board and Board Committees of Tropicana as well as to the Board of the entities where the Company has interests. The Nomination Committee also reviews the evaluation process and evaluation forms for all Board members to participate in the annual evaluation of the effectiveness of the Board, Board Committees and the contribution of each Director.

The selection criteria of members for Board composition is primarily based on the merits of competency, knowledge, experiences, expertise, skills, character, integrity and time commitment of the candidates, as well as taking into consideration gender, ethnicity and age.

The Nomination Committee makes no decision on behalf of the Board but makes recommendations to the Board for approval.

New appointments to the Board during the FY2016

During the FY2016, the Nomination Committee had considered the appointments of two (2) Directors, both as Independent Non-Executive Directors of the Company.

The Nomination Committee had reviewed the candidates' profile, curriculum vitae, the relevant certificates of academic qualifications and the disclosure of their other directorships; and had considered their background, academic qualifications, skills, experiences and competencies for appointment as Directors of the Company.

The Nomination Committee took note that Tan Sri Othman Bin Abd Razak did not hold any directorship in other listed issuer, public company or any active private company at the material time (status quo to-date). The potentials of his time commitment in the discharge of his duties as an Independent Non-Executive Director of the Company was a point considered by the Nomination Committee. The Nomination Committee had also evaluated that Tan Sri Othman, in his senior age, has exposures in both the public and private sectors. He had previously been an Audit Committee member in another company.

## STATEMENT ON CORPORATE GOVERNANCE

As for Encik Mohamad Najib Bin Abdul Aziz, the Nomination Committee had viewed that his accounting background and working experiences with KPMG and Arthur Andersen & Co., membership with the Malaysian Institute of Accountants (“MIA”) and wealth of experience and qualification would complement the Board composition of the Company. He also has exposures in the discharge of duties as Independent Non-Executive Director in public listed companies and as an Executive Director of a private company.

The Nomination Committee had considered the composition of the Board of Directors of the Company in terms of mix of skills and the Board size. The Nomination Committee had noted that the proposed appointment would have the following benefits:-

- (a) strengthen the independence of the Board (5 Independent Non-Executive Director out of 9 Board members of the Company, if approved by the Board);
- (b) increase the number of Independent Non-Executive Directors with accounting background recognised under paragraph 9.27(b)(ii) of the Main Market Listing Requirements of Bursa Securities, with a view to consider the proposed appointment of Encik Mohd Najib as the Chairman of the Audit Committee; and
- (c) increase the choices of candidates for appointment in Board Committees.

Both Tan Sri Othman and Encik Mohd Najib had declared their independence as defined under paragraph 1.01 of the MMLR of Bursa Securities.

#### Annual Board Evaluation

With regard to the Board evaluation for the FY2016, the Nomination Committee had reviewed the results evaluating:-

- the effectiveness of the Board as a whole;
- the effectiveness of the Board Committees;
- the contributions of each individual Director; and
- the independence of the Independent Directors.

The criteria on the evaluation of the effectiveness of the Board as a whole related to, amongst others, the appropriate composition and committees in correspondence to the Board’s oversight duties and the development of the Company’s strategy, the right mix of skills and experience to optimise performance, and the clear definition of the roles and responsibilities of the Board and individual Director.

The criteria on the evaluation of the effectiveness of the Board Committees related to, inter alia, the right composition of each Board Committee in terms of number and expertise, whether each Board Committee properly discharges its duties and responsibilities, and whether each Board Committee provides useful information and recommendations that assist the Board makes better decision.

The criteria on the evaluation of the contributions of each individual Director related to, such as, whether the Director shares his insights, adds value to the Board, applies analytical and conceptual skills to the decision-making process, provides realism and practical advice to Board deliberation, as well as assesses and links short-term issues to the long-term strategy of the Company.

As in previous year, each Independent Director did a self-evaluation of his independence based on the criteria of independence as defined under paragraph 1.01 of the MMLR of Bursa Securities, and signed-off a confirmation slip accordingly. In addition, each Independent Director self-checked his ability to advise the Board of Directors of the Company on matters relating to any existing transactions where conflict of interest exists and on matters requiring deliberation by Independent Directors such as related party transactions. Each Independent Director also re-checked and stated his tenure of service as Independent Director in the Company in the confirmation slip. The said confirmation slip was reviewed by the Nomination Committee.

The Board Charter indicates the restriction for the tenure of an Independent Director to a cumulative term of nine (9) years. However, an Independent Director may continue to serve the Board upon reaching the 9-year limit subject to the Independent Director’s re-designation as a Non-Independent Non-Executive Director. In the event the Board intends to retain the Director as Independent after the latter has served a cumulative term of nine (9) years, the Board must justify the decision and seek shareholders’ approval at general meeting. In justifying the decision, the Nomination Committee is entrusted to assess the candidate’s suitability to continue as an Independent Non-Executive Director based on the criteria on independence. The Company has not sought shareholders’ approval before to extend the tenure of an Independent Director beyond nine (9) years.

## STATEMENT ON CORPORATE GOVERNANCE

The Nomination Committee met four (4) times during the FY2016. The activities of the Nomination Committee in the discharge of its duties for the FY2016 were as follows:-

- (a) Considered and recommended the expansion of the scope of the Nomination Committee to include the assessment and recommendation of suitable candidates for appointment to the Board of the entities where the Company has interest, and the proposed revisions to the terms of reference of the Nomination Committee in relation thereto.
- (b) Considered and recommended revisions to streamline certain terms of reference of the Nomination Committee with those of the other Board Committees.
- (c) Reviewed the results evaluating the effectiveness of the Board as a whole, the effectiveness of the Board Committees, the contributions of each individual Director and the independence of the Independent Directors, taking into consideration the required skills mix, experience, competence, integrity and other requisite qualities, including core competencies contributed by Non-Executive Directors. The said evaluations, which have been carried out annually, were properly documented. The said evaluation included the review of the performance of the Audit Committee of the Company and each of its members.
- (d) Considered the formal appointment of Tan Sri Dato' Tan Chee Sing as Advisor/Founder of Tropicana Group, including the drawing up and the review of a service agreement in relation thereto.
- (e) Considered and recommended candidates for appointment as Directors to the Board of Tropicana and the entities where the Company has interest.
- (f) Considered and recommended changes to the compositions of the Board and Board Committees following the resignations and appointments of Directors of the Company.
- (g) Considered the training needs of the Directors of the Company.

The Nomination Committee had, at its meeting held in January 2016, considered the training needs of the Directors of the Company, had commented that each Director may request for trainings on specific subjects to facilitate the discharge of his duties effectively. Further, the Nomination Committee had resolved that some training sessions be arranged for the Directors by inviting speakers/trainers from real estate firms or audit firms to give talks on topics concerning real estate, financial or regulatory updates.

**(iii) Remuneration Committee**

As at the date of this statement, the Remuneration Committee comprises two (2) Independent Non-Executive Directors and the Deputy Group Chief Executive Officer, the majority of whom are Independent Non-Executive Directors. They are as follows:-

- Dato' Gan Nyap Liou @ Gan Nyap Liow (Chairman)
- Datuk Tang Vee Mun
- Dato' Dickson Tan Yong Loong

The Remuneration Committee assists the Board in its responsibilities of assessing the remuneration packages of the Directors of the Company and key personnel of the Group.

The policy practised on Directors' remuneration by the Remuneration Committee is that the level of remuneration should be sufficient to attract, motivate and retain Directors of the quality required to effectively manage the businesses of the Group. As for Non-Executive Directors, the fees reflect the experience and level of responsibilities undertaken by the Non-Executive Directors concerned. All Directors had abstained from discussion and decision on their own remuneration.

The Remuneration Committee met once during the FY2016 mainly to review the 2016 increments and bonuses for the financial year ended 31 December 2015 of the key personnel, and to make appropriate recommendation to the Board of Directors for approval.

The proposed Directors' fees for the FY2016 are subject to shareholders' approval.

## STATEMENT ON CORPORATE GOVERNANCE

Details of the remuneration received by the Directors of Tropicana from the Company and from subsidiaries and/or joint ventures for the FY2016 were as follows:-

Category	Remuneration received from the Company			Remuneration received from subsidiaries				
	Fees	Other Emoluments	Company Total	Salary	Bonus	Defined Contribution Plan	Other Emoluments	Group Total
	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000
Executive Directors	-	-	-	4,885	1,839	829	376	7,929
Non-Executive Directors	795	18	813	-	-	-	-	813

The number of Directors of the Company whose remuneration falls in each successive band of RM50,000 were as follows:-

Range of Remuneration	No. of Directors	
	Executive Directors	Non-Executive Directors
RM50,001 – RM100,000	-	3
RM150,001 – RM200,000	-	2
RM200,001 – RM250,000	-	1
RM1,050,001 – RM1,100,000	1	-
RM1,600,001 – RM1,650,000	1	-
RM2,400,001 – RM2,450,000	1	-
RM2,750,001 – RM2,800,000	1	-

(The above disclosures include all Directors who held office during the FY2016)

#### (iv) Risk Management Committee

The Risk Management Committee (“RMC”) shall comprise not fewer than five (5) members, of whom one (1) must be an Independent Non-Executive Director. As at the date of this statement, the RMC comprises the following members:-

- Datuk Tang Vee Mun (Chairman)
- Mohd Najib Bin Abdul Aziz
- Dato' Yau Kok Seng
- Dato' Dickson Tan Yong Loong
- Dion Tan Yong Chien

The responsibilities of the RMC for risk oversight include, amongst others, to set out the objectives, strategy and scope of risk management activities for the Group and to ensure that the Group's risk management strategy and methodology have been implemented and consistently applied.

The Risk Management Committee held four (4) meetings during the FY2016 to review the quarterly risk profiles of Tropicana Group and to review and recommend the Statement of Risk Management and Internal Control for the Board's approval.

## STATEMENT ON CORPORATE GOVERNANCE

**(v) Pricing Committee**

The Pricing Committee shall comprise no fewer than five (5) members, majority of whom shall be Executive Directors and a minimum of two (2) Non-Executive Directors. As at the date of this statement, the members are as follows:-

- Dato' Gan Nyap Liou @ Gan Nyap Liow (Chairman)
- Datuk Tang Vee Mun
- Dato' Yau Kok Seng
- Dato' Dickson Tan Yong Loong
- Dion Tan Yong Chien

The principal objective of the Pricing Committee is to approve the minimum/net selling prices of the new launches of properties to be developed by Tropicana Group to ensure the prices set are market driven.

**(vi) Investment Committee**

The Investment Committee shall comprise no fewer than five (5) members, with at least two (2) Independent Non-Executive Directors. As at the date of this statement, the members are as follows:-

- Datuk Tang Vee Mun (Chairman)
- Dato' Gan Nyap Liou @ Gan Nyap Liow
- Dato' Yau Kok Seng
- Dato' Dickson Tan Yong Loong
- Dillon Tan Yong Chin
- Dion Tan Yong Chien

The principal objectives of the Investment Committee is to enhance the shareholders' value, to protect the stakeholders' interests and to ensure the continued growth and success of the Company by reviewing proposed transactions or proposed investments with a view to strategically allocate the Tropicana Group's financial resources efficiently and to eliminate or minimise the risk of oversight in investment decisions.

**Ethics and Codes**

The Board acknowledges its leadership role in creating ethical values and observing ethical conduct. The Board adopts and observes the Code of Ethics for Company Directors established by the Companies Commission of Malaysia, as the Board is fully supportive of the principles of the said Code of Ethics and finds it suitable for the Company to uphold the same principles. A copy of the said Code of Ethics can be found in the Board Charter marked as "Appendix I" in the Group's website at [www.tropicanaacorp.com.my](http://www.tropicanaacorp.com.my).

**Board Charter**

The Board is accountable and responsible for the performance and governance activities of the Group with a view of protecting shareholders' value and recognising the interests of all other stakeholders namely customers, suppliers, contractors, employees, regulators, members of the communities and all others with whom Tropicana interfaces.

The Board Charter is intended to identify the role, structure and processes related to key governance activities of the Board. It serves as a reference point for Board activities. It is designed to provide guidance and clarity for Directors and management with regard to the role of the Board and its committees, the roles of the top key positions of the Company, the requirements of Directors in carrying out their roles and in discharging their duties towards the Company as well as the Board's operating practices.

The Board Charter was revised twice in 2016 on 19 February 2016 and 24 November 2016. A copy of the Board Charter is available at the Group's website [www.tropicanaacorp.com.my](http://www.tropicanaacorp.com.my).

**Board Meetings**

The Board meets at least once every quarter on a scheduled basis and additional meetings will be convened as and when deemed necessary by the Board. The quarterly Board meetings are scheduled in advance around the commencement of the financial year to allow the Directors to plan their appointments ahead and endeavours to facilitate full attendance at Board meetings. All proceedings, deliberations and conclusions of Board meetings are minuted by the Company Secretary and are confirmed by the Board members at the next Board meeting and subsequently signed by the Chairman of the next Board meeting as the correct record of the proceedings of the meeting, or signed by the Chairman of the meeting at which the proceedings were held.

## STATEMENT ON CORPORATE GOVERNANCE

A total of five (5) Board meetings were held during the FY2016. Attendance record of each Board member is set out below:-

Names of Directors	Attendance*
Tan Sri Rastam Bin Mohd Isa	5/5
Dato' Yau Kok Seng	5/5
Dato' Dickson Tan Yong Loong	5/5
Dillon Tan Yong Chin	5/5
Dion Tan Yong Chien	5/5
Tan Sri Othman Bin Abd Razak ( <i>appointed on 18 April 2016</i> )	2/3
Dato' Gan Nyap Liou @ Gan Nyap Liow	4/5
Datuk Tang Vee Mun	5/5
Mohd Najib Bin Abdul Aziz ( <i>appointed on 13 July 2016</i> )	2/2
Datuk Seri Mohamad Norza Bin Zakaria ( <i>resigned on 3 May 2016</i> )	2/2

\* Number of meetings attended/Number of meetings held during his tenure as Director

All the Directors have complied with the minimum 50% attendance requirement in respect of Board meetings as stipulated in the MMLR of Bursa Securities. In the intervals between Board meetings, for any matters requiring Board's decisions, Board's approvals are obtained through circular resolutions. The resolutions passed by way of such circular resolutions were then noted in the next Board meetings.

The Directors are to allocate sufficient time to the Company to perform their duties effectively including being prepared for the meetings and contributing effectively to the business of the Company. They should notify the Board before accepting any new directorships and such notification should include an indication of time that will be spent on the new appointment.

#### Supply of Information

The Directors have full and unrestricted access to all information pertaining to the Group's business and affairs to enable them to discharge their duties. All Directors are provided with reports and other relevant information on timely manner, covering various aspects of the Group's operations and performance. They are also provided with an agenda and a set of board papers pertaining to agenda items prior to Board meetings to allow sufficient time for the Directors to review, consider and deliberate on the issues and, where necessary, to obtain further information and explanations to facilitate informed decision making.

The management is responsible for furnishing the Board with all information that may assist the Board in discharging its responsibilities and to facilitate informed decision making. The Company Secretary, who is qualified and experienced, attends all Board meetings and ensures that accurate and adequate records of the proceedings of the Board meetings and decisions made are properly recorded. Senior management of the Group, external auditors and advisors are also invited to attend Board meetings on specific items on the agenda which require clarification. The Board will also be briefed on latest updates on the Group's business activities.

All Directors have access to the advice and services of the Company Secretary and senior management and may seek independent professional advice, at the Company's expense, if required, in furtherance of their duties.

The Company Secretary is responsible for ensuring the Board meeting procedures are followed and that applicable rules and regulations are complied with. The Company Secretary updates the Directors on any new changes and development to the statutory or regulatory requirements concerning their duties and responsibilities as well as general statutory compliances whenever the changes arise.

#### Appointment and Re-election to the Board

In accordance with the Company's Constitution ("**Constitution**"), all Directors who are appointed by the Board either to fill a casual vacancy or as an addition to the existing Directors are subject to re-election by shareholders at the Annual General Meeting ("**AGM**") following their appointment. The Constitution also provides that at least one-third of the remaining Directors be subject to re-election by rotation at each AGM (including the Group Chief Executive Officer, Deputy Group Chief Executive Officer and Executive Directors, who are all Directors of the Company) provided always that all the Directors shall retire from their office at least once every three years. All retiring Directors are eligible to offer themselves for re-election at the AGM.

The Board continuously reviews its size and composition with particular consideration on its impact on the effective functioning of the Board.

Any proposed candidate for appointment as Director of the Board will be recommended by the Nomination Committee to the Board for full deliberation.

## STATEMENT ON CORPORATE GOVERNANCE

**Directors' Training**

All Directors have attended the Mandatory Accreditation Programme ("MAP") prescribed by Bursa Securities. The Directors are encouraged to attend continuing education programmes and seminars to keep abreast with current developments in the market place and with new statutory and regulatory requirements. They are provided with updates from time to time on relevant new laws and regulations affecting their directorships and relevant compliances.

The training programmes attended by the Directors of the Company during the FY2016 are listed as below:-

Names of Directors	Titles of Seminars/Workshops/Courses	Training Date
Tan Sri Rastam Bin Mohd Isa	• Audit Oversight Board: The New Auditor's Report – Sharing the UK Experience	13 January 2016
Dato' Yau Kok Seng	• Presentation on Malaysia Property Outlook	19 May 2016
	• Responsibilities of Company Directors	25 August 2016
	• The New Companies Bill 2015	25 August 2016
Dato' Dickson Tan Yong Loong	• Presentation on Malaysia Property Outlook	19 May 2016
	• Responsibilities of Company Directors	25 August 2016
	• The New Companies Bill 2015	25 August 2016
Dillon Tan Yong Chin	• Presentation on Malaysia Property Outlook	19 May 2016
	• Responsibilities of Company Directors	25 August 2016
	• The New Companies Bill 2015	25 August 2016
Dion Tan Yong Chien	• Presentation on Malaysia Property Outlook	19 May 2016
	• Responsibilities of Company Directors	25 August 2016
	• The New Companies Bill 2015	25 August 2016
Tan Sri Othman Bin Abd Razak (appointed on 18 April 2016)	• Mandatory Accreditation Programme	1 – 2 June 2016
	• CG Breakfast Series for Directors: Future of Auditor Reporting – The Game Changer for Boardroom	27 June 2016
	• Independent Directors Programme: The Essence of Independence	29 September 2016
	• Presentation on Malaysia Property Outlook	19 May 2016
	• Responsibilities of Company Directors	25 August 2016
Dato' Gan Nyap Liou @ Gan Nyap Liow	• The New Companies Bill 2015	25 August 2016
	• CIMB Market Outlook	12 January 2016
	• Credit Suisse Economic Outlook	18 January 2016
	• UBS Global Outlook	19 January 2016
	• Presentation on Malaysia Property Outlook	25 May 2016
Datuk Tang Vee Mun	• Responsibilities of Company Directors	25 August 2016
	• The New Companies Bill 2015	25 August 2016
	• Presentation on Malaysia Property Outlook	19 May 2016
Mohd Najib Bin Abdul Aziz (appointed on 13 July 2016)	• Responsibilities of Company Directors	25 August 2016
	• The New Companies Bill 2015	25 August 2016

**SHAREHOLDERS****Communications with Shareholders and Relationship with Investors**

Tropicana Group recognises and practices transparency and accountability to its shareholders and investors. As such, the Group ensures timely dissemination of information through appropriate channels of communications to shareholders and investors to ensure that they are properly informed of major developments of the Group. Such information is communicated to them through the annual reports, press releases and the various disclosures and announcements made to Bursa Securities from time to time, including the quarterly and annual results. These information and documents are accessible on Bursa Malaysia's website at [www.bursamalaysia.com](http://www.bursamalaysia.com). The Company attends to the requests of analysts and fund managers for briefings from time to time.

## STATEMENT ON CORPORATE GOVERNANCE

Tropicana's website at [www.tropicana.com.my](http://www.tropicana.com.my) also provides an avenue for shareholders and members of the public to access information pertaining to Tropicana Group, which is being updated regularly.

Dato' Gan Nyap Liou @ Gan Nyap Liow is the Senior Independent Non-Executive Director, whose primary function is to facilitate any concerns of the shareholders of the Company.

### General Meetings

The Company's AGMs are the principal forum for dialogue and interaction with its shareholders at which the shareholders are annually informed and updated on current developments of Tropicana Group. The Board presents an overview of the performance of businesses in Tropicana Group and encourages shareholders to participate in the question and answer sessions. The Board members, senior management and the Company's external auditors as well as advisors, if applicable, are available to respond to shareholders' questions during the meeting. The Chairman informs the shareholders of their right to demand for a poll before voting on the first resolution and reminds the shareholders of this right, where the Company receives any proxy votes against any particular resolution during the AGM.

Moving forward, paragraph 8.29A of the MMLR has mandated all listed issuers to carry out poll voting for any resolution set out in the notice of any general meeting, or in any notice of resolution which may properly be moved and is intended to be moved at any general meeting. In addition, at least one scrutineer will be appointed to validate the votes cast at the forthcoming AGM.

The results of all resolutions proposed at general meetings are announced to Bursa Securities. A summary of key matters discussed at the 37th AGM held on 26 May 2016 has been published on the Company's website.

## ACCOUNTABILITY AND AUDIT

### Financial Reporting

The Board is responsible for ensuring that the financial statements of the Company and the Group are drawn up in accordance with the Financial Reporting Standards and the Companies Act, 1965 so as to give a true and fair view of the financial position of the Company and of the Group as at 31 December 2016 and of their financial performance and cash flows for the year then ended. The Board is committed to providing a clear, balanced and comprehensive meaningful assessment of the Group's financial performance and prospects, primarily through the annual financial statements and quarterly announcements of results to shareholders. The Group's audited financial statements for the FY2016 are presented in pages 84 to 201 in this annual report.

### Risk Management and Internal Control

The Board has overall responsibility for maintaining a sound system of internal controls which includes financial controls, operational and compliance controls and risk management to safeguard shareholders' interest and the Company's assets. The Group's system of internal control is regularly reviewed to ensure its effectiveness. While acknowledging its responsibility for the system of internal control, the Board is aware that such a system cannot totally eliminate risks and thus, can never be an absolute assurance against the Group failing to achieve its objectives.

The Board has established an internal audit function and the head of internal audit reports directly to the Audit Committee.

The Group's Statement on Risk Management and Internal Control for the FY2016 is set out in pages 75 to 76 of this annual report.

### Relationship with External Auditors

The Board, through the Audit Committee, has always maintained a formal and transparent relationship with the external auditors.

As in previous years, the Audit Committee had invited the external auditors to attend its meetings held in November 2016 to discuss their audit planning memorandum and in February 2017 to discuss their audit findings and the external auditors' views in respect of the true and fair view of Tropicana's and the Tropicana Group's financial statements.

The Audit Committee had also engaged in private sessions with the external auditors without the presence of the Executive Directors and employees of the Company or the Group on the days of their attendance in both the aforesaid meetings held in November 2016 and February 2017, save for the Company Secretary, who records the minutes of the proceedings of such private sessions.

The external auditors may and are encouraged to contact the Audit Committee Chairman or any of the Audit Committee members directly whenever they deem necessary to discuss audit matters or raise any concerns in the course of their audit of the Company's or the Group's financial records or accounting treatment.

This statement is made in accordance with a resolution of the Board dated 6 April 2017.

## ADDITIONAL COMPLIANCE INFORMATION

The information below is disclosed in compliance with the MMLR of Bursa Securities:-

### Status of Utilisation of Proceeds Raised from any Corporate Proposal

Tropicana did not raise and did not have any balance of any proceeds from any corporate proposal during the FY2016.

### Audit and Non-Audit Fees

The amount of audit fees paid or payable to the Company's external auditors for the FY2016 were as follows:-

Incurred by the Company:	RM116,000
Incurred by the Group:	RM885,000

The amount of non-audit fees paid or payable to the Company's external auditors, or a firm or corporation affiliated to the auditors' firm, for the FY2016 were as follows:-

Incurred by the Company:	RM15,350
Incurred by the Group:	RM94,188

### Material Contracts Involving Directors and Major Shareholders

There were no material contracts entered into by the Company and its subsidiaries, involving the interests of the Directors or major shareholders, either still subsisting at the end of the FY2016, or, if not then subsisting, entered into since the end of the previous financial year.

## STATEMENT ON RISK MANAGEMENT AND INTERNAL CONTROL

### INTRODUCTION

This statement of Risk Management and Internal Control is made pursuant to Paragraph 15.26(b) of the Main Market Listing Requirements ("MMLR") and guided by the Statement on Risk Management and Internal Control: Guidelines for Directors of Listed Issuers, accordingly the Board of Directors is pleased to present herewith the Statement on Risk Management and Internal Control.

### BOARDS RESPONSIBILITY

The Board acknowledges its overall responsibility in establishing a sound risk management framework and internal control system as well as reviewing its adequacy and effectiveness for the Group. The Board is satisfied that the Group has implemented an ongoing process to identify, evaluate, monitor, manage and respond to significant risks faced by the Group in its achievement of the business goals and objectives in consideration of the change in the business environment and regulatory requirements.

This ongoing review process has been in place for the entire financial year under review by the Board to ensure that adequate and effective Group risk management and internal control systems have been embedded in all aspects of the Group's activities.

Due to limitations that are inherent in any systems of risk management and internal control, these systems adopted by the Group are designed to manage rather than to eliminate the risk of failure to achieve business objectives. These systems can only provide reasonable but not absolute assurance against any material financial misstatement, fraud or loss. However, the extent of responsibility does not extend to include that of the Group's associated companies for the purpose of this review.

### RISK MANAGEMENT AND INTERNAL CONTROL PROCESSES

#### RISK MANAGEMENT PROCESSES

The Board recognises that risk is an integral and unavoidable component of its business and is characterised by threats and opportunities. Hence, the Risk Management Department and the Enterprise Risk Management ("ERM") program were formalised in the year 2012. The Board is committed to managing risks in a proactive manner and to safeguard stakeholders' interest and the Group's assets.

The Group has a well-defined organisational structure with clearly defined lines of accountability, authority and responsibility of the Board and operating units. Key Standard Operating Procedures have been established to ensure proper succession planning is in place and consistent works are being delivered. All Business/Operations Heads are tasked with reporting major risks on a quarterly basis, all identified risks and the controls for managing them are documented in the Risk Register.

The Risk Management Department will summarise the significant items and incorporating macro headwinds into Group Risk Profile. This will then be presented to the Risk Management Committee ("RMC") for their consideration and further action(s) to be taken.

The continuous risk management processes will enable the Group to achieve its business objectives and help maintain the Company's reputation, while facilitating compliance with corporate governance best practices.

#### INTERNAL CONTROL PROCESSES

##### 1 Board Committees

Clear roles of the Board and Board Committees are stated under the Statement of Corporate Governance section of this Audit Report. These Committees, which include Audit Committee, Nomination Committee, Remuneration Committee, Pricing Committee, Risk Management Committee, Investment Committee and Executive Committee, operate within their respective defined terms of reference approved and specific authority delegated by the Board.

##### 2 Organisational Structure and Responsibility Levels

There is in place an organisational structure that is aligned with its business and operational requirements, with clearly defined lines of accountability and has strict authorisation, approval and control procedures which provide a sound framework. Responsibility levels are communicated throughout the Group which set out, amongst others, authorisation level, segregations of duties and other policies and procedures.

##### 3 Authority levels

Proper procedures governing the authority limits are effectively employed within the Group to govern and manage the business decision making process. These procedures are continuously reviewed and updated periodically to meet changing business and operational needs and regulatory requirements.

## STATEMENT ON RISK MANAGEMENT AND INTERNAL CONTROL

**4 Competency and Talent Management**

To establish the Group's culture of continuous learning, there are policies and procedures for recruitment, performance appraisals and promotion to ensure that suitably qualified and competent personnel are hired and retained.

**5 Senior Management Meetings**

Scheduled meetings of senior management which comprises of the Group Chief Executive Officer, Deputy Group Chief Executive Officer, Managing Directors, Executive Directors and all divisional heads are conducted periodically to ensure effective implementation of all major decisions and business objectives are met.

**6 Financial Performance**

For effective monitoring and decision making, management accounts and reports which compares against the approved budget are prepared on a monthly basis for review by the senior management. The Board monitors the Group's performance by reviewing the quarterly results and examines the announcement to be made to the Bursa Malaysia Securities Berhad ("Bursa Securities"). These results are reviewed by the Audit Committee before they are tabled to the Board.

**7 Monitoring and Review**

The Audit Committee is tasked with the duty of reviewing and monitoring the effectiveness of the Group's internal control systems. In carrying out this responsibility, the Audit Committee relies on the support of Group Internal Audit Department ("IAD") which carries out internal audits on various operating units within the Group based on a risk-based audit plan approved annually by the Audit Committee.

Based on these audits, IAD provides the Audit Committee with periodic reports highlighting observations, recommendations and management action plans to improve the internal control systems. In addition, the Audit Committee reviews and deliberates on any matters relating to internal control highlighted by the External Auditors in the course of their statutory audit of the financial statements of the Group.

**REVIEW OF THE STATEMENT BY EXTERNAL AUDITORS**

The External Auditors have performed limited assurance procedures on this Statement on Risk Management and Internal Control pursuant to the scope set out in Recommended Practice Guide ("RPG") 5 (Revised), Guidance for Auditors on Engagements to Report on the Statement on Risk Management and Internal Control included in the Annual Report issued by the Malaysia Institute of Accountants ("MIA") for inclusion in the Annual Report of the Group for the year ended 31 December 2016, and reported to the Board that nothing has come to their attention that causes them to believe the statement intended to be included in the Annual Report is not prepared, in all material respects, in accordance with the disclosures required by paragraph 41 and 42 of the Guidelines, nor is the Statement factually inaccurate.

RPG 5 does not require the External Auditors to consider whether the Directors' Statement on Risk Management and Internal Control covers all risks and controls, or to form an opinion on the adequacy and effectiveness of the Group's risk management and internal control system including the assessment and opinion by the Directors and management thereon. The report from the External Auditors was made solely for, and directed solely to the Board of Directors in connection with their compliance with the listing requirements of Bursa Securities and for no other purposes or parties. The External Auditors do not assume responsibility to any person other than the board of directors in respect of any aspect of this report.

**CONCLUSION**

In line with the Guidelines, the Group Chief Executive Officer and Chief Financial Officer have provided assurance to the Board that the Group's risk management and internal control systems have operated adequately and effectively, in all material aspects to meet the Group's objectives during the financial year under review. There were no material control failures or adverse compliance events that have directly resulted in any material loss to the Group.

This Statement on Risk Management and Internal Control is made in accordance with the resolution of the Board of Directors dated 6 April 2017.

## AUDIT COMMITTEE REPORT

The Board of Directors of Tropicana Corporation Berhad (“**Tropicana**” or “**the Company**”) presents the Audit Committee Report of Tropicana for the financial year ended 31 December 2016 (“**FY2016**”) as follows:-

### A. COMPOSITION OF THE AUDIT COMMITTEE

The Audit Committee comprised the following Directors during the FY2016:-

Names of Directors	Attendance*
<b>Mohd Najib Bin Abdul Aziz</b> (Chairman/Independent Non-Executive Director) (Appointed on 13 July 2016)	2/2
<b>Dato' Gan Nyap Liou @ Gan Nyap Liow</b> (Member/Senior Independent Non-Executive Director)	4/5
<b>Datuk Tang Vee Mun</b> (Member/Independent Non-Executive Director)	5/5
<b>Dato' Sri Mohamad Norza Bin Zakaria</b> (Chairman/Independent Non-Executive Director) (Resigned on 3 May 2016)	2/2

\* Number of meetings attended/Number of meetings held during his tenure as member

Throughout the financial year under review, the Audit Committee of the Board was made up of no fewer than three (3) members, who were all Independent Non-Executive Directors, including the Audit Committee Chairman. Both Mr Mohd Najib Bin Abdul Aziz and Dato' Gan Nyap Liou @ Gan Nyap Liow are members of the Malaysian Institute of Accountants (“**MIA**”). Mr Mohd Najib Bin Abdul Aziz is also a member of the Institute of Chartered Accountants in Australia (ICAA). All members of the Audit Committee are financially literate. The composition of the Audit Committee meets the provisions of paragraphs 15.09 and 15.10 of the Main Market Listing Requirements (“**MMLR**”) of Bursa Malaysia Securities Berhad (“**Bursa Securities**”).

### B. MEETINGS OF THE AUDIT COMMITTEE

The Audit Committee held five (5) meetings during the FY2016. The attendance record is as indicated in the table under item A above, next to the respective names of the Audit Committee members.

The Executive Directors of the Board, which included the Group Chief Executive Officer, and the senior management attended the Audit Committee meetings held in the FY2016 upon the invitation by the Chairman of the Audit Committee. The Group's head of internal audit attended all the Audit Committee meetings.

The external auditors from Ernst & Young (“**EY**”) attended two (2) of the Audit Committee meetings during the financial year under review, namely the Audit Committee meeting held on 17 February 2016 and 23 November 2016. EY also had two (2) private sessions with the Audit Committee on 17 February 2016 and 23 November 2016 immediately after their briefings and presentations on both days, where all the Executive Directors and the senior management were excused from the meetings, save for the Company Secretary, who recorded the proceedings of the private sessions.

The Audit Committee has direct access to the external auditors and internal auditors, or vice versa.

### C. SUMMARY OF WORK OF THE AUDIT COMMITTEE FOR THE FY2016

During the financial year under review, the Audit Committee had carried out the following work in accordance with its terms of reference:-

#### Financial reporting

- Reviewed all the unaudited interim consolidated results of the Group for the quarter ended 31 December 2015, 31 March 2016, 30 June 2016 and 30 September 2016, the explanatory notes of which were prepared in accordance with the Financial Reporting Standard (“**FRS**”) 134 and paragraph 9.22 of the MMLR of Bursa Securities, before recommendation to the Board for approval and subsequent announcements to Bursa Securities and submission to the Securities Commission.
- Reviewed the audited financial statements of the Company and the Group for the financial year ended 31 December 2015 (“**FY2015**”) prior to tabling to the Board of Directors for approval.

## AUDIT COMMITTEE REPORT

The Audit Committee reviewed the quarterly reports and financial statements of the Company and of the Group focusing particularly on:-

- Any changes in accounting policies and practices;
- Significant adjustments arising from the audit;
- The going concern assumptions; and
- Compliance with accounting standards and other legal requirements.

The legal and regulatory environment was monitored. Consideration was given to changes in law, regulation, accounting policies and practices including the new Auditor Reporting Standards – International Standard on Auditing (ISA) 701 on key audit matters, and the additional disclosure requirements under the amended MMLR of Bursa Securities.

### External audit

- (c) Reviewed and discussed with EY their significant audit findings in respect of the financial statements of the Group for the FY2015.
- (d) Reviewed and evaluated the External Audit Planning Memorandum (“**EAPM**”) prepared by EY pertaining to the statutory audit of the Company and its subsidiaries for the FY2016.

EY’s EAPM for the FY2016 covered the briefing on EY’s service team, the audit and audit-related services, the concept of materiality, EY’s proposed fees comprising audit fees and other fees and the audit timeline. The Audit Committee had also reviewed the areas of audit emphasis raised by EY and had no objection to the same.

As in previous years, EY had declared verbally and in writing in the EAPM to the Audit Committee their independence in respect of their audit of the financial statements of the Company for the FY2016 in accordance with By-Laws (on Professional Ethics, Conduct and Practice) of the MIA.

As required under the ISA 240: The Auditor’s Responsibilities Relating to Fraud in an Audit of Financial Statements, EY had made a formal face-to-face enquiry with each of the Audit Committee members if they were aware of any fraud in the Tropicana Group. Each Audit Committee member had responded to EY that he did not have any knowledge of fraud in the Tropicana Group.

### Internal audit

- (e) Reviewed the reports prepared by the Group Internal Audit Department of Tropicana (“**GIAD**”) with regard to the findings of the audit activities in line with the internal audit programme, the recommendations of the GIAD and the management responses.
- (f) Reviewed and approved the Internal Audit Planning Memorandum (“**IAPM**”) for the Company and its subsidiaries for the financial year ending 2017, which was prepared by the GIAD.
- (g) Reviewed the reports on recurrent related party transactions of revenue nature entered into by the Tropicana Group on quarterly basis.
- (h) Reviewed the report of the internal audit department on the allocation of Employee Share Option Scheme (“**ESOS**”) for the FY2015. In accordance with paragraph 8.17 of the MMLR of Bursa Securities, the Company must ensure that its allocation of the options pursuant to the ESOS is verified by the Audit Committee, as being in compliance with the criteria therefor. The internal auditors had reported that the Company did not grant any options during the FY2015 and that the ESOS of the Company had expired on 20 September 2015. Hence, no verification exercise was undertaken for the FY2015.

### Annual reporting

- (i) Reviewed the Audit Committee Report in respect of the FY2015, the Statement on Risk Management and Internal Control and the Additional Compliance Information for the purpose of publication in the Annual Report 2015 for recommendation of the same to the Board for approval.

## AUDIT COMMITTEE REPORT

**D. INTERNAL AUDIT FUNCTION**

The Audit Committee is supported by an independent and adequately resourced in-house GIAD in the discharge of its duties and responsibilities. The function of GIAD is guided by its Internal Audit Charter and reports directly to the Audit Committee. The principal responsibility of GIAD is to undertake continuous testing and assessment on the effectiveness and efficiency of the risk management frameworks and internal control systems in order to provide reasonable assurance that such frameworks and systems continue to operate efficiently and effectively. The audit approach and objectives are based on the guidance of the Institute of Internal Auditors' International Professional Practices Framework ("IPPF") and the Committee of Sponsoring Organisations of the Treadway Commission ("COSO") Internal Control – Integrated Framework.

During the financial year under review, the internal audit activities have been performed based on the approved annual audit plan which covers projects and entities across all levels of operation within the Group to provide the Audit Committee with assurance that the system of internal controls of the Group had achieved the following:-

- (a) The business was planned and conducted in an orderly, prudent and cost effective manner;
- (b) Transactions and commitments were entered into in accordance with the management's authority;
- (c) Compliance with set policies and procedures;
- (d) The management was able to safeguard the assets and control the liabilities of the Group i.e. there were measures to minimise and detect any loss from irregularities, frauds and errors; and
- (e) The financial and other operational records of the business provided complete, accurate and timely information.

Summary of activities performed by the GIAD:-

- (a) Prepared the annual audit plan for the approval of the Audit Committee.
- (b) Regularly performed risk-based audits on strategic business units of the Group, which covered reviews of the internal control system, accounting and management information system and risk management.
- (c) Issued seventeen (17) audit reports to the Committee and management, which highlight key control issues and significant risks with recommendations for improvement and followed-up on matters raised.
- (d) Reported to the Audit Committee the review of the adequacy, appropriateness and compliance with the procedures established to monitor recurrent related party transactions.

In the course of auditing, the Internal Auditors have identified some internal control weaknesses, which have been or are being addressed. None of these weaknesses have resulted in any material losses, contingencies or uncertainties that would require disclosure in the Company's Annual Report.

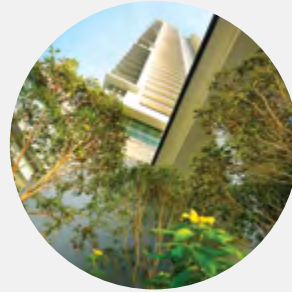
The total cost incurred for the internal audit function in respect of the FY2016 was RM927, 000.

This Audit Committee Report is made in accordance with a resolution of the Board dated 6 April 2017.



PERSIARAN TROPICANA

# TROPICANA AVENUE



ACRES

7

A mixed residential and commercial hub nestled within the resort-theme  
Tropicana Golf & Country Resort





FOSTERING QUALITY

# education

At Tropicana, we focus on designing places where people can call home. In doing so, we take our role seriously in building ideal communities that are not only strategically located, but also holistic in nature. Recognising that education is an important factor in the creation of sustainable communities that add value to the lives of our residents, we have introduced three quality international schools, namely St Joseph's Institution International School Malaysia (Tropicana PJ Campus) which opened its doors to students in September 2016, GEMS International School at Tropicana Metropark, Subang, and Tenby International School at Tropicana Aman, Shah Alam. Built world-class facilities to accommodate both local and international students, both GEMS International School and Tenby International School is expected to take in its first intake in September 2017 and September 2018, respectively.

**For more info, please log on to [www.sji-international.edu.my](http://www.sji-international.edu.my)**



PERSIARAN TROPICANA

ST JOSEPH'S INSTITUTION  
INTERNATIONAL SCHOOL  
MALAYSIA (TROPICANA PJ CAMPUS)



The first in Malaysia, an international school recognised for its values-centred education and learning driven by passion

ACRES

7

## 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 December 2016.

### PRINCIPAL ACTIVITIES

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

The principal activities of the subsidiaries, associate and joint ventures are disclosed in Notes 18, 19 and 20 to the financial statements respectively.

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

### RESULTS

	Group RM'000	Company RM'000
Profit for the financial year	115,001	76,685
Profit attributable to:		
Equity holders of the Company	112,537	76,685
Non-controlling interests	2,464	-
	<b>115,001</b>	<b>76,685</b>

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

### DIVIDENDS

The amount of dividends paid by the Company since 31 December 2015 were as follows:

	RM'000
In respect of the financial year ended 31 December 2015:	
Second interim single-tier dividend of 2.0 sen per ordinary share of RM 1.00 each, declared on 19 February 2016 and paid on 17 March 2016	28,606
In respect of the financial year ended 31 December 2016:	
First interim single-tier dividend of 2.5 sen per ordinary share of RM 1.00 each, declared on 24 November 2016 and paid on 24 February 2017	35,686

On 28 March 2017, the Board of Directors declared a second interim single-tier share dividend for the financial year ended 31 December 2016 via a distribution of treasury shares on the basis of 1.2 treasury shares for every 100 existing ordinary shares held in the Company. The dividend will be accounted as distributions to owners in the financial year ending 31 December 2017.

The directors do not recommend final dividend in respect of the financial year ended 31 December 2016.

## DIRECTORS' REPORT

## DIRECTORS

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

Tan Sri Othman Bin Abd. Razak	(Appointed on 18 April 2016)
Tan Sri Rastam Bin Mohd Isa	
Dato' Yau Kok Seng	
Dato' Dickson Tan Yong Loong	
Dillon Tan Yong Chin	
Dion Tan Yong Chien	
Datuk Tang Vee Mun	
Dato' Gan Nyap Liou @ Gan Nyap Liow	(Appointed on 13 July 2016)
Mohd Najib Bin Abdul Aziz	(Resigned on 03 May 2016)
Datuk Seri Mohamad Norza Bin Zakaria	

## DIRECTORS' BENEFITS

Neither at the end of the financial year, nor at any time during that year, did there subsist any arrangement to which the Company was a party, whereby the directors might acquire benefits by means of 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 11 to the financial statements) by reason of a contract made by the Company or a related corporation with any director or with a firm of which the director is a member, or with a company in which the director has a substantial financial interest, except as disclosed in Note 33 to the financial statements.

## DIRECTORS' INTERESTS

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

Tropicana Corporation Berhad				
Number of ordinary shares of RM1 each				
	At 1 January 2016	Acquired	Disposed	At 31 December 2016
<b>Direct interest</b>				
Dato' Yau Kok Seng	4,659,800	-	-	4,659,800

Other than as disclosed above, none of the other directors in office at the end of the financial year had any interest in ordinary shares, and/or warrants over ordinary shares in the Company or its related corporations during the financial year.

## TREASURY SHARES

During the financial year, the Company repurchased 8,082,200 of its issued ordinary shares from the open market at an average price of RM1.01 per share. The repurchased transactions were financed by internally generated funds. The ordinary shares repurchased are held as treasury shares in accordance with Section 67A of the Companies Act, 1965.

As at reporting date, the number of treasury shares held are 20,096,036 ordinary shares of RM1.00 each.

## DIRECTORS' REPORT

## OTHER STATUTORY INFORMATION

- (a) Before the statements of comprehensive income and statements of financial position of the Group and of the Company were made out, the directors took reasonable steps:
- (i) to ascertain that proper action had been taken in relation to the writing off of bad debts and the making of allowance for doubtful debts and satisfied themselves that there were no known bad debts 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) it necessary to write off any bad debts or the amount of the allowance for doubtful debts inadequate to any substantial extent in respect of these financial statements; and
  - (ii) the values attributed to the current assets in the financial statements of the Group and of the Company misleading.
- (c) At the date of this report, the directors are not aware of any circumstances which have arisen which would render adherence to the existing method of valuation of assets or liabilities of the Group and of the Company misleading or inappropriate.
- (d) At the date of this report, the directors are not aware of any circumstances not otherwise dealt with in this report or financial statements of the Group and of the Company which would render any amount stated in the financial statements misleading.
- (e) As at the date of this report, there does not exist:
- (i) any charge on the assets of the Group or of the Company which has arisen since the end of the financial year which secures the liabilities of any other person; or
  - (ii) any contingent liability of the Group or of the Company which has arisen since the end of the financial year.
- (f) In the opinion of the directors:
- (i) no contingent or other liability has become enforceable or is likely to become enforceable within the period of twelve months after the end of the financial year which will or may affect the ability of the Group or of the Company to meet their obligations when they fall due;
  - (ii) 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 other than the effects arising from the gain on disposal of assets classified as held for sale of RM13,594,000 as disclosed in Note 26 to the financial statements; and
  - (iii) 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.

## DIRECTORS' REPORT

**SIGNIFICANT AND SUBSEQUENT EVENTS**

In addition to the significant events disclosed elsewhere in this report, other significant events and subsequent events are disclosed respectively in Notes 41 and 42 to the financial statements.

**AUDITORS**

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

Signed on behalf of the Board in accordance with a resolution of the directors dated 6 April 2017.

**Dato' Yau Kok Seng**

**Dion Tan Yong Chien**

## STATEMENT BY DIRECTORS

PURSUANT TO SECTION 169(15) OF THE COMPANIES ACT, 1965

We, Dato' Yau Kok Seng and Dion Tan Yong Chien, being two of the directors of Tropicana Corporation Berhad, do hereby state that, in the opinion of the directors, the accompanying financial statements set out on pages 93 to 200 are drawn up in accordance with Financial Reporting Standards and the requirements of Companies Act, 1965 in Malaysia so as to give a true and fair view of the financial position of the Group and of the Company as at 31 December 2016 and of their financial performance and cash flows for the year then ended.

The information set out in Note 46 on page 201 to the financial statements have been prepared in accordance with the Guidance on Special Matter No. 1, Determination of Realised and Unrealised Profits or Losses in the Context of Disclosure Pursuant to Bursa Malaysia Securities Berhad Listing Requirements, as issued by the Malaysian Institute of Accountants.

Signed on behalf of the Board in accordance with a resolution of the directors dated 6 April 2017.

**Dato' Yau Kok Seng**

**Dion Tan Yong Chien**

## STATUTORY DECLARATION

PURSUANT TO SECTION 169(16) OF THE COMPANIES ACT, 1965

I, Lim Lai Seng, being the officer primarily responsible for the financial management of Tropicana Corporation Berhad, do solemnly and sincerely declare that the accompanying financial statements set out on pages 93 to 201 are in my opinion correct, and I make this solemn declaration conscientiously believing the same to be true and by virtue of the provisions of the Statutory Declarations Act, 1960.

Subscribed and solemnly declared  
by the abovenamed Lim Lai Seng  
at Petaling Jaya in the State of Selangor,  
Darul Ehsan on 6 April 2017

Lim Lai Seng

Before me,

**Ng Say Hung**  
B185  
Commissioner of Oaths

## INDEPENDENT AUDITORS' REPORT

TO THE MEMBERS OF TROPICANA CORPORATION BERHAD (INCORPORATED IN MALAYSIA)

### REPORT ON THE FINANCIAL STATEMENTS

#### *Opinion*

We have audited the financial statements of Tropicana Corporation Berhad, which comprise the statements of financial position as at 31 December 2016 of the Group and of the Company, and the statements of comprehensive income, statements of changes in equity and statements of cash flows of the Group and of the Company for the year then ended, and notes to the financial statements, including a summary of significant accounting policies, as set out on pages 93 to 200.

In our opinion, the accompanying financial statements give a true and fair view of the financial position of the Group and of the Company as at 31 December 2016, 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 1965, 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 cost of sales in respect of property development activities**

(Refer to Note 4 and Note 5 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 December 2016, property development revenue of RM1,319,322,000 and cost of sales of RM903,643,000 accounted for approximately 90% and 84% of the Group's revenue and cost of sales respectively. The Group uses the stage of completion method in accounting for these property development contracts.

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

**INDEPENDENT AUDITORS' REPORT**

TO THE MEMBERS OF TROPICANA CORPORATION BERHAD (INCORPORATED IN MALAYSIA)

**KEY AUDIT MATTERS (CONT'D.)****Revenue and cost of sales in respect of property development activities (cont'd.)**

(Refer to Note 4 and Note 5 to the financial statements) (cont'd.)

How our audit addressed this matter

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

- 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, gross profit margin and stage of completion of the property development activities;
- For significant property development phase, we read the sale and purchase agreements entered into with the customers to obtain an understanding of the specific terms and conditions;
- We evaluated the assumptions applied in estimating the total property development costs for each property development phase 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;
- We evaluated the determination of stage of completion by examining supporting evidence such as contractors' progress claims and suppliers' invoices.
- 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.

**Valuation of investment properties**

(Refer to Note 17 to the financial statements)

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

How our audit addressed the matter

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

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

**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.

## INDEPENDENT AUDITORS' REPORT

TO THE MEMBERS OF TROPICANA CORPORATION BERHAD (INCORPORATED IN MALAYSIA)

**Information other than the financial statements and auditors' report thereon (cont'd.)**

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 1965, in Malaysia. The directors are also responsible for such internal control as the directors determine is necessary to enable the preparation of financial statements of the Group and of the Company that are free from material misstatement, whether due to fraud or error.

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

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

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

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

- Identify and assess the risks of material misstatement of the financial statements of the Group and of the Company, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Group's and the Company's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the directors.
- Conclude on the appropriateness of the directors' use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Group's or the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditors' report to the related disclosures in the financial statements of the Group and of the Company or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditors' report. However, future events or conditions may cause the Group or the Company to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial statements of the Group and of the Company, including the disclosures, and whether the financial statements of the Group and of the Company represent the underlying transactions and events in a manner that achieves fair presentation.
- Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Group to express an opinion on the financial statements of the Group. We are responsible for the direction, supervision and performance of the group audit. We remain solely responsible for our audit opinion.

**INDEPENDENT AUDITORS' REPORT**

TO THE MEMBERS OF TROPICANA CORPORATION BERHAD (INCORPORATED IN MALAYSIA)

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

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 1965, in Malaysia ("the Act"), we also report the following:

- (a) In our opinion, the accounting and other records and the registers required by the Act to be kept by the Company and its subsidiaries of which we have acted as auditors have been properly kept in accordance with the provisions of the Act.
- (b) We have considered the financial statements and the auditors' reports of all the subsidiaries of which we have not acted as auditors, which are indicated in Note 18 to the financial statements, being financial statements that have been included in the consolidated financial statements.
- (c) We are satisfied that the financial statements of the subsidiaries that have been consolidated with the financial statements of the Company are in form and content appropriate and proper for the purposes of the preparation of the consolidated financial statements and we have received satisfactory information and explanations required by us for those purposes.
- (d) The auditors' reports on the financial statements of the subsidiaries were not subject to any qualification and did not include any comment required to be made under Section 174(3) of the Act.

**OTHER REPORTING RESPONSIBILITIES**

The supplementary information set out in Note 46 on page 201 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 174 of the Companies Act, 1965 in Malaysia and for no other purpose. We do not assume responsibility to any other person for the content of this report.

**Ernst & Young**  
AF: 0039  
Chartered Accountants

Kuala Lumpur, Malaysia  
6 April 2017

**Hoh Yoon Hoong**  
No. 02990/08/2018 J  
Chartered Accountant

## STATEMENTS OF COMPREHENSIVE INCOME

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2016

		Group		Company	
	Note	2016 RM'000	2015 RM'000	2016 RM'000	2015 RM'000
<b>Continuing operations</b>					
Revenue	4	1,459,405	1,252,714	180,001	187,500
Cost of sales	5	(1,074,869)	(836,111)	-	-
<b>Gross profit</b>		<b>384,536</b>	416,603	<b>180,001</b>	187,500
<b>Other items of income</b>					
Other income	6	46,720	162,506	-	5,864
<b>Other items of expense</b>					
Administrative expenses		(255,125)	(268,360)	(21,031)	(19,285)
Other expenses		(31,481)	(19,951)	(83,467)	(64,055)
<b>Operating profit</b>		<b>144,650</b>	290,798	<b>75,503</b>	110,024
Finance income	7	22,180	25,820	41,376	41,583
Finance costs	8	(40,447)	(65,005)	(38,169)	(38,033)
Share of results of joint ventures		43,854	17,944	-	-
Share of results of associate		(2,184)	-	-	-
<b>Profit before tax</b>	9	<b>168,053</b>	269,557	<b>78,710</b>	113,574
Income tax expense	12	(53,052)	(60,753)	(2,025)	(1,640)
<b>Profit for the financial year from continuing operations</b>		<b>115,001</b>	208,804	<b>76,685</b>	111,934
<b>Profit for the financial year from discontinued operation</b>	18(b)	-	39,677	-	-
		<b>115,001</b>	248,481	<b>76,685</b>	111,934
<b>Other comprehensive income to be reclassified to profit and loss in subsequent period</b>					
Foreign currency translation		154	1,723	-	-
<b>Total comprehensive income</b>		<b>115,155</b>	250,204	<b>76,685</b>	111,934
<b>Profit attributable to:</b>					
Equity holders of the Company		112,537	223,302		
Non-controlling interests		2,464	25,179		
		<b>115,001</b>	248,481		
<b>Total comprehensive income attributable to:</b>					
Equity holders of the Company		112,520	224,421		
Non-controlling interests		2,635	25,783		
		<b>115,155</b>	250,204		

**STATEMENTS OF COMPREHENSIVE INCOME**  
FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2016 (CONT'D.)

		<b>Group</b>		<b>Company</b>	
	<b>Note</b>	<b>2016 RM'000</b>	<b>2015 RM'000</b>	<b>2016 RM'000</b>	<b>2015 RM'000</b>
<b>Earnings per share attributable to owners of the parent (sen per share)</b>					
Basic					
Continuing operations	13	<b>7.87</b>	13.11	-	-
Discontinued operation	13	-	2.42	-	-
		<b>7.87</b>	15.53	-	-
Diluted					
Continuing operations	13	<b>7.84</b>	13.09	-	-
Discontinued operation	13	-	2.42	-	-
		<b>7.84</b>	15.51	-	-
<b>Dividend per ordinary share in respect of the financial year (sen per share)</b>		<b>4.50</b>	7.35	-	-

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

## STATEMENTS OF FINANCIAL POSITION - GROUP

AS AT 31 DECEMBER 2016

	Note	2016 RM'000	2015 RM'000 (Restated)
<b>Assets</b>			
<b>Non-current assets</b>			
Property, plant and equipment	15	741,864	615,972
Land held for property development	16(a)	2,236,335	2,389,921
Investment properties	17	447,519	389,622
Interest in an associate	19	38,144	40,328
Investments in joint ventures	20	396,926	338,790
Other investments	21	312	312
Intangible assets	22	1,475	3,439
Deferred tax assets	30	26,468	26,513
Trade and other receivables	24	39,138	24,965
		<b>3,928,181</b>	<b>3,829,862</b>
<b>Current assets</b>			
Property development costs	16(b)	1,593,795	1,077,125
Inventories	23	34,931	40,355
Trade and other receivables	24	880,006	746,749
Tax recoverable		47,328	28,640
Cash and bank balances	25	841,265	837,493
		<b>3,397,325</b>	<b>2,730,362</b>
Assets classified as held for sale	26	-	180,740
		<b>3,397,325</b>	<b>2,911,102</b>
<b>Total assets</b>		<b>7,325,506</b>	<b>6,740,964</b>

STATEMENTS OF FINANCIAL POSITION - GROUP  
AS AT 31 DECEMBER 2016 (CONT'D.)

	Note	2016 RM'000	2015 RM'000 (Restated)
<b>Equity and liabilities</b>			
<b>Equity attributable to equity holders of the Company</b>			
Share capital	27	1,447,466	1,447,466
Treasury shares	27	(23,648)	(15,498)
Share premium	27	577,984	577,984
Other reserves	28	1,125,098	1,076,870
		<b>3,126,900</b>	3,086,822
Non-controlling interests		<b>289,084</b>	268,190
<b>Total equity</b>		<b>3,415,984</b>	3,355,012
<b>Non-current liabilities</b>			
Provision for liabilities	29	341,668	298,643
Deferred tax liabilities	30	54,491	66,499
Borrowings	31	1,261,505	1,265,092
Trade and other payables	32	863,966	544,812
		<b>2,521,630</b>	2,175,046
<b>Current liabilities</b>			
Borrowings	31	551,759	488,350
Trade and other payables	32	823,308	703,285
Tax payable		12,825	19,271
		<b>1,387,892</b>	1,210,906
<b>Total liabilities</b>		<b>3,909,522</b>	3,385,952
<b>Total equity and liabilities</b>		<b>7,325,506</b>	6,740,964

## STATEMENT OF FINANCIAL POSITION - COMPANY

AS AT 31 DECEMBER 2016

	Note	2016 RM'000	2015 RM'000 (Restated)
<b>Assets</b>			
<b>Non-current assets</b>			
Property, plant and equipment	15	1,530	1,750
Investments in subsidiaries	18	1,182,614	1,346,153
Other investments	21	312	312
Trade and other receivables	24	53,879	40,213
		<b>1,238,335</b>	<b>1,388,428</b>
<b>Current assets</b>			
Trade and other receivables	24	2,105,368	1,843,027
Cash and bank balances	25	200,397	277,055
		<b>2,305,765</b>	<b>2,120,082</b>
<b>Total assets</b>		<b>3,544,100</b>	<b>3,508,510</b>
<b>Equity and liabilities</b>			
<b>Equity</b>			
Share capital	27	1,447,466	1,447,466
Treasury shares	27	(23,648)	(15,498)
Share premium	27	577,984	577,984
Other reserves	28	153,839	141,446
Total equity		<b>2,155,641</b>	<b>2,151,398</b>
<b>Non-current liability</b>			
Borrowings	31	245,240	203,034
<b>Current liabilities</b>			
Borrowings	31	253,243	256,917
Trade and other payables	32	889,093	896,567
Tax payable		883	594
		<b>1,143,219</b>	<b>1,154,078</b>
<b>Total liabilities</b>		<b>1,388,459</b>	<b>1,357,112</b>
<b>Total equity and liabilities</b>		<b>3,544,100</b>	<b>3,508,510</b>

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

# STATEMENTS OF CHANGES IN EQUITY - GROUP

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2016

	Attributable to equity holders of the Company									
	Non-distributable									
	Share capital RM'000	Treasury shares RM'000	Share premium RM'000	Translation reserve RM'000	Share options reserve RM'000	Warrants reserve 2009/2019 RM'000	RCULS reserve 2012/2022 RM'000	Retained earnings RM'000	Total reserves RM'000	Total equity RM'000
	Note 27	Note 27	Note 27	Note 28(a)	Note 28(b)	Note 28(c)	Note 28(d)	Note 28(e)		
<b>At 1 January 2016</b>	<b>1,447,466</b>	<b>(15,498)</b>	<b>577,984</b>	<b>(58)</b>	<b>-</b>	<b>45,960</b>	<b>-</b>	<b>1,030,968</b>	<b>1,654,854</b>	<b>3,355,012</b>
<b>Total comprehensive income</b>										
<b>Transactions with owners</b>										
Issuance of equity to non-controlling interests	-	-	-	-	-	-	-	-	-	18,259
Purchase of treasury shares	-	(8,150)	-	-	-	-	-	-	-	(8,150)
Dividends to shareholders of the Company	-	-	-	-	-	-	-	(64,292)	(64,292)	(64,292)
Total transactions with owners	-	(8,150)	-	-	-	-	-	(64,292)	(64,292)	(54,183)
<b>At 31 December 2016</b>	<b>1,447,466</b>	<b>(23,648)</b>	<b>577,984</b>	<b>(75)</b>	<b>-</b>	<b>45,960</b>	<b>-</b>	<b>1,079,213</b>	<b>3,126,900</b>	<b>3,415,984</b>
<b>At 1 January 2015</b>	<b>1,396,268</b>	<b>(42,779)</b>	<b>568,388</b>	<b>823</b>	<b>20,186</b>	<b>45,960</b>	<b>66,227</b>	<b>877,896</b>	<b>1,579,480</b>	<b>3,185,181</b>
<b>Total comprehensive income</b>										
<b>Transactions with owners</b>										
Issue of ordinary shares pursuant to:										
- ESOS	344	-	-	-	-	-	-	-	-	344
- RCULS	50,854	-	25,612	-	-	-	(66,227)	-	(40,615)	10,239
Effects pursuant to ESOS on:										
- exercised	-	-	96	-	(96)	-	-	-	-	-
- forfeited	-	-	-	-	(2,055)	-	-	2,055	-	-
- expired	-	-	-	-	(18,035)	-	-	18,035	-	-
Issuance of equity to non-controlling interest	-	-	-	-	-	-	-	-	-	9,080
Purchase of treasury shares	-	(7,350)	-	-	-	-	-	-	-	(7,350)
Disposal of a subsidiary	-	-	-	(2,000)	-	-	-	-	(2,000)	(20,885)
Dividends to shareholders of the Company	-	34,631	(16,112)	-	-	-	-	(90,320)	(106,432)	(71,801)
Total transactions with owners	51,198	27,281	9,596	(2,000)	(20,186)	-	(66,227)	(70,230)	(149,047)	(80,373)
<b>At 31 December 2015</b>	<b>1,447,466</b>	<b>(15,498)</b>	<b>577,984</b>	<b>(58)</b>	<b>-</b>	<b>45,960</b>	<b>-</b>	<b>1,030,968</b>	<b>1,654,854</b>	<b>3,355,012</b>

## STATEMENTS OF CHANGES IN EQUITY - COMPANY

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2016

	Attributable to equity holders of the Company					Non-distributable			Total equity RM'000	Total RM'000
	Share capital		Treasury shares		Share premium RM'000	Share options reserve RM'000		Warrants reserve 2009/2019 RM'000	RCULS reserve 2012/2022 RM'000	Retained earnings reserves RM'000
	Note 27	Note 27	Note 27	Note 27	Note 27	Note 28(b)	Note 28(c)	Note 28(d)	Note 28(e)	
<b>At 1 January 2016</b>	<b>1,447,466</b>	<b>(15,498)</b>	<b>577,984</b>	<b>-</b>	<b>45,960</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>95,486</b>	<b>2,151,398</b>
<b>Total comprehensive income</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>76,685</b>	<b>76,685</b>
<b>Transactions with owners</b>										
Purchase of treasury shares	-	(8,150)	-	-	-	-	-	-	-	(8,150)
Dividends to shareholders of the Company	-	-	-	-	-	-	-	-	(64,292)	(64,292)
Total transactions with owners	-	(8,150)	-	-	-	-	-	-	(64,292)	(72,442)
<b>At 31 December 2016</b>	<b>1,447,466</b>	<b>(23,648)</b>	<b>577,984</b>	<b>-</b>	<b>45,960</b>	<b>-</b>	<b>107,879</b>	<b>-</b>	<b>731,823</b>	<b>2,155,641</b>
<b>At 1 January 2015</b>	<b>1,396,268</b>	<b>(42,779)</b>	<b>568,388</b>	<b>20,186</b>	<b>45,960</b>	<b>66,227</b>	<b>53,782</b>	<b>754,543</b>	<b>2,108,032</b>	
<b>Total comprehensive income</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>111,934</b>	<b>111,934</b>	<b>111,934</b>	
<b>Transactions with owners</b>										
Issue of ordinary shares pursuant to:										
- ESOS	344	-	-	-	-	-	-	-	-	344
- RCULS	50,854	-	25,612	-	-	(66,227)	-	(40,615)	10,239	
Effects pursuant to ESOS on:										
- exercised	-	-	96	(96)	-	-	-	-	-	-
- forfeited	-	-	-	(2,055)	-	-	2,055	-	-	-
- expired	-	-	-	(18,035)	-	-	18,035	-	-	-
Purchase of treasury shares	-	(7,350)	-	-	-	-	-	-	-	(7,350)
Dividends to shareholders of the Company	-	34,631	(16,112)	-	-	-	(90,320)	(106,432)	(71,801)	
Total transactions with owners	51,198	27,281	9,596	(20,186)	-	(66,227)	(70,230)	(147,047)	(68,568)	
<b>At 31 December 2015</b>	<b>1,447,466</b>	<b>(15,498)</b>	<b>577,984</b>	<b>-</b>	<b>45,960</b>	<b>-</b>	<b>95,486</b>	<b>719,430</b>	<b>2,151,398</b>	

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

## STATEMENTS OF CASH FLOWS - GROUP

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2016

	Note	2016 RM'000	2015 RM'000 (Restated)
<b>Cash flows from operating activities</b>			
Profit before tax			
- Continuing operations		168,053	269,557
- Discontinued operation		-	43,272
		168,053	312,829
Adjustments for:			
Depreciation of property, plant and equipment	9	26,448	28,268
Interest income	7	(22,180)	(25,873)
Interest expense		40,447	65,341
Share of results in associate		2,184	17
Share of results in joint ventures		(43,854)	(19,616)
Gain on disposal of a subsidiary		-	(27,531)
Gain on disposal of asset classified as held for sales		(13,594)	-
Gain on disposal of investment properties		-	(126,032)
Gain on disposal of property, plant and equipment		(811)	(12,149)
Property, plant and equipment written off		7,816	3,582
Property development costs written off		3,587	-
Fair value loss/(gain) on investment properties	17	463	(3,298)
Amortisation of deferred license fees	32(b)(iii)	(2,491)	(2,411)
Amortisation of security retainers accumulation fund	24(b)(ii)	11	11
Impairment loss on intangible assets	22	1,964	10,662
Impairment loss on trade and other receivables		1,846	450
Provision for liabilities		-	14,044
Unrealised returns on security retainers accumulation fund	24(b)(iii)	(238)	(231)
Unrealised foreign exchange loss		-	310
Operating profit before working capital changes		169,651	218,373
Changes in working capital:			
Receivables		(149,351)	378,348
Deposits with licensed banks not available for use		161,219	(219,402)
Inventories		57,109	10,166
Property development costs		(3,081)	(174,266)
Land held for property development		(68,288)	(189,399)
Provision for liabilities		43,025	240,022
Trade and other payables		87,436	(127,273)
Interests paid		(113,634)	(129,625)
Net tax paid		(90,152)	(120,845)
Net cash generated from/(used in) operations		93,934	(113,901)

**STATEMENTS OF CASH FLOWS - GROUP**  
FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2016 (CONT'D.)

	Note	2016 RM'000	2015 RM'000 (Restated)
<b>Cash flows from investing activities</b>			
Purchase of property, plant and equipment	15(d)	(143,357)	(138,452)
Purchase of investment properties		(20,473)	(7,297)
Proceeds from disposal of property, plant and equipment		3,434	61,485
Proceeds from disposal of investment properties		-	1,025,169
Proceeds from disposal of a subsidiary, net of cash at banks disposed of	18(b)	-	167,286
Proceeds from disposal of assets classified as assets held for sale		198,000	-
Additions to assets classified as held for sale	26	(3,666)	(41,132)
Increase in investments in joint ventures		(14,500)	(70,243)
Interest received		22,180	25,873
Dividend received from a joint venture		-	966
Net cash from investing activities		41,618	1,023,655
<b>Cash flows from financing activities</b>			
Payment of borrowing costs		(14,215)	(23,550)
Drawdown from borrowings		680,000	669,787
Repayment of borrowings		(617,682)	(1,309,969)
Repayment of hire purchase		(3,113)	(2,721)
Issue of ordinary shares pursuant to ESOS		-	344
Issue of redeemable preference shares to non-controlling interests		18,259	9,080
Conversion of redeemable convertible unsecured loan stocks		-	187
Purchase of treasury shares		(8,150)	(7,350)
Dividends paid to shareholders of the Company		(28,606)	(71,801)
Net cash from/(used in) financing activities		26,493	(735,993)
<b>Net increase in cash and cash equivalents</b>		162,045	173,761
Effects of foreign exchange rate changes		(23)	1,080
<b>Cash and cash equivalents at beginning of financial year</b>		565,447	390,606
<b>Cash and cash equivalents at end of financial year</b>	25	727,469	565,447

## STATEMENTS OF CASH FLOWS - COMPANY

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2016

	Note	2016 RM'000	2015 RM'000 (Restated)
<b>Cash flows from operating activities</b>			
Profit before tax		78,710	113,574
Adjustments for:			
Depreciation of property, plant and equipment	9	485	661
Interest income	7	(41,376)	(41,583)
Interest expense	8	34,819	36,744
Impairment loss on trade and other receivables		3,092	4,127
Impairment loss on investments in subsidiaries		80,306	57,638
Reversal of impairment loss on trade and other receivables		-	(5,864)
Amortisation of borrowing costs	8	3,350	1,102
Unwinding of RCULS liability		-	187
Dividend income	4	(180,001)	(187,500)
Operating loss before working capital changes		(20,615)	(20,914)
Changes in working capital:			
Receivables		(184,563)	(222,798)
Deposit in licensed banks not available for use		218,621	(216,482)
Payables		139,547	535,913
Cash generated from operations		152,990	75,719
Interest paid		(38,278)	(36,744)
Net tax (paid)/refunded		(1,736)	2,494
Net cash generated from operating activities		112,976	41,469
<b>Cash flows from investing activities</b>			
Purchase of property, plant and equipment	9	(265)	(97)
Interest received		36,167	36,441
Net cash outflow on subscription of additional ordinary shares in subsidiaries		(5,341)	(632)
Net cash from investing activities		30,561	35,712
<b>Cash flows from financing activities</b>			
Drawdown from borrowings		119,317	145,000
Repayment of borrowings		(79,449)	(221,141)
Issue of ordinary shares pursuant to ESOS		-	344
Purchase of treasury shares		(8,150)	(7,350)
Payment of borrowings costs		(4,686)	-
Dividends paid to shareholders of the Company		(28,606)	(71,801)
Net cash used in financing activities		(1,574)	(154,948)
<b>Net increase/(decrease) in cash and cash equivalents</b>		141,963	(77,767)
<b>Cash and cash equivalents at beginning of financial year</b>		17,209	94,976
<b>Cash and cash equivalents at end of financial year</b>	25	159,172	17,209

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

# NOTES TO THE FINANCIAL STATEMENTS

AS AT 31 DECEMBER 2016

## 1. CORPORATE INFORMATION

Tropicana Corporation Berhad (“the Company”) is a public limited liability company, incorporated and domiciled in Malaysia, and is listed on the Main Market of Bursa Malaysia Securities Berhad. The registered office of the Company is located at LG-A1, Lower Ground Floor, Tropicana City Mall, No. 3 Jalan SS20/27, 47400 Petaling Jaya, Selangor Darul Ehsan. The principal place of business of the Company is located at Level 7, 9, 10-12, Tropicana City Office Tower, No. 3, Jalan SS20/27, 47400 Petaling Jaya, Selangor Darul Ehsan.

The principal activities of the Company are investment holding and provision of management services. The principal activities of the subsidiaries, associate and joint ventures are disclosed respectively in Notes 18, 19 and 20. There have been no significant changes in the nature of these principal activities during the financial year.

The financial statements were authorised for issue by the Board of Directors in accordance with a resolution of the directors on 6 April 2017.

## 2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

### 2.1 Basis of preparation

The financial statements of the Group and the Company have been prepared in accordance with Financial Reporting Standards (“FRSs”) and the requirements of the Companies Act, 1965 in Malaysia.

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

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 arising from adoption of New FRSs and Amendments to FRSs

The accounting policies adopted by the Group and the Company are consistent with those of the previous financial year, except for the adoption of the following new amendments to FRS and IC Interpretations which are mandatory for annual financial periods beginning on or after 1 January 2016.

Description	Effective for annual period beginning on or after
<i>Amendment to FRS 5: Non-current Assets held for sales and Discontinued Operations (Annual Improvements to FRSs 2012-2014 Cycle)</i>	1 January 2016
<i>Amendment to FRS 7: Financial instruments: Disclosure (Annual Improvements to FRSs 2012-2014 Cycle)</i>	1 January 2016
<i>Amendment to FRS 10, FRS 12 and FRS 128: Investment Entities: Applying the Consolidation Exception</i>	1 January 2016
<i>Amendment to FRS 11: Accounting for Acquisitions of Interest in Joint Operations</i>	1 January 2016
<i>FRS 14: Regulatory Deferral Accounts</i>	1 January 2016
<i>Amendment to FRS 101: Disclosure Initiatives</i>	1 January 2016
<i>Amendment to FRS 116 and FRS 138: Clarification of Acceptable Methods of Depreciation Amortisation</i>	1 January 2016
<i>Amendment to FRS 119: Employee Benefits (Annual Improvements to FRSs 2012-2014 Cycle)</i>	1 January 2016
<i>Amendment to FRS 127: Equity Method in Separate Financial Statements</i>	1 January 2016
<i>Amendment to FRS 134: Interim Financial Reporting (Annual Improvements to FRSs 2012-2014 Cycle)</i>	1 January 2016

The adoption of the above new FRSs and amendments to FRSs did not result in material impact to the financial statements of the Group and of the Company.

## NOTES TO THE FINANCIAL STATEMENTS

AS AT 31 DECEMBER 2016

### 2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONT'D.)

#### 2.3 Standards and interpretations issued but not yet effective

The followings are new standards that have been issued by the MASB but have not yet been adopted by the Group and the Company.

Description	Effective for annual period beginning on or after
<i>Amendment to FRS 12: Disclosure of Interests in Other Entities (Annual Improvement to FRS Standards 2014-2016 Cycle)</i>	1 January 2017
<i>Amendments to FRS 107: Disclosure Initiative</i>	1 January 2017
<i>Amendments to FRS 112: Recognition of Deferred Tax Assets for Unrealised Losses</i>	1 January 2017
<i>Amendments to FRS 10 and FRS 128: Sale or Contribution of Assets between an Investor and its Associate or Joint Venture</i>	Deferred

The Group is in the process of assessing the impact of implementing these accounting standards, amendments and interpretations, as the effects would only be observable in future financial years.

#### 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 ("MFRS Framework").

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

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

The Group and the Company fall within the scope definition of Transitioning Entities and accordingly, will be required to prepare financial statements using the MFRS Framework in its first MFRS financial statements for the financial year ending 31 December 2018. In presenting its first MFRS financial statements, the Group and the Company 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.

#### 2.4 Basis of consolidation

The consolidated financial statements comprise the financial statements of the Company and its subsidiaries as at reporting date. Control is achieved when the Group is exposed, or has rights, to variable returns from its involvement with the investee and has the ability to affect those returns through its power over the investee. Specifically, the Group controls an investee if and only if the Group has:

- (i) power over the investee (i.e. existing rights that give it the current ability to direct the relevant activities of the investee);
- (ii) exposure, or rights, to variable returns from its investment with the investee; and
- (iii) the ability to use its power over the investee to affect its returns.

## NOTES TO THE FINANCIAL STATEMENTS

AS AT 31 DECEMBER 2016

## 2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONT'D.)

### 2.4 Basis of consolidation (cont'd.)

When the Group has less than a majority of the voting or similar rights of an investee, the Group considers all relevant facts and circumstances in assessing whether it has power over an investee, including:

- (i) the contractual arrangement with the other vote holders of the investee;
- (ii) rights arising from other contractual arrangements; and
- (iii) the Group's voting rights and potential voting rights.

The Group re-assesses whether or not it controls an investee if facts and circumstances indicate that there are changes to one or more of the three elements of control. Consolidation of a subsidiary begins when the Group obtains control over the subsidiary and ceases when the Group loses control of the subsidiary. Assets, liabilities, income and expenses of a subsidiary acquired or disposed of during the year are included in the statement of comprehensive income from the date the Group gains control until the date the Group ceases to control the subsidiary.

Profit or loss and each component of other comprehensive income ("OCI") are attributed to the equity holders of the parent of the Group and to the non-controlling interests, even if this results in the non-controlling interests having a deficit balance. When necessary, adjustments are made to the financial statements of subsidiaries to bring their accounting policies into line with the Group's accounting policies. All intra-group transactions, balances, income and expenses and unrealised gains and losses resulting from intra-group transactions are eliminated in full.

A change in the ownership interest of a subsidiary, without a loss of control, is accounted for as an equity transaction. When the Group loses control over a subsidiary, the Group would derecognise all assets (including goodwill), liabilities and non-controlling interests at their carrying amount of the subsidiary and to recognise the fair value of the consideration received.

The gain or loss on disposal is calculated as the difference between:

- (i) The aggregate of the fair value of the consideration received and the fair value of any retained interest; and
- (ii) The previous carrying amount of the assets (including goodwill) and liabilities of the subsidiary and any non-controlling interests.

### 2.5 Business combinations and goodwill

Business combinations are accounted for using the acquisition method of accounting. The cost of an acquisition is measured as the aggregate of the consideration transferred measured at fair value at the acquisition date and the amount of any non-controlling interest in the acquiree. For each business combination, the Group elects whether to measure non-controlling interests 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.

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 acquisition date. This includes the separation of embedded derivatives in host contracts by the acquiree.

If the business combination is achieved in stages, any previously held equity interest is re-measured at its fair value at the acquisition date and any resulting gain or loss is recognised in profit or loss. It is then considered in the determination of goodwill.

Any contingent consideration to be transferred by the acquirer will be recognised at fair value at the acquisition date. Contingent consideration classified as an asset or liability that is a financial instrument and within the scope of FRS 139 Financial Instruments: Recognition and Measurement, is measured at fair value with changes in fair value recognised either in either profit or loss or as a change to OCI. If the contingent consideration is not within scope of FRS 139, it is measured in accordance with the appropriate FRS. Contingent consideration that is classified as equity is not re-measured and subsequent settlement is accounted for within equity.

## NOTES TO THE FINANCIAL STATEMENTS

AS AT 31 DECEMBER 2016

**2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONT'D.)****2.5 Business combinations and goodwill (cont'd.)**

Goodwill is initially measured at cost, being the excess of the aggregate of the consideration transferred and the amount recognised for non-controlling interests, and any previous interest held, over the net identifiable assets acquired and liabilities assumed. If the fair value of the net assets acquired is in excess of the aggregate consideration transferred, the Group re-assesses whether it has correctly identified all of the assets acquired and all of the liabilities assumed and reviews the procedures used to measure the amounts to be recognised at the acquisition date. If the re-assessment still results in an excess of the fair value of net assets acquired over the aggregate consideration transferred, then the gain is recognised in profit or loss.

After initial recognition, goodwill is measured at cost less any accumulated impairment losses. For the purpose of impairment testing, goodwill acquired in a business combination is, from the acquisition date, allocated to each of the Group's cash-generating units that are expected to benefit from the combination, irrespective of whether other assets or liabilities of the acquiree are assigned to those units.

Where goodwill has been allocated to a cash-generating unit and part of the operation within that unit is disposed of, the goodwill associated with the disposed operation is included in the carrying amount of the operation when determining the gain or loss on disposal. Goodwill disposed in these circumstances is measured based on the relative values of the disposed operation and the portion of the cash-generating unit retained.

**2.6 Financial instruments - initial recognition and subsequent measurement****(a) Financial assets**

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

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

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

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

Financial assets at fair value through profit or loss include financial assets held for trading and financial assets designated upon initial recognition at fair value through profit or loss. Financial assets are classified as held for trading if they are acquired for the purpose of selling or repurchasing in the near term. Derivatives, including separated embedded derivatives are also classified as held for trading unless they are designated as effective hedging instruments.

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

NOTES TO THE FINANCIAL STATEMENTS  
AS AT 31 DECEMBER 2016

## 2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONT'D.)

### 2.6 Financial instruments - initial recognition and subsequent measurement (cont'd.)

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

##### (ii) Loans and receivables ("LAR")

Loans and receivables are non-derivative financial assets with fixed or determinable payments that are not quoted in an active market. Subsequent to initial recognition, such financial assets are measured at amortised cost using the effective interest rate ("EIR") method, less impairment, if any.

Amortised cost is calculated by taking into account any discount or premium on acquisition and fees or costs that are an integral part of the EIR. Gains and losses are recognised in profit or loss when the loans and receivables are derecognised or impaired, and through the amortisation process.

##### (iii) Held-to-maturity investments ("HTM")

Financial assets classified as held-to-maturity investments are non-derivative financial assets with fixed or determinable payments and fixed maturity that the Group has the positive intention and ability to hold them to maturity. Subsequent to initial recognition, held to maturity investments are measured at amortised cost using the EIR, less impairment, if any.

Amortised cost is calculated by taking into account any discount or premium on acquisition and fees or costs that are an integral part of the EIR. Gains or losses are recognised in profit or loss when the financial assets are derecognised or impaired, and through the amortisation process. The Group has not designated any financial assets as held-to-maturity investments.

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

Available-for-sale financial investments include non-derivative financial assets that are designated as classified as available-for-sale or are not classified as loans and receivables, held-to-maturity investments or financial assets at fair value through profit or loss.

Subsequent to initial measurement, available-for-sale financial are measured at fair value. Any gains or losses from changes in fair value of the financial assets are recognised as 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 right of the Group and of the Company to receive payment is established.

Investments in equity investments whose fair value cannot be reliably determined are measured at cost less impairment losses.

#### Derecognition

A financial asset is derecognised when 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.

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

## NOTES TO THE FINANCIAL STATEMENTS

### AS AT 31 DECEMBER 2016

## 2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONT'D.)

### 2.6 Financial instruments - initial recognition and subsequent measurement (cont'd.)

#### (b) Impairment of financial assets

The Group and the Company assess at each reporting date whether there is objective evidence that a financial asset or a group of financial assets is impaired. A financial asset or a group of financial assets is deemed to be impaired if there is objective evidence of impairment as a result of one or more events that has occurred since the initial recognition of the asset (an incurred 'loss event') and that loss event has an impact on the estimated future cash flows of the financial asset or the group of financial assets that can be reliably estimated. Evidence of impairment may include indications that the debtors or a group of debtors is experiencing significant financial difficulty, default or delinquency in interest or principal payments, the probability that they will enter bankruptcy or other financial reorganisation and observable data indicating that there is a measurable decrease in the estimated future cash flows, such as changes in arrears or economic conditions that correlate with defaults.

#### (i) Financial assets carried at amortised cost

For financial assets carried at amortised cost, the Group first assesses whether objective evidence of impairment exists individually for financial assets that are individually significant, or collectively for financial assets that are not individually significant. If the Group and the Company determine that no objective evidence of impairment exists for an individually assessed financial asset, whether significant or not, it includes the asset in a group of financial assets with similar credit risk characteristics and collectively assesses them for impairment. Assets that are individually assessed for impairment and for which an impairment loss is, or continues to be, recognised are not included in a collective assessment of impairment.

If there is objective evidence that an impairment loss 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 (excluding future expected credit losses that have not yet been incurred). The present value of the estimated future cash flows is discounted at the financial asset's original effective interest rate. If a loan has a variable interest rate, the discount rate for measuring any impairment loss is the current EIR.

The carrying amount of the financial asset is reduced through the use of an allowance account and the loss is recognised in profit or loss. Loans together with the associated allowance are written off when there is no realistic prospect of future recovery and all collateral has been realised or has been transferred to the Group. If, in a subsequent year, the amount of the estimated impairment loss increases or decreases because of an event occurring after the impairment was recognised, the previously recognised impairment loss is increased or reduced by adjusting the allowance account. If a write-off is later recovered, the recovery is recognised in profit or loss.

For available-for-sale financial assets, the Group and the Company assess at each reporting date whether there is objective evidence that an asset or a group of assets is impaired.

In the case of equity investments classified as available-for-sale, objective evidence would include a significant or prolonged decline in the fair value of the investment below its cost. 'Significant' is evaluated against the original cost of the investment and 'prolonged' against the period in which the fair value has been below its original cost. When there is evidence of impairment, the cumulative loss – measured as the difference between the acquisition cost and the current fair value, less any impairment loss on that investment previously recognised in the profit or loss – is removed from other comprehensive income and recognised in the profit or loss. Impairment losses on equity investments are not reversed through profit or loss in the subsequent periods. Increases in fair value, if any, subsequent to impairment loss is recognised directly in other comprehensive income.

In the case of debt instruments classified as available for sale, impairment is assessed based on the same criteria as financial assets carried at amortised cost. However, the amount recorded for impairment is the cumulative loss measured as the difference between the amortised cost and the current fair value, less any impairment loss on that investment previously recognised in the profit or loss.

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

If, in a subsequent year, the fair value of a debt instrument increases and the increase can be objectively related to an event occurring after the impairment loss was recognised in the profit or loss, the impairment loss is reversed through the profit or loss.

NOTES TO THE FINANCIAL STATEMENTS  
AS AT 31 DECEMBER 2016

## 2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONT'D.)

### 2.6 Financial instruments - initial recognition and subsequent measurement (cont'd.)

#### (c) 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 FRS139, 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 measurement of financial liabilities depends on their classification as described below:

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

Financial liabilities at fair value through profit or loss include financial liabilities held for trading, derivatives (both, freestanding and embedded) and financial liabilities that were specifically designated into this classification upon initial recognition.

Financial liabilities held for trading include derivatives entered into by the Group and the Company that do not meet the hedge accounting criteria.

Derivative liabilities are initially measured at fair value and subsequently stated at fair value, with any resultant gains or losses recognised in profit or loss. Net gains or losses on financial liabilities classified as fair value through profit or loss exclude foreign exchange gains and losses, interest and dividend income. Such item is recognised separately in profit or loss as components of other income or other operating loss.

The Group has not designated any financial liability as fair value through profit or loss.

#### (ii) Other financial liabilities

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

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

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

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

## NOTES TO THE FINANCIAL STATEMENTS

AS AT 31 DECEMBER 2016

**2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONT'D.)****2.6 Financial instruments - initial recognition and subsequent measurement (cont'd.)****(c) Financial liabilities (cont'd.)****Derecognition**

A financial liability is derecognised when the obligation under the liability is discharged or cancelled, or expired. 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 the derecognition of the original liability and the recognition of a new liability. The difference in the respective carrying amounts is recognised in the profit or loss.

**(d) Offsetting of financial instruments**

Financial assets and financial liabilities are offset and the net amount is reported in the consolidated statement of financial position if there is a currently enforceable legal right to offset the recognised amounts and there is an intention to settle on a net basis, to realise the assets and settle the liabilities simultaneously.

**2.7 Property, plant and equipment**

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 Company and the cost of the item can be measured reliably. Cost includes expenditure that is directly attributable to the acquisition of the asset. The cost of self-constructed assets includes the cost of materials, direct labour, any other costs directly attributable to bringing the assets to working condition for its intended use, and the costs of dismantling and removing the items and restoring the site on which they are located, for which the Group and the Company is obligated to incur, if applicable.

Subsequent to recognition, property, plant and equipment are measured at cost less accumulated depreciation and accumulated impairment losses, if any. When significant parts of property, plant and equipment are required to be replaced at intervals, the Group and the Company recognise such parts as individual assets with specific useful lives and depreciates them accordingly. The carrying amount of parts that are replaced is derecognised. 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 are satisfied. All other repair and maintenance costs are recognised in profit or loss as incurred.

Freehold land has an unlimited useful life, and therefore is not depreciated.

Construction-in-progress are not depreciated as these assets are not yet available for use.

Depreciation is computed on a straight-line basis over the estimated useful lives of the assets as follows:

- Freehold building:	20 years
- Leasehold land:	leasehold period between 92 years to 875 years
- Leasehold buildings:	20 to 50 years
- Golf course:	99 years
- Plant and machinery:	5 to 20 years
- Office furniture, fittings and equipment:	4 to 10 years
- Motor vehicles:	5 years

## NOTES TO THE FINANCIAL STATEMENTS

AS AT 31 DECEMBER 2016

**2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONT'D.)****2.7 Property, plant and equipment (cont'd.)**

The residual values, useful lives and methods of depreciation of property, plant and equipment are reviewed at each financial year end and adjusted prospectively, if appropriate.

An item of property, plant and equipment and any significant part initially recognised is derecognised upon disposal or when no future economic benefits are expected from its use or disposal. Any gain or loss arising on derecognition of the asset (calculated as the difference between the net disposal proceeds and the carrying amount of the asset) is included in the profit or loss when the asset is derecognised.

**2.8 Land held for property development and property development costs****(a) Land held for property development**

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

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

**(b) Property development costs**

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

When the financial outcome of a development activity can be reliably estimated, property development revenue and expenses in respect of all development units that have been sold 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 is classified as accrued billings within receivables and the excess of billings to purchasers over revenue recognised in the profit or loss is classified as advance billings within payables.

**2.9 Investment properties**

Investment properties are properties which are held either to earn rental yields or for capital appreciation or for both and are not substantially occupied by the Group. Investment properties also include properties that are being constructed or developed for future use as investment properties.

## NOTES TO THE FINANCIAL STATEMENTS

AS AT 31 DECEMBER 2016

**2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONT'D.)****2.9 Investment properties (cont'd.)**

Investment properties are initially measured at cost, including related transaction costs. Subsequent to initial recognition, investment properties are stated at fair value, which reflects market conditions at the reporting date. Gains or losses arising from changes in the fair values of investment properties are included in profit or loss in the period in which they arise, including the corresponding tax effect. Fair values are determined based on an annual evaluation performed by an accredited external, independent valuer.

Investment properties are derecognised either when they have been disposed of or when they are permanently withdrawn from use and no future economic benefit is expected from their disposal. The difference between the net disposal proceeds and the carrying amount of the asset is recognised in the profit or loss in the period of derecognition.

If the Group determines that the fair value of an investment property under construction is not reliably determinable but expects the fair value of the property to be reliably determinable when construction is completed, the Group shall measure that investment property under construction at cost until either its fair value becomes reliably determinable or construction is completed (whichever is earlier). Once the Group is able to measure reliably the fair value of an investment property under construction that has previously been measured at cost, the Group shall measure that property at its fair value.

Subsequent expenditure is capitalised to the asset's carrying amount only when it is probable that future economic benefits associated with the expenditure will flow to the Group and the cost of the item can be measured reliably. All other repairs and maintenance costs are expensed when incurred. When part of an investment property is replaced, the carrying amount of the replaced part is derecognised.

A property interest under an operating lease is classified and accounted for as an investment property on a property-by property basis when the Group holds it to earn rentals or for capital appreciation or both. Any such property interest under an operating lease classified as an investment property is carried at fair value.

Transfers are made to or from investment property only when there is a change in use. For a transfer from investment property to owner-occupied property, the deemed cost for subsequent accounting is the fair value at the date of change in use. If owner-occupied property becomes an investment property, the Group accounts for such property in accordance with the policy stated under property, plant and equipment up to the date of change in use.

**2.10 Impairment of non-financial assets**

The carrying amount of assets, except for financial assets (excluding investments in subsidiaries, associate and joint ventures), inventories, deferred tax assets, investment properties measured at fair value and non-current assets (or disposal groups) held for sale, are reviewed at the reporting date to determine whether there is any indication of impairment. If any such indication exists, the asset's recoverable amount is estimated. An asset's recoverable amount is the higher of an asset's or cash-generating unit's ("CGU") fair value less costs to sell and its value in use. Recoverable amount is determined for an individual asset, unless the asset does not generate cash inflows that are largely independent of those from other assets or groups of assets. When the carrying amount of an asset or CGU exceeds its recoverable amount, the asset is considered impaired and is written down to its recoverable amount.

In assessing value in use, the estimated future cash flows 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. In determining fair value less costs to sell, recent market transactions are taken into account. If no such transactions can be identified, an appropriate valuation model is used. These calculations are corroborated by valuation multiples, quoted share prices for publicly traded companies or other available fair value indicators.

The Group bases its impairment calculation on detailed budgets and forecast calculations, which are prepared separately for each of the Group's CGUs to which the individual assets are allocated. These budgets and forecast calculations generally cover a period of five years. For longer periods, a long-term growth rate is calculated and applied to project future cash flows after the fifth year.

The impairment loss is recognised in profit or loss immediately except for a property previously revalued when the revaluation was taken to other comprehensive income up to the amount of any previous revaluation.

## NOTES TO THE FINANCIAL STATEMENTS

AS AT 31 DECEMBER 2016

**2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONT'D.)****2.10 Impairment of non-financial assets (cont'd.)**

A previously recognised impairment loss is reversed only if there has been a change in the assumptions used to determine the asset's recoverable amount since the last impairment loss was recognised. The reversal is limited so that the carrying amount of the asset does not exceed its recoverable amount, nor exceed the carrying amount that would have been determined, net of depreciation, had no impairment loss been recognised for the asset in prior years. Such reversal is recognised in the profit or loss unless the asset is carried at a revalued amount, in which case, the reversal is treated as a revaluation surplus.

The following asset has specific characteristics for impairment testing:

Goodwill

Goodwill that has an indefinite useful life are tested annually for impairment or more frequently if events or changes in circumstances indicate that the goodwill might be impaired.

Impairment is determined for goodwill by assessing the recoverable amount of each CGU (or group of CGUs) to which the goodwill relates. When the recoverable amount of the CGU is less than its carrying amount, an impairment loss is recognised. Impairment losses on goodwill is not reversed in subsequent periods.

**2.11 Inventories**

Inventories represent completed residential properties, commercial properties and consumables.

Inventories of completed residential and commercial properties are stated at the lower of cost and net realisable value. Cost is determined on the specific identification basis and includes costs of land, construction and appropriate development overheads.

Inventories of consumables are stated at the lower of cost and net replacement cost. Cost is determined on the first-in, first-out basis.

The cost of raw materials comprises all costs of purchase plus the cost of bringing the inventories to their present location and condition. The cost of finished goods comprises raw materials, direct labour, other direct costs and production overheads based on normal operating capacity. It excludes borrowing costs.

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

**2.12 Construction work-in-progress**

Construction work-in-progress represents the gross unbilled amount expected to be collected from customers for contract work performed to date. It is measured at cost plus profit recognised to date less progress billings and recognised losses. Cost includes all expenditure related directly to specific projects and an allocation of fixed and variable overheads incurred in the Group's contract activities based on normal operating capacity.

Construction work-in-progress is presented as part of trade receivables as amount due from contract customers in the statements of financial position for all contracts in which costs incurred plus recognised profits exceed progress billings. If progress billings exceed costs incurred plus recognised profits, then the difference is presented as amount due to contract customers which is part of the trade payables liabilities in the statements of financial position.

**2.13 Cash and cash equivalents**

Cash and cash equivalents comprise cash at bank, cash in hand and short-term deposits with a maturity of three months or less that are readily convertible to known amounts of cash and are subject to an insignificant risk of changes in value. These also include bank overdrafts that form an integral part of the Group's cash management.

## NOTES TO THE FINANCIAL STATEMENTS

AS AT 31 DECEMBER 2016

**2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONT'D.)****2.14 Redeemable Convertible Unsecured Loan Stocks ("RCULS")**

The RCULS are recognised as compound instruments, consisting of a liability component and an equity component. At the date of issue, the fair value of the liability component is estimated using the prevailing market interest rate for a similar non-convertible loan stock.

The difference between the proceeds of issue of the RCULS 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 redemption, whilst the value of the equity component is not adjusted in subsequent periods. Attributable transaction 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 the RCULS.

**2.15 Share capital and share issuance expenses**

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

Ordinary shares are recorded at the nominal value and proceeds in excess of the nominal value of shares issued, if any, are accounted for as share premium. Both ordinary shares and share premium are classified as equity. Interim dividends to shareholders are recognised in equity in the period in which they are declared. Final dividends are recognised upon approval of shareholders in a general meeting.

The transaction costs of an equity transaction are accounted for as a deduction from equity, net of any related income tax benefit. Equity transaction costs comprise only those incremental external costs directly attributable to the equity transaction, which would otherwise have been avoided.

The Group measures a liability to distribute non cash assets as a dividend to the owners of the Company at fair value of the assets to be distributed. The carrying amount of the dividend is remeasured at the end of each reporting period and at the settlement date, with any changes recognised directly in equity as adjustments to the amount of the distribution. On settlement of the transaction, the Group recognises the difference, if any, between the carrying amounts of the assets distributed and the carrying amount of the liability in profit or loss.

When issued shares of the Company are repurchased, the consideration paid, including any attributable transaction costs, is presented as a change in equity. Repurchased shares that have not been cancelled are classified as treasury shares and presented as a deduction from equity. No gain or loss is recognised in profit or loss on the sale, reissuance or cancellation of treasury shares. When treasury shares are reissued by resale, the difference between the sales consideration and the carrying amount of the treasury shares is shown as a movement in equity.

**2.16 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, if any. The land use rights are amortised over their lease terms.

## NOTES TO THE FINANCIAL STATEMENTS

AS AT 31 DECEMBER 2016

**2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONT'D.)****2.17 Subsidiaries**

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

- (i) power over the investee (i.e. existing rights that give it the current ability to direct the relevant activities of the investee);
- (ii) exposure, or rights, to variable returns from its investment with the investee; and
- (iii) the ability to use its power over the investee to affect its returns.

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.

**2.18 Investments in associates and joint ventures**

An associate is an entity in which the Group has significant influence and that is neither subsidiaries nor interests in joint ventures. Significant influence is the power to participate in the financial and operating policy decisions of the investee but is not control or joint control over those policies.

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

The considerations made in determining significant influence or joint control are similar to those necessary to determine control over subsidiaries.

The Group's investments in its associate and joint venture are accounted for using the equity method.

Under the equity method, the investment in an associate or a joint venture is initially recognised at cost. The carrying amount of the investment is adjusted to recognise changes in the Group's share of net assets of the associate or joint venture since the acquisition date. Goodwill relating to the associate or joint venture is included in the carrying amount of the investment and is neither amortised nor individually tested for impairment.

The statement of profit or loss reflects the Group's share of the results of operations of the associate or joint venture. Any change in OCI of those investees is presented as part of the Group's OCI. In addition, when there has been a change recognised directly in the equity of the associate or joint venture, the Group recognises its share of any changes, when applicable, in the statement of changes in equity. Unrealised gains and losses resulting from transactions between the Group and the associate or joint venture are eliminated to the extent of the interest in the associate or joint venture. The Group recognised the excess of the unrealised profit over the carrying amount of the associate as deferred income.

The aggregate of the Group's share of profit or loss of an associate and joint venture is shown on the face of the statement of profit or loss outside operating profit and represents profit or loss after tax and non-controlling interest in the subsidiaries of the associate or joint venture.

The financial statements of the associate or joint venture are prepared for the same reporting period as the Group. When necessary, adjustments are made to bring the accounting policies in line with those of the Group.

After application of the equity method, the Group determines whether it is necessary to recognise an impairment loss on its investment in its associate or joint venture. At each reporting date, the Group determines whether there is objective evidence that the investment in the associate or joint venture is impaired. If there is such evidence, the Group calculates the amount of impairment as the difference between the recoverable amount of the associate or joint venture and its carrying value, then recognises the loss as 'Share of profit of an associate and joint venture in the statement of profit or loss.

## NOTES TO THE FINANCIAL STATEMENTS

AS AT 31 DECEMBER 2016

**2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONT'D.)****2.18 Investments in associates and joint ventures (cont'd.)**

Upon loss of significant influence over the associate or joint control over the joint venture, the Group measures and recognises any retained investment at its fair value. Any difference between the carrying amount of the associate or joint venture upon loss of significant influence or joint control and the fair value of the retained investment and proceeds from disposal is recognised in profit or loss.

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.

**2.19 Leases**

The determination of whether an arrangement is, or contains, a lease is based on the substance of the arrangement at the inception date. The arrangement is assessed for whether fulfilment of the arrangement is dependent on the use of a specific asset or assets or the arrangement conveys a right to use the asset or assets, even if that right is not explicitly specified in an arrangement.

**(a) As lessee**

Finance leases that transfer substantially all the risks and benefits incidental to ownership of the leased item to the Group, are capitalised at the commencement of the lease at the fair value of the leased property or, if lower, at the present value of the minimum lease payments. Lease payments are apportioned between 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 recognised as finance costs in the profit or loss.

A leased asset is depreciated over the 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 of the asset and the lease term.

Operating lease payments are recognised as an operating expense in the profit or loss on a straight-line basis over the lease term.

**(b) As lessor**

Leases in which the Group does not transfer substantially all the risks and benefits of ownership of an asset are classified as operating leases. Initial direct costs incurred in negotiating an operating lease are added to the carrying amount of the leased asset and recognised over the lease term. Lease income is recognised over the lease term on a straight-line basis. Contingent rents are recognised as revenue in the period in which they are earned.

**2.20 Borrowing costs**

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

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

**2.21 Government grant**

Government grants are recognised where there is reasonable assurance that the grant will be received and all attached conditions will be complied with. When the grant relates to an expense item, it is recognised as income on a systematic basis over the periods that the related cost, for which it is intended to compensate, are expensed. When the grant relates to an asset, it is credited to the assets when the costs for which the benefit of the grant is intended to compensate are incurred.

When the Group receives grants of non-monetary assets, the asset and the grant are recorded at nominal amounts and released to profit or loss over the expected useful life in a pattern of consumption of the benefit of the underlying asset by equal annual instalments.

NOTES TO THE FINANCIAL STATEMENTS  
AS AT 31 DECEMBER 2016

## 2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONT'D.)

### 2.22 Taxes

Income taxes include all domestic and foreign taxes on taxable profit. Income taxes also include other taxes, such as real property gain taxes payable on disposal of properties, if any.

Taxation in profit or loss comprises current and deferred tax.

#### (a) Income tax - current income tax

Current income tax assets and liabilities for the current period 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, at the reporting date in the countries where the Group operates and generates taxable income.

#### (b) Income tax - deferred tax

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

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

- When the deferred tax liability arises from the initial recognition of goodwill or an asset or liability in a transaction that is not a business combination and, at the time of the transaction, affects neither the accounting profit nor taxable profit or loss; and
- In respect of taxable temporary differences associated with investments in subsidiaries, associates and joint ventures, when the timing of the reversal of the temporary differences can be controlled and it is probable that the temporary differences will not reverse in the foreseeable future.

Deferred tax assets are recognised for all deductible temporary differences, the carry forward of unused tax credits and unused tax losses. Deferred tax assets are recognised 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:

- When the deferred tax asset relating to the deductible temporary difference arises from the initial recognition of an asset or liability in a transaction that is not a business combination and, at the time of the transaction, affects neither the accounting profit nor taxable profit or loss; and
- In respect of deductible temporary differences associated with investments in subsidiaries, associates and joint ventures, 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 profits will allow the deferred tax asset to be recovered.

Deferred tax assets and liabilities are measured at the tax rates that are expected to apply in the financial 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 would be recognised as income or expense and included in profit or loss for the period unless the tax relates to items that are credited or charged in the same or a different period, directly to equity, in which the deferred tax will be charged or credited directly to equity.

## NOTES TO THE FINANCIAL STATEMENTS

AS AT 31 DECEMBER 2016

### 2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONT'D.)

#### 2.22 Taxes (cont'd.)

##### (b) Income tax - deferred tax (cont'd.)

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

Tax benefits acquired as part of a business combination, but not satisfying the criteria for separate recognition at that date, are recognised subsequently if new information about facts and circumstances change. The adjustment is either treated as a reduction to goodwill (as long as it does not exceed goodwill) if it was incurred during the measurement period or recognised in profit or loss.

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

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

- where the GST incurred in a purchase of assets or services is not recoverable from the taxation authority, in which case the GST is recognised as part of the cost of acquisition of the asset or as part of the expense item as applicable; and
- receivables and payables that are stated with the amount of GST included.

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

#### 2.23 Provisions

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

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

#### 2.24 Sinking fund

Sinking fund of the Group is established for the purpose of covering costs of periodic major repairs or capital replacements in the golf and country resort of the Group. A fraction of 10% of monthly subscription fees received from members during the financial year are credited to this reserve.

The amount credited into the sinking fund account during the financial year is subsequently paid to a fund which is kept in a separate trust account and administered by a Trustee.

Monies in the sinking fund are invested by the Trustee. Any income arising out of the investment is accrued to the fund.

#### 2.25 Deferred licence fees

License fees are received upon admission of new members of the golf and country resort of the Group, and are recognised in the profit or loss over the remaining terms of the membership licenses, which would be expiring on 9 October 2051.

NOTES TO THE FINANCIAL STATEMENTS  
AS AT 31 DECEMBER 2016

## 2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONT'D.)

### 2.26 Employee benefits

#### (a) Short term benefits

Wages, salaries, other monetary and non-monetary benefits are measured on an undiscounted basic and are accrued in the period in which the associated services are rendered by employees of the Group.

Short term accumulating compensated absences such as paid annual leave are recognised as an expense when employees render services that increase their entitlement to future compensated absences. Short term non accumulating compensated absences such as sick leave are recognised when absences occur and they lapse if the current period's entitlement is not used in full and do not entitle employees to a cash payment for unused entitlement on leaving the Group.

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

#### (b) Defined contribution plan

The Group participates in the national pension schemes as defined by the laws of the countries in which it has operations. The Malaysian companies in the Group make 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.

#### (c) Employee share option plans

Employees of the Group receive remuneration in the form of share options as consideration for services rendered. The cost of these equity-settled transactions with employees is measured by reference to the fair value of the options at the date on which the options are granted. This cost is recognised in profit or loss, with a corresponding increase in the employee share option reserve over the vesting period. The cumulative expense recognised at each reporting date until the vesting date reflects the extent to which the vesting period of 5 years have expired and the Group's best estimate of the number of options that will ultimately vest. The charge or credit to profit or loss for a period represents the movement in cumulative expense recognised at the beginning and end of that period.

No expense is recognised for options that do not ultimately vest, except for options where vesting is conditional upon a market or non-vesting condition, which are treated as vested irrespective of whether or not the market or non-vesting condition is satisfied, provided that all other performance and/or service conditions are satisfied. The employee share option reserve is transferred to retained earnings upon expiry of the share options. When the options are exercised, the employee share option reserve is transferred to share capital if new shares are issued, or to treasury shares if the options are satisfied by the reissuance of treasury shares.

### 2.27 Foreign currencies

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

#### (a) Transactions and balances

Transactions in foreign currencies are initially recorded by the Group's entities at their respective functional currency spot rates at the date the transaction first qualifies for recognition.

Monetary assets and liabilities denominated in foreign currencies are translated at the functional currency spot rates of exchange at the reporting date.

## NOTES TO THE FINANCIAL STATEMENTS

AS AT 31 DECEMBER 2016

**2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONT'D.)****2.27 Foreign currencies (cont'd.)****(a) Transactions and balances (cont'd.)**

Differences arising on settlement or translation of monetary items are recognised in profit or loss with the exception of monetary items that are designated as part of the hedge of the Group's net investment of a foreign operation. These are recognised in other comprehensive income until the net investment is disposed of, at which time, the cumulative amount is reclassified to profit or loss. Tax charges and credits attributable to exchange differences on those monetary items are also recorded in other comprehensive income.

Non-monetary items that are measured in terms of historical cost in a foreign currency are translated using the exchange rates at the dates of the initial transactions. Non-monetary items measured at fair value in a foreign currency are translated using the exchange rates at the date when the fair value is determined. The gain or loss arising on translation of non-monetary items measured at fair value is treated in line with the recognition of gain or loss on change in fair value of the item (i.e., translation differences on items whose fair value gain or loss is recognised in other comprehensive income or profit or loss are also recognised in other comprehensive income or profit or loss, respectively).

Any goodwill arising on the acquisition of a foreign operation and any fair value adjustments to the carrying amounts of assets and liabilities arising on the acquisition are treated as assets and liabilities of the foreign operation and translated at the spot rate of exchange at the reporting date.

**(b) Group companies**

On consolidation, the assets and liabilities of foreign operations are translated into Ringgit Malaysia at the rate of exchange prevailing at the reporting date and their profit or loss are translated at exchange rates prevailing at the dates of the transactions. The exchange differences arising on translation for consolidation are recognised in other comprehensive income. On disposal of a foreign operation, the component of other comprehensive income relating to that particular foreign operation is recognised in profit or loss.

**2.28 Revenue**

Revenue is recognised to the extent that it is probable that the economic benefits will flow to the Group and the Company and the revenue can be reliably measured, regardless of when the payment is being made. Revenue is measured at the fair value of the consideration received or receivable, taking into account contractually defined terms of payment. The specific recognition criteria described below must also be met before revenue is recognised.

**(a) Sale of development properties**

Revenue from sale of properties is accounted for by the stage of completion method in respect of all units that have been sold. The stage of completion is determined based on the proportion of property development costs incurred for work performed up to the reporting period to the estimated total property development costs as described in Note 2.8(b).

**(b) Recreation and resort operations**

Entrance fees are recognised upon signing of membership agreements. Deferred license fees are recognised over the period of the membership. Income from monthly subscription fees is recognised on an accrual basis.

**(c) Sale of goods**

Revenue from sale of goods such as sale of completed properties, land and building materials is recognised upon the transfer of significant risk and rewards of ownership of the goods to the customer. 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.

NOTES TO THE FINANCIAL STATEMENTS  
AS AT 31 DECEMBER 2016

## 2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONT'D.)

### 2.28 Revenue (cont'd.)

**(d) Rental of hotel rooms**

Rental of hotel rooms is recognised net of discounts as and when services are rendered.

**(e) Dividend income**

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

**(f) Interest income**

Interest income is recognised by using the effective interest method.

**(g) Rental income**

Rental income is accounted for on a straight-line basis over the lease terms. The aggregate costs of incentives provided to lessees are recognised as a reduction of rental income over the lease term on a straight-line basis.

**(h) Management and maintenance fees**

Management and maintenance fees are recognised when services are rendered.

**(i) Construction contracts**

Revenue from work done on construction contracts is recognised based on the “stage of completion” method. The stage of completion is determined based on the proportion of contract costs incurred for work performed up to the reporting period to the estimated total contract costs.

When the financial outcome of a construction contract cannot be estimated reliably, contract revenue shall be recognised only to the extent of contract costs incurred that is probable to be recoverable and contract costs are recognised as an expense in the period in which they are incurred.

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

**(j) Landscape services**

Revenue is recognised upon delivery of products and customer acceptance, if any, or, performance of services.

**(k) Private school operations**

Tuition fees are recognised on an accrual basis whereas enrolment, registration, resource and other fees are recognised on a receipt basis.

### 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 disclosures on each of these segments are disclosed in Note 40, including the factors used to identify the reportable segments and the measurement basis of segment information.

## NOTES TO THE FINANCIAL STATEMENTS

AS AT 31 DECEMBER 2016

**2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONT'D.)****2.30 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 and assets are not recognised in the statements of financial position of the Group.

**2.31 Fair value measurement**

The Group and the Company measure financial instruments, such as, derivatives, and non-financial assets such as investment properties, at fair value at each reporting date. The fair values of financial instruments measured at amortised cost are disclosed in Note 35.

The fair value of an asset or a liability, 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 assumes that the transaction to sell the asset or transfer the liability takes place either in the principal market or in the absence of a principal market, in the most advantageous market.

The Group and the Company measure the fair value of an asset or a liability by taking into account the characteristics of the asset or liability if market participants would take these characteristics into account when pricing the asset or liability. The Group and the Company have considered the following characteristics when determining fair value:

- (a) The condition and location of the asset; and
- (b) Restrictions, if any, on the sale or use of the assets.

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.

The 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 fair value of a financial or non-financial liability or an entity's own equity instrument assumes that:

- (a) A liability would remain outstanding and the market participant transferee would be required to fulfil the obligation. The liability would not be settled with the counterparty or otherwise extinguished on the measurement date; and
- (b) An entity's own equity instrument would remain outstanding and the market participant transferee would take on the rights and responsibilities associated with the instrument. The instrument would not be cancelled or otherwise extinguished on the measurement date.

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

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

## NOTES TO THE FINANCIAL STATEMENTS

AS AT 31 DECEMBER 2016

**2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONT'D.)****2.32 Discontinued operations**

The Group classifies non-current assets and disposal groups as held for sale or for distribution to equity holders of the parent if their carrying amounts will be recovered principally through a sale or distribution rather than through continuing use. Such non-current assets and disposal groups classified as held for sale or as held for distribution are measured at the lower of their carrying amount and fair value less costs to sell or to distribute. Costs to distribute are the incremental costs directly attributable to the distribution, excluding the finance costs and income tax expense.

The criteria for held for distribution classification is regarded as met only when the distribution is highly probable and the asset or disposal group is available for immediate distribution in its present condition. Actions required to complete the distribution should indicate that it is unlikely that significant changes to the distribution will be made or that the distribution will be withdrawn. Management must be committed to the distribution expected within one year from the date of the classification. Similar considerations apply to assets or a disposal for sale.

Property, plant and equipment and intangible assets are not depreciated or amortised once classified as held for sale or as held for distribution.

Assets and liabilities classified as held for sale or for distribution are presented separately as current items in the statement of financial position.

A disposal group qualifies as discontinued operation if it is:

- A component of the Group that is a CGU or a group of CGUs
- Classified as held for sale or distribution or already disposed in such a way, or
- A major line of business or major geographical area

Discontinued operations are excluded from the results of continuing operations and are presented as a single amount as profit or loss after tax from discontinued operations in the statement of other comprehensive income.

**2.33 Earnings per share**

The Group presents basic and diluted earnings per share ("EPS") data for its ordinary shares. Basic EPS for the financial year is calculated by dividing profit or loss attributable to owners of the parent by the weighted average number of ordinary shares outstanding during the financial year. Diluted EPS for the financial year is calculated by adjusting profit or loss attributable to owners of the parent by the weighted average number of ordinary shares outstanding for the effects of all dilutive potential ordinary shares.

**2.34 Current and non-current classification**

The Group and the Company present its assets and liabilities in the 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 within the normal operating cycle
- Held primarily for the purpose of trading
- Expected to be realised within twelve months after the reporting period; or
- Cash or cash equivalent unless restricted from being exchanged or used to settle a liability for at least twelve months after the reporting period

All other assets are classified as non-current.

A liability is current when:

- It is expected to be settled within the normal operating cycle
- It is held primarily for the purpose of trading
- It is due to be settled within twelve months after the reporting period; or
- There is no unconditional right to defer the settlement of the liability for at least twelve months after the reporting period

Deferred tax assets and liabilities are classified as non-current assets and liabilities. All other liabilities as non-current.

## NOTES TO THE FINANCIAL STATEMENTS

AS AT 31 DECEMBER 2016

**3. SIGNIFICANT ACCOUNTING ESTIMATES AND JUDGEMENTS**

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

**3.1 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:

**(a) Property development**

The Group recognises property development revenues and expenses in the statements of comprehensive income by using the stage of completion method. The stage of completion is determined by the proportion of property development costs incurred for work performed up to the reporting period to the estimated total property development costs. Where the actual total property development costs is different from the estimated property development costs, such different will impact the property development profits/(losses) recognised.

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

Where the financial outcome of a development activity cannot be reliably estimated, property development revenue is recognised to the extent of property development costs incurred that it is probable will be recoverable until the activity reaches a desired stage of completion, which the Group views as a reasonable benchmark based on past experience and by relying on the work of specialists.

**(b) Deferred tax assets**

Deferred tax assets are recognised for all unused tax losses, unabsorbed capital allowances and other deductible temporary differences to the extent that it is probable that taxable profit will be available against which the losses and capital allowances can be utilised. Significant management judgement is required to determine the amount of deferred tax assets that can be recognised, based upon the likely timing and level of future taxable profits together with future tax planning strategies. The total unrecognised tax losses and unutilised capital allowances of the Group are disclosed in Note 12.

**(c) Impairment of goodwill**

Goodwill are tested for impairment annually and or more frequently when such indicators exist. This requires an estimation of the value in use of the cash-generating units to which goodwill is allocated.

When value in use calculations are undertaken, management must estimate the expected future cash flows from the asset or cash-generating unit and choose a suitable discount rate in order to calculate the present value of those cash flows. Further details of the carrying amount, the key assumptions applied in the impairment assessment of goodwill and sensitivity analysis to changes in the assumptions are disclosed in Note 22.

NOTES TO THE FINANCIAL STATEMENTS  
AS AT 31 DECEMBER 2016

### 3. SIGNIFICANT ACCOUNTING ESTIMATES AND JUDGEMENTS (CONT'D.)

#### 3.1 Key sources of estimation uncertainty (cont'd.)

##### (d) Impairment of loans and receivables

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. The carrying amount of the Group's loans and receivable at the reporting date is disclosed in Note 24.

##### (e) Revaluation of investment properties

The Group carries its investment properties at fair value, with changes in fair values being recognised in profit or loss. Significant judgement is required in determining fair value which may be derived based on different valuation method. In making the judgement, the Group engaged independent valuation specialists to determine fair value as disclosed in Note 17.

#### 3.2 Judgement made in applying accounting policies

In the process of applying the Group's and the Company's accounting policies, management has made the following judgement, apart from there involving estimations, which have the most significant effect on the amounts recognised in the financial statements:

##### (a) Classification of leasehold land

The Group has assessed and classified land use rights of the Group as finance leases based on the extent to which risks and rewards incidental to ownership of the land resides with the Group arising from the lease term. Consequently, the Group has classified the unamortised upfront payment for land use rights as finance leases in accordance with FRS 117 Leases.

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

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

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

##### (c) Revenue recognition on land sales

The Group recognised the revenue from land sales when all the contractual conditions precedent in the sales and purchase agreement are fulfilled and that the agreement has become unconditional. The management is of the view that the significant ownership risks and rewards have passed to the buyer when the contractual conditions precedent are fulfilled.

**NOTES TO THE FINANCIAL STATEMENTS**  
AS AT 31 DECEMBER 2016

**4. REVENUE**

	Group		Company	
	2016 RM'000	2015 RM'000	2016 RM'000	2015 RM'000
Sale of development properties	1,319,322	970,105	-	-
Sale of land	-	106,766	-	-
Sale of building materials	32,750	35,167	-	-
Revenue from recreation and resort operations	40,014	39,342	-	-
Property management and maintenance fees	11,872	10,182	-	-
Rental and related income from investment properties	32,223	67,354	-	-
Revenue from private school operations	11,756	-	-	-
Revenue from landscape services	9,055	18,717	-	-
Revenue from hotel operations	2,101	4,750	-	-
Dividend income from subsidiaries (Note 33(a))	-	-	180,001	187,500
Others	312	331	-	-
	<b>1,459,405</b>	<b>1,252,714</b>	<b>180,001</b>	<b>187,500</b>

**5. COST OF SALES**

	Group	
	2016 RM'000	2015 RM'000
Property development costs (Note 16(b))	903,643	634,359
Cost of land	-	84,343
Cost of inventories sold	58,591	19,481
Cost of building materials sold	28,904	31,976
Provision for statutory fee	31,702	-
Cost of services rendered:		
- recreation and resort operations	16,750	17,846
- property management and maintenance fees	5,560	6,055
- investment properties	11,849	26,028
- landscape services	10,231	14,486
- private school operations	6,959	-
- hotel operations	680	1,537
	<b>1,074,869</b>	<b>836,111</b>

NOTES TO THE FINANCIAL STATEMENTS  
AS AT 31 DECEMBER 2016

## 6. OTHER INCOME

	Group		Company	
	2016 RM'000	2015 RM'000	2016 RM'000	2015 RM'000
Management fees	5,031	5,565	-	-
Rental income	6,798	6,055	-	-
Gain on disposal of property, plant and equipment	1,246	12,149	-	-
Gain on disposal of investment properties	-	126,032	-	-
Gain on disposal of assets classified as held for sale	13,594	-	-	-
Fair value gains on investment properties (Note 17)	991	3,298	-	-
Forfeiture of deposits	1,246	543	-	-
Reversal of accruals	7,440	2,475	-	-
Reversal of impairment loss on trade and other receivables	-	-	-	5,864
Others	10,374	6,389	-	-
	<b>46,720</b>	<b>162,506</b>	<b>-</b>	<b>5,864</b>

## 7. FINANCE INCOME

	Group		Company	
	2016 RM'000	2015 RM'000	2016 RM'000	2015 RM'000
Interest income from:				
- Deposits with licensed banks	21,140	21,015	8,353	6,765
- Amounts due from subsidiaries (Note 33(a))	-	-	27,814	29,676
- Unwinding of discount on amounts due from subsidiaries (Note 33(a))	-	-	5,209	5,142
- Others	1,040	4,805	-	-
	<b>22,180</b>	<b>25,820</b>	<b>41,376</b>	<b>41,583</b>

## 8. FINANCE COSTS

	Group		Company	
	2016 RM'000	2015 RM'000	2016 RM'000	2015 RM'000
Interest expense on borrowings	112,468	129,289	34,819	36,744
Less: Interest expense capitalised in				
- property, plant and equipment (Note 15(b))	(12,090)	(5,747)	-	-
- land held for property development (Note 16(a))	(25,805)	(47,042)	-	-
- property development costs (Note 16(b))	(46,303)	(26,387)	-	-
- investment properties (Note 17)	(947)	(1,340)	-	-
Interest expensed to profit or loss	27,323	48,773	34,819	36,744
Add: - unwinding of RCULS liability	-	187	-	187
- unwinding of discount on trade and other payables	1,342	1,398	-	-
- amortisation of borrowing costs (Note 31)	11,782	14,647	3,350	1,102
<b>Total finance costs</b>	<b>40,447</b>	<b>65,005</b>	<b>38,169</b>	<b>38,033</b>

## NOTES TO THE FINANCIAL STATEMENTS

AS AT 31 DECEMBER 2016

## 9. PROFIT BEFORE TAX

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

	Group		Company	
	2016 RM'000	2015 RM'000	2016 RM'000	2015 RM'000
Employee benefits (Note 10)	83,897	100,355	1,066	920
- continuing operations	83,897	96,313	1,066	920
- discontinued operation	-	4,042	-	-
Auditors' remuneration	885	862	116	116
- continuing operations	885	804	116	116
- discontinued operation	-	58	-	-
Depreciation of property, plant and equipment (Note 15)	26,448	28,268	485	661
- continuing operations	26,448	26,939	485	661
- discontinued operation	-	1,329	-	-
Minimum operating lease payments:				
- office premises	5,791	5,020	-	537
- office equipment	314	453	-	2
Amortisation of deferred licence fees (Note 32(b)(iii))	(2,491)	(2,411)	-	-
Unrealised returns on security retainers accumulation fund (Note 24(b)(ii))	(238)	(231)	-	-
Fair value loss on investment properties (Note 17)	1,454	-	-	-
Impairment loss on:-				
- trade and other receivables (Note 24(a) & (b))	1,846	450	3,092	4,127
- investments in subsidiaries	-	-	80,306	57,638
- intangible assets (Note 22)	1,964	10,662	-	-
Intangible assets written off (Note 22)	-	6,474	-	-
Property, plant and equipment written off	7,816	3,582	-	-
Loss on disposal of property, plant and equipment	435	-	-	-
Property development costs written off (Note 16(b))	3,587	-	-	-
Unrealised foreign exchange loss				
- discontinued operation	-	310	-	-
Direct operating expenses arising from investment properties	10,374	26,028	-	-
Management fees charged by a subsidiary	-	-	11	-

NOTES TO THE FINANCIAL STATEMENTS  
AS AT 31 DECEMBER 2016

# 10. EMPLOYEE BENEFITS EXPENSE

	Group		Company	
	2016 RM'000	2015 RM'000	2016 RM'000	2015 RM'000
Salaries, bonus and other emoluments	60,224	73,682	1,019	809
Contributions to defined contribution plan	8,266	9,176	4	23
Other benefits	15,407	17,497	43	88
<b>Total employee benefits expenses</b>	<b>83,897</b>	<b>100,355</b>	<b>1,066</b>	<b>920</b>
Less: Amount included in cost of sales	(6,626)	(15,987)	-	-
<b>Included in administrative expenses</b>	<b>77,271</b>	<b>84,368</b>	<b>1,066</b>	<b>920</b>

Included in employee benefits expense of the Group and of the Company are directors' remuneration amounting to RM16,828,000 (2015: RM21,750,000) and RM813,000 (2015: RM1,321,000) respectively as disclosed in Note 11.

# 11. DIRECTORS' REMUNERATION

	Group		Company	
	2016 RM'000	2015 RM'000	2016 RM'000	2015 RM'000
<b>Directors of the Company</b>				
Executive:				
Salaries, bonus and other emoluments	7,100	12,217	-	400
Contributions to defined contribution plan	829	1,377	-	48
	<b>7,929</b>	<b>13,594</b>	<b>-</b>	<b>448</b>
Non-executive:				
Fees	795	873	795	873
Other emoluments	18	-	18	-
	<b>813</b>	<b>873</b>	<b>813</b>	<b>873</b>
<b>Total directors' remuneration of the Company</b>	<b>8,742</b>	<b>14,467</b>	<b>813</b>	<b>1,321</b>

NOTES TO THE FINANCIAL STATEMENTS  
AS AT 31 DECEMBER 2016

11. DIRECTORS' REMUNERATION (CONT'D.)

	Group		Company	
	2016 RM'000	2015 RM'000	2016 RM'000	2015 RM'000
<b>Directors of the subsidiaries</b>				
Executive:				
Fees	20	-	-	-
Salaries, bonus and other emoluments	7,104	5,911	-	-
Contributions to defined contribution plan	789	647	-	-
	7,913	6,558	-	-
Non-executive:				
Fees	50	575	-	-
Other emoluments	123	150	-	-
	173	725	-	-
<b>Total directors' remuneration of the subsidiaries</b>	<b>8,086</b>	<b>7,283</b>	<b>-</b>	<b>-</b>
<b>Total directors' remuneration</b>	<b>16,828</b>	<b>21,750</b>	<b>813</b>	<b>1,321</b>

	Group		Company	
	2016 RM'000	2015 RM'000	2016 RM'000	2015 RM'000
Analysis of directors' remuneration:				
Total executive directors' remuneration	15,842	20,152	-	448
Total non-executive directors' remuneration	986	1,598	813	873
<b>Total directors' remuneration</b>	<b>16,828</b>	<b>21,750</b>	<b>813</b>	<b>1,321</b>

The aggregate remuneration of directors of the Company are analysed into appropriate bands as follows:

	Number of directors	
	2016	2015
<b>Executive directors:</b>		
RM650,001 - RM700,000	-	1
RM700,001 - RM750,000	-	1
RM1,050,001 - RM1,100,000	1	-
RM1,350,001 - RM1,400,000	-	1
RM1,400,001 - RM1,450,000	-	1
RM1,600,001 - RM1,650,000	1	-
RM2,050,001 - RM2,100,000	-	1
RM2,200,001 - RM2,250,000	-	1
RM2,300,001 - RM2,350,000	-	1
RM2,400,001 - RM2,450,000	1	-
RM2,650,001 - RM2,700,000	-	1
RM2,750,001 - RM2,800,000	1	-

NOTES TO THE FINANCIAL STATEMENTS  
AS AT 31 DECEMBER 2016

## 11. DIRECTORS' REMUNERATION (CONT'D.)

The aggregate remuneration of directors of the Company are analysed into appropriate bands as follows: (cont'd.)

	Number of directors	
	2016	2015
<b>Non-executive directors:</b>		
RM50,001 - RM100,000	3	2
RM100,001 - RM150,000	-	3
RM150,001 - RM200,000	2	-
RM200,001 - RM250,000	1	-
RM350,001 - RM400,000	-	1

## 12. INCOME TAX EXPENSE

	Group		Company	
	2016 RM'000	2015 RM'000	2016 RM'000	2015 RM'000
Current income tax:				
Malaysian income tax	58,775	79,415	2,014	1,500
Under/(over) provision in prior years	3,078	2,431	11	(98)
	61,853	81,846	2,025	1,402
Real property gain tax:				
Current financial year	2,197	30,189	-	-
Under provision in prior year	965	-	-	-
	3,162	30,189	-	-
	65,015	112,035	2,025	1,402
Deferred tax (Note 30):				
- Origination and reversal of temporary differences	(2,098)	(21,879)	-	238
- Over provision in prior year	(9,865)	(25,808)	-	-
	(11,963)	(47,687)	-	238
Total income tax expense	53,052	64,348	2,025	1,640
<b>Represented by:</b>				
Continuing operations	53,052	60,753	2,025	1,640
Discontinued operation (Note 18(b))	-	3,595	-	-
Total income tax expense	53,052	64,348	2,025	1,640

Domestic income tax is calculated at the Malaysian statutory tax rate of 24% (2015: 25%) of the estimated assessable profit for the financial year. Taxation for other jurisdictions is calculated at the rates prevailing in the respective jurisdictions.

NOTES TO THE FINANCIAL STATEMENTS  
AS AT 31 DECEMBER 2016

## 12. INCOME TAX EXPENSE (CONT'D.)

The reconciliation between tax expense and the product of accounting profit multiplied by the applicable corporate tax rate are as follows:

	2016 RM'000	2015 RM'000
<b>Group</b>		
Profit before tax from continuing operations	168,053	269,557
Taxation at Malaysian statutory tax rate of 24% (2015: 25%)	40,333	67,389
Income not subject to tax	(3,741)	(1,201)
Expenses not deductible for tax purposes	34,960	37,931
Effect on income taxed under real property gain tax	(1,127)	(33,169)
Deferred tax asset not recognised	-	19,315
Utilisation of previously unrecognised tax losses and unabsorbed capital allowances	(1,550)	(1,649)
Share of results of joint ventures	(10,525)	(4,486)
Share of results of associate	524	-
Over provision of deferred tax in prior years	(9,865)	(25,808)
Under provision of tax expense in prior years	3,078	2,431
Under provision of real property gain tax in prior years	965	-
Income tax expense for continuing operations	53,052	60,753
<b>Company</b>		
Profit before tax	78,710	113,574
Taxation at Malaysian statutory tax rate of 24% (2015: 25%)	18,890	28,394
Income not subject to tax	(44,450)	(49,626)
Expenses not deductible for tax purposes	27,574	22,970
Under/(over) provision of tax expense in prior years	11	(98)
Income tax expense	2,025	1,640

Tax savings during the financial year arising from:

	Group	
	2016 RM'000	2015 RM'000
Utilisation of previously unused tax losses and unabsorbed capital allowances	6,458	6,596

The following are deferred tax assets which have not been recognised by the Group as they have arisen in companies that have a recent history of losses or in companies where future taxable profits may be insufficient to trigger the utilisation of these items.

	Group	
	2016 RM'000	2015 RM'000
Unabsorbed capital allowances	841	6,235
Unused tax losses	52,986	54,050
	53,827	60,285

## NOTES TO THE FINANCIAL STATEMENTS

AS AT 31 DECEMBER 2016

**13. EARNINGS PER SHARE****Basic**

Basic earnings per share is calculated by dividing net profit for the financial year, attributable to the equity holders of the Company by the weighted average number of ordinary shares outstanding during the financial year.

	<b>Group</b>	
	<b>2016 RM'000</b>	<b>2015 RM'000</b>
Net profit attributable to the equity holders of the Company		
- Continuing operations	<b>112,537</b>	188,561
- Discontinued operation	-	34,741
	<b>112,537</b>	223,302
	<b>Number of shares ('000)</b>	
	<b>2016</b>	<b>2015</b>
Weighted average number of ordinary shares for basic earnings per share computation	<b>1,429,233</b>	1,437,801
Basic earnings per share (sen)		
- Continuing operations	<b>7.87</b>	13.11
- Discontinued operation	-	2.42
	<b>7.87</b>	15.53

**Diluted**

Diluted earnings per share is calculated by dividing the net profit for the financial year attributable to the equity holders of the Company by the weighted average number of ordinary shares outstanding during the financial year adjusted for the dilutive effects of all potential ordinary shares.

	<b>Group</b>	
	<b>2016 RM'000</b>	<b>2015 RM'000</b>
Net profit attributable to the equity holders of the Company		
- Continuing operations	<b>112,537</b>	188,561
- Discontinued operation	-	34,741
	<b>112,537</b>	223,302

# NOTES TO THE FINANCIAL STATEMENTS

## AS AT 31 DECEMBER 2016

### 13. EARNINGS PER SHARE (CONT'D.)

#### Diluted (cont'd.)

	Number of shares ('000)	
	2016	2015
Weighted average number of ordinary shares for basic earnings per share computation	1,429,233	1,437,801
Effects of dilution from Warrants 2009/2019	5,736	1,731
Weighted average number of ordinary shares for diluted earnings per share computation	1,434,969	1,439,532
Diluted earnings per share (sen)		
- Continuing operations	7.84	13.09
- Discontinued operation	-	2.42
	7.84	15.51

There were no other transactions involving ordinary shares or potential ordinary shares since the reporting date and the date of authorisation of these financial statements.

### 14. DIVIDENDS

Group and Company	Dividends in respect of financial year		Dividends recognised in financial year	
	2016 RM'000	2015 RM'000	2016 RM'000	2015 RM'000
Final dividend for 2014:				
Final single-tier Share Dividend via a distribution of Treasury Shares on the basis of 1.3 treasury shares for every 100 existing ordinary shares of RM1 each held in the Company (Note 27(a))	-	34,631	-	34,631
First interim dividend for 2015:				
5.0 sen single-tier dividend per share	-	71,801	-	71,801
Second interim dividend for 2015:				
2.0 sen single-tier dividend per share	-	28,606	28,606	-
First interim dividend for 2016:				
2.5 sen single-tier dividend per share	35,686	-	35,686	-
	35,686	135,038	64,292	106,432

On 28 March 2017, the Board of Directors declared a second interim single-tier share dividend for the financial year ended 31 December 2016 via a distribution of treasury shares on the basis of 1.2 treasury shares for every 100 existing ordinary shares held in the Company. The dividend will be accounted as distributions to owners in the financial year ending 31 December 2017.

The directors do not recommend final dividend in respect of the financial year ended 31 December 2016.

NOTES TO THE FINANCIAL STATEMENTS  
AS AT 31 DECEMBER 2016

15. PROPERTY, PLANT AND EQUIPMENT

Group 2016	Freehold land RM'000	Freehold building RM'000	Leasehold land RM'000	Leasehold buildings RM'000	Construction in-progress RM'000	Golf course RM'000	Plant and machineries RM'000	Office furniture, fittings and equipments RM'000	Motor vehicles RM'000	Total RM'000
<b>Cost</b>										
<b>At 1 January 2016</b>	80,099	-	175,368	133,277	223,781	53,832	33,692	76,151	24,001	800,201
Additions	2,047	-	192	944	145,040	-	589	5,830	1,125	155,767
Disposals	-	-	-	-	-	-	(695)	(1,445)	(11,058)	(13,198)
Write off	-	-	-	(1,700)	(6,345)	-	(140)	(1,955)	(143)	(10,283)
Transfer from land held for property development (Note 16 (a))	1,672	-	-	-	-	-	-	-	-	1,672
Transfer from property development costs (Note 16 (b))	5,119	-	-	-	-	-	-	211	-	5,330
Reclassifications	-	15,820	-	120,839	(136,843)	-	-	184	-	-
Exchange differences	-	-	-	-	-	-	-	11	-	11
<b>At 31 December 2016</b>	88,937	15,820	175,560	253,360	225,633	53,832	33,446	78,987	13,925	939,500
<b>Accumulated depreciation</b>										
<b>At 1 January 2016</b>	-	-	34,182	52,691	-	17,975	27,407	36,848	15,126	184,229
Depreciation (Note 9)	-	1,846	2,028	8,166	-	942	1,699	8,731	3,036	26,448
Disposals	-	-	-	-	-	-	(574)	(762)	(9,239)	(10,575)
Write off	-	-	-	(1,312)	-	-	(130)	(980)	(45)	(2,467)
Reclassifications	-	-	-	(3,669)	-	-	-	3,669	-	-
Exchange differences	-	-	-	-	-	-	-	1	-	1
<b>At 31 December 2016</b>	-	1,846	35,282	55,876	-	18,917	28,402	47,507	8,878	197,636
<b>Carrying amount</b>	88,937	13,974	139,350	197,484	225,633	34,915	5,044	31,480	5,047	741,864

## NOTES TO THE FINANCIAL STATEMENTS

AS AT 31 DECEMBER 2016

## 15. PROPERTY, PLANT AND EQUIPMENT (CONT'D.)

Group	Freehold land	Freehold building	Leasehold land	Leasehold buildings	Construction in-progress	Golf course	Plant and machineries	Office furniture, fittings and equipments	Motor vehicles	Total
2015	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000
<b>Cost</b>										
<b>At 1 January 2015</b>	105,601	455	175,368	151,271	110,188	53,832	36,142	85,243	32,607	750,707
Additions	1,359	-	-	18,876	113,608	-	2,772	6,197	1,920	144,732
Disposals	(12,402)	-	-	-	-	-	(23)	(66)	(2,781)	(15,272)
Write off	-	-	-	(2,091)	(15)	-	(583)	(4,252)	(96)	(7,037)
Transfer to assets classified as held for sale (Note 26)	(13,685)	-	-	(33,000)	-	-	-	(9,661)	-	(56,346)
Disposal of a subsidiary (Note 18(b))	(774)	(455)	-	(1,910)	-	-	(4,720)	(1,430)	(7,914)	(17,203)
Exchange differences	-	-	-	131	-	-	104	120	265	620
<b>At 31 December 2015</b>	80,099	-	175,368	133,277	223,781	53,832	33,692	76,151	24,001	800,201
<b>Accumulated depreciation</b>										
<b>At 1 January 2015</b>	-	-	32,128	44,090	-	17,033	28,544	37,094	15,359	174,248
Depreciation (Note 9)	-	-	2,027	12,066	-	942	2,479	5,622	5,132	28,268
Disposals	-	-	-	-	-	-	(23)	(13)	(2,077)	(2,113)
Write off	-	-	-	(835)	-	-	(449)	(2,075)	(96)	(3,455)
Transfer to assets classified as held for sale (Note 26)	-	-	-	(2,255)	-	-	-	(3,351)	-	(5,606)
Disposal of a subsidiary (Note 18(b))	-	-	-	(375)	-	-	(3,144)	(518)	(3,363)	(7,400)
Exchange differences	-	-	27	-	-	-	-	89	171	287
<b>At 31 December 2015</b>	-	-	34,182	52,691	-	17,975	27,407	36,848	15,126	184,229
<b>Carrying amount</b>	80,099	-	141,186	80,586	223,781	35,857	6,285	39,303	8,875	615,972

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15. PROPERTY, PLANT AND EQUIPMENT (CONT'D.)

Company 2016	Office furniture, fittings and equipments RM'000	Motor vehicles RM'000	Total RM'000
<b>Cost</b>			
At 1 January 2016	10,613	254	10,867
Additions	265	-	265
At 31 December 2016	10,878	254	11,132
<b>Accumulated depreciation</b>			
At 1 January 2016	8,902	215	9,117
Depreciation (Note 9)	447	38	485
At 31 December 2016	9,349	253	9,602
<b>Carrying amount</b>	<b>1,529</b>	<b>1</b>	<b>1,530</b>
<b>2015</b>			
<b>Cost</b>			
At 1 January 2015	10,516	254	10,770
Additions	97	-	97
At 31 December 2015	10,613	254	10,867
<b>Accumulated depreciation</b>			
At 1 January 2015	8,292	164	8,456
Depreciation (Note 9)	610	51	661
At 31 December 2015	8,902	215	9,117
<b>Carrying amount</b>	<b>1,711</b>	<b>39</b>	<b>1,750</b>

## NOTES TO THE FINANCIAL STATEMENTS

AS AT 31 DECEMBER 2016

**15. PROPERTY, PLANT AND EQUIPMENT (CONT'D.)**

- (a) The carrying amounts of property, plant and equipment pledged as securities for borrowings as disclosed in Note 31 are as follows:

	<b>Group</b>	
	<b>2016</b>	<b>2015</b>
	<b>RM'000</b>	<b>RM'000</b>
Freehold land and buildings	<b>59,216</b>	57,439
Leasehold land and buildings	<b>304,364</b>	117,507
Golf course	<b>34,915</b>	35,857
	<b>398,495</b>	210,803

- (b) Interest expense capitalised during the financial year under construction-in-progress of the Group is amounted to RM12,090,000 (2015: RM5,747,000).
- (c) The Group's construction-in-progress relates mainly to expenditure for:
- (i) a proposed hotel located at Jalan Ampang, Kuala Lumpur which is expected to be completed by 2018; and
  - (ii) a proposed hotel located at Jalan Anson, Penang which is expected to be completed by 2018.
- (d) During the financial year, the Group acquired property, plant and equipment with an aggregate costs of RM320,000 (2015: RM533,000) by means of hire purchase. The cash outflow on acquisition of property, plant and equipment of the Group and the Company amounted to RM143,357,000 (2015: RM138,452,000) and RM265,000 (2015: RM97,000) respectively.

The carrying amount of the Group's property, plant and equipment held under hire purchase at the reporting date were RM4,460,000 (2015: RM6,338,000).

NOTES TO THE FINANCIAL STATEMENTS  
AS AT 31 DECEMBER 2016

**16. LAND HELD FOR PROPERTY DEVELOPMENT AND PROPERTY DEVELOPMENT COSTS**

**(a) Land held for property development**

	<b>Group</b>	
	<b>2016</b>	<b>2015</b>
	<b>RM'000</b>	<b>RM'000</b>
<b>Cost</b>		
At 1 January:		
Freehold land	<b>1,619,369</b>	1,382,726
Leasehold land	<b>770,703</b>	716,909
	<b>2,390,072</b>	2,099,635
Additions	<b>412,913</b>	351,019
Transfer (to)/from property development costs (Note 16(b))	<b>(564,827)</b>	23,761
Transfer to property, plant and equipment (Note 15)	<b>(1,672)</b>	-
Disposals	-	(84,343)
Write off	<b>(151)</b>	-
At 31 December	<b>2,236,335</b>	2,390,072
<b>Accumulated impairment losses</b>		
At 1 January	<b>151</b>	151
Write off	<b>(151)</b>	-
At 31 December	-	151
<b>Carrying amount at 31 December</b>	<b>2,236,335</b>	2,389,921

Interest expense capitalised during the financial year under land held for property development is amounted to RM25,805,000 (2015: RM47,042,000).

The freehold and leasehold land with aggregate carrying amounts of RM1,555,281,000 (2015: RM1,478,375,000) are pledged as security for bank borrowings as disclosed in Note 31.

NOTES TO THE FINANCIAL STATEMENTS  
AS AT 31 DECEMBER 2016

**16. LAND HELD FOR PROPERTY DEVELOPMENT AND PROPERTY DEVELOPMENT COSTS (CONT'D.)**

**(b) Property development costs**

	<b>Group</b>	
	<b>2016</b>	<b>2015</b>
	<b>RM'000</b>	<b>RM'000</b>
<b>Property development costs:</b>		
At 1 January		
Freehold land	393,542	441,971
Leasehold land	168,976	136,124
Development costs	2,240,722	1,604,555
	<b>2,803,240</b>	<b>2,182,650</b>
<b>Costs incurred during the financial year:</b>		
Land costs	2,083	-
Development costs	950,945	811,251
	<b>953,028</b>	<b>811,251</b>
<b>Reversal of completed projects:</b>		
Freehold land	(28,718)	-
Leasehold land	(3,936)	(4,007)
Development costs	(555,787)	(151,214)
	<b>(588,441)</b>	<b>(155,221)</b>
<b>Costs recognised in profit or loss:</b>		
At 1 January	(1,726,115)	(1,246,977)
Recognised during the financial year (Note 5)	(903,643)	(634,359)
Write off (Note 9)	(3,587)	-
Accumulated costs reversed during the financial year in respect of completed projects	588,441	155,221
At 31 December	<b>(2,044,904)</b>	<b>(1,726,115)</b>
<b>Transfers from/(to):</b>		
Land held for property development (Note 16(a))	564,827	(23,761)
Investment properties (Note 17)	(36,940)	22,646
Property, plant and equipment (Note 15)	(5,330)	-
Inventories	(51,685)	(34,325)
	<b>470,872</b>	<b>(35,440)</b>
<b>At 31 December</b>	<b>1,593,795</b>	<b>1,077,125</b>

Interest expense capitalised during the financial year under property development cost amounted to RM46,303,000 (2015: RM26,387,000).

The freehold and leasehold land with aggregate carrying amounts of RM579,648,000 (2015: RM425,276,000) are pledged as security for bank borrowings as disclosed in Note 31.

NOTES TO THE FINANCIAL STATEMENTS  
AS AT 31 DECEMBER 2016

## 17. INVESTMENT PROPERTIES

Group	Freehold land and buildings RM'000	Leasehold land and buildings RM'000	Construction in progress RM'000	Total RM'000
<b>Fair value</b>				
<b>At 1 January 2016</b>	<b>75,000</b>	<b>236,742</b>	<b>77,880</b>	<b>389,622</b>
Additions	20,009	404	1,007	21,420
Fair value adjustments:				
- gain (Note 6)	991	-	-	991
- loss (Note 9)	-	(1,454)	-	(1,454)
Transfer from property development costs (Note 16(b))	-	36,940	-	36,940
<b>At 31 December 2016</b>	<b>96,000</b>	<b>272,632</b>	<b>78,887</b>	<b>447,519</b>
<b>At 1 January 2015</b>	205,000	244,426	91,907	541,333
Additions	-	18	8,619	8,637
Fair value adjustments:				
- gain (Note 6)	-	3,298	-	3,298
Transfer to assets classified as held for sale (Note 26)	(130,000)	-	-	(130,000)
Transfer to property development costs (Note 16(b))	-	-	(22,646)	(22,646)
Disposals	-	(11,000)	-	(11,000)
<b>At 31 December 2015</b>	<b>75,000</b>	<b>236,742</b>	<b>77,880</b>	<b>389,622</b>

## NOTES TO THE FINANCIAL STATEMENTS

AS AT 31 DECEMBER 2016

**17. INVESTMENT PROPERTIES (CONT'D.)**

Interest expense capitalised during the financial year under investment properties under construction is amounted to RM947,000 (2015: RM1,340,000).

The carrying amount of the investment properties pledged as security for bank borrowings as disclosed in Note 31 is as follows:

	2016 RM'000	2015 RM'000
Freehold land and building	157,791	77,274
Leasehold land and building	228,424	191,900
	386,215	269,174

The Group has no restrictions on the realisability of its investment properties and no contractual obligations to either purchase, construct or develop investment properties or for repairs, maintenance and enhancements.

Investment properties are stated at fair value, which has been determined based on valuations performed by accredited independent valuers as at 31 December 2016 and 2015. The independent valuers are specialists in valuing these types of investment properties. The fair value of the properties has been determined using the cost method, comparison method and investment method depending on the nature of the property.

Fair value hierarchy disclosures for investment properties is disclosed in Note 35.

**Reconciliation of fair values:**

	Freehold land and buildings RM'000	Leasehold land and buildings RM'000
<b>2016</b>		
At 1 January 2016	75,000	236,742
Re-measurement recognised in profit or loss	991	(1,454)
Additions	20,009	404
Transfer from property development costs (Note 16(b))	-	36,940
At 31 December 2016	96,000	272,632
<b>2015</b>		
At 1 January 2015	205,000	244,426
Re-measurement recognised in profit or loss	-	3,298
Additions	-	18
Transfer to assets classified as held for sale (Note 26)	(130,000)	-
Disposals	-	(11,000)
At 31 December 2015	75,000	236,742

NOTES TO THE FINANCIAL STATEMENTS  
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## 17. INVESTMENT PROPERTIES (CONT'D.)

Description of valuation techniques used and key inputs to valuation on investment properties:

	Valuation	Significant unobservable inputs	Range (weighted average)
Land	Comparison Method	The comparison method entails analysing recent transactions and asking prices of similar property in and around the locality for comparison purposes with adjustments made for differences in location, visibility, size and tenure.	-37.5% to 40%
Commerical building	Investment Method**	Estimated rental value per sq ft per month	RM1.00 to RM9.25
		Expected market rental growth	-
		Long-term vacancy rate	5% to 10%
		Discount rate	4% to 8%

\*\* The investment method entails determining the net annual income by deducting the annual outgoings from the gross annual income and capitalising the net income by suitable rate of return consistent with the type and quality of the investment to arrive of the market value of the subject property.

## 18. INVESTMENTS IN SUBSIDIARIES

	Company	
	2016	2015
	RM'000	RM'000
Unquoted shares in Malaysia, at cost	1,280,523	1,366,683
Less: Accumulated impairment losses	(145,819)	(65,513)
	1,134,704	1,301,170
Discount on amount due from subsidiaries	47,910	44,983
	1,182,614	1,346,153

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18. INVESTMENTS IN SUBSIDIARIES (CONT'D.)

Details of the subsidiaries are as follows:

Name of subsidiaries	Country of incorporation	Principal activities	Effective interest held by the Group <sup>#</sup>		Effective interest held by non-controlling interests <sup>#</sup>	
			2016 %	2015 %	2016 %	2015 %
Advent Nexus Sdn. Bhd.	Malaysia	Dormant	100	100	-	-
Arah Pelangi Sdn. Bhd.	Malaysia	Property development	100	100	-	-
Tropicana Marketplace Sdn. Bhd. (formerly known as Arena Influx Sdn. Bhd.)	Malaysia	Dormant	100	100	-	-
Bakat Rampai Sdn. Bhd. ("BRSB")	Malaysia	Investment holding	100	100	-	-
<b>Subsidiaries of BRSB:</b>						
Dicorp Land Sdn. Bhd.	Malaysia	Property development	100	100	-	-
Tropicana Indah Realty Sdn. Bhd. ("TIRSB")	Malaysia	Investment holding	100	100	-	-
<b>Subsidiary of TIRSB:</b>						
Tropicana Indah Sdn. Bhd.	Malaysia	Property development	70	70	30	30
Tropicana City Sdn. Bhd. ("TCSB")	Malaysia	Property development and property investment	100	100	-	-
<b>Subsidiaries of TCSB:</b>						
Dicasa Management Services Sdn. Bhd.	Malaysia	Property and management maintenance services	100	100	-	-
Tropicana City Management Sdn. Bhd.	Malaysia	Property management	100	100	-	-
Tropicana Parking Sdn. Bhd. (formerly known as Tropicana City Parking Sdn. Bhd.)	Malaysia	Management of car parking facilities	100	100	-	-
Tropicana Kajang Hill Sdn. Bhd.	Malaysia	Property development	100	100	-	-
Daya Petaling Sdn. Bhd.	Malaysia	Property investment	100	100	-	-
Tropicana Danga Senibong Holding Sdn. Bhd. ("TDSHSB")	Malaysia	Investment holding	100	100	-	-
<b>Subsidiary of TDSHSB:</b>						
Tropicana Danga Senibong Sdn. Bhd.	Malaysia	Property development	70	70	30	30
Tropicana Aman Sdn. Bhd. (formerly known as Sapphire Index Sdn. Bhd. ("TASB"))	Malaysia	Property development	100	100	-	-
<b>Subsidiary of TASB:</b>						
Sapphire Step Sdn. Bhd.	Malaysia	Dormant	100	100	-	-
Tropicana Bukit Bintang Development Sdn. Bhd.	Malaysia	Property investment	100	100	-	-
Tropicana Coliseum (Ipoh) Sdn. Bhd.	Malaysia	Property investment	100	100	-	-
Tropicana Cheras Sdn. Bhd.	Malaysia	Property development	100	100	-	-
Tropicana Danga Bay Land Sdn. Bhd. ("TDBLSB")	Malaysia	Investment holding	100	100	-	-

NOTES TO THE FINANCIAL STATEMENTS  
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# 18. INVESTMENTS IN SUBSIDIARIES (CONT'D.)

Details of the subsidiaries are as follows: (cont'd.)

Name of subsidiaries	Country of incorporation	Principal activities	Effective interest held by the Group <sup>#</sup>		Effective interest held by non-controlling interests <sup>#</sup>	
			2016	2015	2016	2015
			%	%	%	%
Subsidiary of TDBLSB:						
Tropicana Danga Bay Sdn. Bhd. (“TDBSB”)	Malaysia	Property development	60	60	40	40
Subsidiary of TDBSB:						
Tropicana Danga Bay Pte Ltd	Singapore	Promotions, marketing and other activities related to property development	100	100	-	-
Desiran Realiti Sdn. Bhd.	Malaysia	Dormant	100	100	-	-
Tropicana Danga Cove Holding Sdn. Bhd.	Malaysia	Investment holding	100	100	-	-
Tropicana Danga Lagoon Sdn. Bhd. (“TDLSB”)	Malaysia	Property development and investment holding	80	80	20	20
Subsidiary of TDLSB:						
Tropicana Lagoon Sdn. Bhd.	Malaysia	Property development	100	100	-	-
Tropicana Residences Sdn. Bhd.	Malaysia	Property development and property investment	100	100	-	-
Tropicana Development (Johor Bahru) Sdn. Bhd.	Malaysia	Property development	100	100	-	-
Tropicana Development (Penang) Sdn. Bhd.	Malaysia	Investment holding	100	100	-	-
Tropicana Development (Sabah) Sdn. Bhd.	Malaysia	Property investment	100	100	-	-
Tropicana Golf & Country Resort Berhad (“TGCRB”)	Malaysia	Real property and resort development	100	100	-	-
Subsidiaries of TGCRB:						
Tropicana Management Services Sdn. Bhd.	Malaysia	Property management and maintenance services	100	100	-	-
Tropicana Sungai Buloh Sdn. Bhd.	Malaysia	Property development	100	100	-	-
Tropicana Desa Mentari Sdn. Bhd.	Malaysia	Property development and property investment	100	100	-	-
Tropicana Harapan Sdn. Bhd.	Malaysia	Property development	100	100	-	-
Tropicana Jaya Sdn. Bhd.	Malaysia	Investment holding and property investment	100	100	-	-
Tropicana Kemayan Development Sdn. Bhd.	Malaysia	Investment holding	100	100	-	-
Tropicana Kia Peng Sdn. Bhd.	Malaysia	Dormant	100	100	-	-
Tropicana KK City Sdn. Bhd.	Malaysia	Dormant	100	100	-	-
Tropicana KL Development Sdn. Bhd.	Malaysia	Dormant	100	100	-	-

## NOTES TO THE FINANCIAL STATEMENTS

AS AT 31 DECEMBER 2016

## 18. INVESTMENTS IN SUBSIDIARIES (CONT'D.)

Details of the subsidiaries are as follows: (cont'd.)

Name of subsidiaries	Country of incorporation	Principal activities	Effective interest held by the Group <sup>#</sup>		Effective interest held by non-controlling interests <sup>#</sup>	
			2016 %	2015 %	2016 %	2015 %
Tropicana Lahad Datu Development Sdn. Bhd.	Malaysia	Property investment	100	100	-	-
Tropicana Land Sdn. Bhd.	Malaysia	Property development	100	100	-	-
Tropicana Land (Sandakan) Sdn. Bhd.	Malaysia	Property investment	100	100	-	-
Tropicana Landmark Sdn. Bhd.	Malaysia	Property development	100	100	-	-
Tropicana Lido Development Sdn. Bhd.	Malaysia	Property investment	100	100	-	-
Tropicana Lintas Development Sdn. Bhd.	Malaysia	Dormant	100	100	-	-
Tropicana Macalister Avenue (Penang) Sdn. Bhd.	Malaysia	Property investment and property development	100	100	-	-
Tropicana Metro Sdn. Bhd.	Malaysia	Property investment	100	100	-	-
Tropicana Metropark Sdn. Bhd. ("TMSB")	Malaysia	Property development	100	100	-	-
<b>Subsidiary of TMSB:</b>						
Noble Kinetic Sdn. Bhd.	Malaysia	Dormant	100	100	-	-
Tropicana Mentari Development Sdn. Bhd.	Malaysia	Property development	100	100	-	-
Tropicana Plaza Sdn. Bhd.	Malaysia	Property investment	100	100	-	-
Tropicana Properties (Keningau) Sdn. Bhd.	Malaysia	Property investment	100	100	-	-
Tropicana Properties (Klang) Sdn. Bhd.	Malaysia	Property investment	100	100	-	-
Tropicana Properties (Puchong) Sdn. Bhd.	Malaysia	Dormant	100	100	-	-
Tropicana Properties (Sabah) Sdn. Bhd.	Malaysia	Property investment	100	100	-	-
Tropicana Properties (Sandakan) Sdn. Bhd.	Malaysia	Property investment	100	100	-	-
Tropicana Properties Ampang Sdn. Bhd.	Malaysia	Dormant	100	100	-	-
Tropicana Property Management Sdn. Bhd.	Malaysia	Property management and maintenance services	100	100	-	-
Tropicana Global Development Sdn. Bhd. (formerly known as Tropicana Properties Odeon Sdn. Bhd.)	Malaysia	Dormant	100	100	-	-
Tropicana Rahang Development Sdn. Bhd.	Malaysia	Investment holding	100	100	-	-
Tropicana Sadong Jaya Development Sdn. Bhd.	Malaysia	Dormant	100	100	-	-
Tropicana Senibong Sdn. Bhd.	Malaysia	Property investment	100	100	-	-
Tropicana Subang South Development Sdn. Bhd.	Malaysia	Dormant	100	100	-	-

NOTES TO THE FINANCIAL STATEMENTS  
AS AT 31 DECEMBER 2016

# 18. INVESTMENTS IN SUBSIDIARIES (CONT'D.)

Details of the subsidiaries are as follows: (cont'd.)

Name of subsidiaries	Country of incorporation	Principal activities	Effective interest held by the Group <sup>#</sup>		Effective interest held by non-controlling interests <sup>#</sup>	
			2016 %	2015 %	2016 %	2015 %
Tropicana Tawau Development Sdn. Bhd.	Malaysia	Property investment	100	100	-	-
Tropicana Wisma TT Sdn. Bhd.	Malaysia	Property development and property investment	100	100	-	-
Tropicana Resort Holding Sdn. Bhd. ("TRHSB")	Malaysia	Investment holding	100	100	-	-
<b>Subsidiary of TRHSB:</b>						
Tropicana Danga Bay Resort Sdn. Bhd.	Malaysia	Property development	60	60	40	40
Tropicana Credit & Leasing Sdn. Bhd.	Malaysia	Credit and leasing	100	100	-	-
Tropicana Shared Services Sdn. Bhd. (formerly known as Terbit Berkas Sdn. Bhd.)	Malaysia	Provisional of management services	100	100	-	-
Tropicana Building Materials Sdn. Bhd.	Malaysia	Trading	100	100	-	-
Tropicana SJII Education Management Sdn. Bhd.	Malaysia	Providing private education learning services	51	51	49	49
Tropicana Education Management Sdn. Bhd.	Malaysia	Investment holding	85	85	15	15
Tropicana Innovative Landscape Sdn. Bhd.	Malaysia	Landscaping	100	100	-	-
Supreme Converge Sdn. Bhd.	Malaysia	Investment holding	100	100	-	-
Tropicana Collections (MM2H) Sdn. Bhd.	Malaysia	Dormant	100	100	-	-
Kuasa Cekapmas Sdn. Bhd.	Malaysia	Dormant	100	100	-	-
Tropicana Urban Homes Sdn. Bhd. (formerly known as Antara Tuah Sdn. Bhd.)	Malaysia	Property development	49	100	51	-
Tropicana Development (Sg. Besi) Sdn. Bhd.	Malaysia	Dormant	100	100	-	-
Tropicana Jalan Selangor Development Sdn. Bhd.	Malaysia	Dormant	100	100	-	-
Tropicana Corporate Solutions Sdn. Bhd.	Malaysia	Provisional of treasury management services	100	100	-	-
Ultimate Support Sdn. Bhd.	Malaysia	Dormant	100	100	-	-
Sumber Saujana Sdn. Bhd. ("SSSB")	Malaysia	Investment holding	100	100	-	-

## NOTES TO THE FINANCIAL STATEMENTS

AS AT 31 DECEMBER 2016

## 18. INVESTMENTS IN SUBSIDIARIES (CONT'D.)

Details of the subsidiaries are as follows: (cont'd.)

Name of subsidiaries	Country of incorporation	Principal activities	Effective interest held by the Group <sup>#</sup>		Effective interest held by non-controlling interests <sup>#</sup>	
			2016	2015	2016	2015
			%	%	%	%
Subsidiary of SSSB:						
Tropicana Saujana Sdn. Bhd. (“TSSB”)	Malaysia	Investment holding	100	100	-	-
Tropicana Technology Sdn. Bhd.	Malaysia	Research and development of software	100	100	-	-
Tropicana Serdang Suria Sdn. Bhd.	Malaysia	Property development	100	100	-	-
Tropicana Holding (Hong Kong) Limited*	Hong Kong	Dormant <sup>@</sup>	-	100	-	-
Tropicana Investment Consulting Pte. Ltd.*	People’s Republic of China	Dormant	100	100	-	-

All subsidiaries are audited by Ernst & Young, Malaysia except as indicated below:

- \* Audit by firms other than Ernst & Young
- # Equals to the proportion of voting rights held
- @ The Company was dissolved during the financial year

Financial information of subsidiaries that have material non-controlling interests are provided below. The financial information presented below is amount before inter-company elimination.

- (i) Summarised statements of financial position

	TISB		TDBSB	
	2016 RM'000	2015 RM'000	2016 RM'000	2015 RM'000
Non-current assets	5,831	6,890	324,319	319,188
Current assets	622,965	478,624	267,429	277,041
Non-current liabilities	(129,010)	(77,691)	(36,267)	(69,189)
Current liabilities	(214,361)	(134,624)	(101,403)	(95,248)
Net assets	285,425	273,199	454,078	431,792

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# 18. INVESTMENTS IN SUBSIDIARIES (CONT'D.)

Financial information of subsidiaries that have material non-controlling interests are provided below. The financial information presented below is amount before inter-company elimination: (cont'd.)

## (ii) Summarised statements of comprehensive income

	TISB		TDBSB	
	2016 RM'000	2015 RM'000	2016 RM'000	2015 RM'000
Revenue	228,189	264,311	71,331	84,978
Profit for the financial year	12,226	54,990	2,786	16,580
Profit attributable to equity holders of the Company	8,558	38,493	1,672	9,948
Profit attributable to non-controlling interests	3,668	16,497	1,114	6,632
Total comprehensive income	12,226	54,990	2,786	16,580
<i>Transactions with non-controlling interests</i>				
Issuance of redeemable preference shares	-	-	7,800	6,664

## (iii) Summarised statements of cash flows

	TISB		TDBSB	
	2016 RM'000	2015 RM'000	2016 RM'000	2015 RM'000
Net cash (used in)/generated from operating activities	(87,084)	(48,861)	2,777	39,747
Net cash from/(used in) investing activities	5,436	(233)	1,558	13,413
Net cash from/(used in) financing activities	86,156	64,265	(35,835)	(33,081)
Net increase/(decrease) in cash and cash equivalent	4,508	15,171	(31,500)	20,079
Cash and cash equivalents at the beginning of financial year	49,129	33,958	73,017	52,938
Cash and cash equivalents at the end of financial year	53,637	49,129	41,517	73,017

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**18. INVESTMENTS IN SUBSIDIARIES (CONT'D.)****(a) Group restructuring**

The following group restructuring took place in the current financial year:

- (i) On 7 September 2016, Tropicana Holding (Hong Kong) Limited ("THHKL"), a wholly-owned subsidiary of the Company received notification that THHKL has been deregistered pursuant to Section 751 of the Companies Ordinance under Gazette Notice No. 4964, which was published on 2 September 2016. Accordingly, THHKL was dissolved.
- (ii) On 28 November 2016, Kuasa Cekapmas Sdn. Bhd., a wholly-owned subsidiary of the Company divested its 100 ordinary shares of RM1.00 each representing 100% of the issued and paid-up share capital of Tropicana Urban Homes Sdn. Bhd. (formerly known as Antara Tuah Sdn. Bhd.) ("TUHSB") to 49 ordinary shares of RM1.00 each and 51 ordinary shares of RM1.00 each to the Company and Harmorny Influx Sdn. Bhd. respectively. Accordingly, TUHSB is a 49% owned subsidiary of the Company.
- (iii) In October 2016, the Company injected an amount of RM4,590,000 in Tropicana SJII Education Sdn. Bhd. ("TSEM"), representing amount arising from the Company's proportionate share in the working capital to TSEM. This advance form part of the Company's investment in TSEM.
- (iv) In October 2016, the Company injected total additional working capital of RM750,960 in Tropicana Investment Consulting Pte. Ltd., a wholly-owned subsidiary of the Company.
- (v) On 30 November 2016, the Company has fully redeemed the redeemable convertible unsecured loan stocks ("RCULS") issued by Tropicana Kia Peng Sdn. Bhd. ("TKP") for RM11,244,000 by offsetting of amounts due by TKP to the Company.
- (vi) On 30 November 2016, the Company has fully redeemed the redeemable convertible unsecured loan stocks ("RCULS") issued by Tropicana Bukit Bintang Development Sdn. Bhd. ("TBBD") for RM80,256,000 by offsetting of amounts due by TBBD to the Company.
- (vii) Tropicana Resort Holding Sdn. Bhd., a wholly-owned subsidiary of the Company subscribed for 36,297,600 preference shares of RM0.01 each in Tropicana Danga Bay Resort Sdn. Bhd. ("TDBR") at an issue price of RM0.10 per share, representing 60% of total issued and paid-up share capital of TDBR.

The following group restructuring took place in the previous financial year:

- (i) On 30 September 2015, Tropicana Mentari Development Sdn. Bhd. has exercised its Redemption Options to redeem 22,442,897 convertible unsecured loan stocks of RM1.00 each, satisfied by offsetting of debts due from the Company to Tropicana Mentari Development Sdn. Bhd..
- (ii) On 30 September 2015, Tropicana Subang South Development Sdn. Bhd. has exercised its Redemption Options to redeem 11,449,277 convertible unsecured loan stocks of RM1.00 each, satisfied by offsetting of debts due from the Company to Tropicana Subang South Development Sdn. Bhd..
- (iii) On 30 September 2015 and 31 December 2015, Tropicana Resort Holding Sdn. Bhd., a wholly-owned subsidiary of the Company, had subscribed a total of 58,204,500 redeemable cumulative preference shares of RM0.01 each at a premium of RM0.09 each in Tropicana Danga Bay Resort Sdn. Bhd., for a cash consideration of RM5,820,450.
- (iv) On 11 September 2015, the Company injected additional working capital of RM582,000 in Tropicana Investment Consulting Pte. Ltd. a wholly-owned subsidiary.
- (v) On 2 July 2015, Tropicana Saujana Sdn. Bhd. ("TSSB"), a wholly-owned subsidiary of the Sumber Saujana Sdn. Bhd., which in turn was a wholly owned subsidiary of the Company, disposed its entire shareholding of 23,360,000 in Tenaga Kimia Sdn. Bhd., representing 73% of its total issued and paid-up share capital, for cash consideration of RM194,667,667. Upon the disposal, TKSB ceased to be subsidiary of TSSB.
- (vi) On 30 June 2015, Kuasa Cekapmas Sdn. Bhd. ("KCSB"), wholly-owned subsidiary of the Company, acquired 100 ordinary shares of RM1.00 each representing 100% of the total issued and paid-up capital of Tropicana Urban-Homes Sdn. Bhd. (formerly known as Antara Tuah Sdn. Bhd.), for cash consideration of RM100. Upon the acquisition by KCSB, ATSB became a wholly-owned subsidiary of KCSB, which in turn is a wholly-owned subsidiary of the Company.

NOTES TO THE FINANCIAL STATEMENTS  
AS AT 31 DECEMBER 2016

## 18. INVESTMENTS IN SUBSIDIARIES (CONT'D.)

### (a) Group restructuring (cont'd.)

The following group restructuring took place in the previous financial year (cont'd.):

- (vii) On 31 May 2015, Tropicana Danga Bay Land Sdn. Bhd., a wholly-owned subsidiary of the Company, had subscribed 78,000,000 redeemable preference shares Series A of RM0.01 each at premium of RM0.09 in Tropicana Danga Bay Sdn. Bhd., for a cash consideration of RM7,800,000.
- (viii) On 31 March 2015, Star Honour Limited, a wholly-owned subsidiary of the Company, was dissolved.
- (ix) On 29 January 2015, the Company divested the 2 ordinary shares of RM1.00 each representing 100% of the total issued and paid-up share capital of Noble Kinetic Sdn. Bhd. ("NKS") to Tropicana Metropark Sdn. Bhd. ("TMSB"), a wholly-owned subsidiary of the Company, for a total cash consideration of RM2.00. Upon the divestment, NKS became a wholly-owned subsidiary of TMSB, which in turn is a wholly-owned subsidiary of the Company.
- (x) On 19 January 2015, the Company acquired 49,998 ordinary shares of RM1.00 each representing 100% of the total issued and paid-up capital of Tropicana Collections (MM2H) Sdn. Bhd for a cash consideration of RM49,998.
- (xi) Tropicana Resort Holding Sdn. Bhd., a wholly owned subsidiary of the Company subscribed for 58,204,500 preference shares of RM0.01 each in TDBR at an issue price of RM0.10 per share, representing 60% of the total issued and paid-up share capital of TDBR.

### (b) Disposal of a subsidiary

On 2 July 2015, Tropicana Saujana Sdn. Bhd. ("TSSB"), a wholly-owned subsidiary of the Sumber Saujana Sdn. Bhd., which in turn was a wholly-owned subsidiary of the Company, have completed the disposal of its entire shareholding of 23,360,000 in Tenaga Kimia Sdn. Bhd. ("TKSB"), representing 73% of its total issued and paid-up share capital, for cash a consideration of RM194,667,667.

Profit attributable to the discontinued operation was as follows:

#### Results of discontinued operation

	2016 RM'000	2015 RM'000
Revenue	-	98,990
Expenses	-	(84,904)
Share of results in joint ventures	-	1,672
Share of results in associates	-	(17)
<b>Results from operating activities</b>	-	15,741
Gain on sale of discontinued operation	-	27,531
<b>Profit before tax</b>	-	43,272
Tax expense (Note 12)	-	(3,595)
<b>Profit for the financial year from discontinued operation</b>	-	39,677

**NOTES TO THE FINANCIAL STATEMENTS**  
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**18. INVESTMENTS IN SUBSIDIARIES (CONT'D.)**

**(b) Disposal of a subsidiary (cont'd.)**

In addition to the amounts disclosed in Note 9, the following have been included in arriving at results from operating activities:

	2016 RM'000	2015 RM'000
Depreciation of property, plant and equipment	-	1,329
Interest income	-	53
Finance expense	-	336

Net profit after tax from discontinued operation of Nil (2015: RM7,210,000) is attributable to the owners of the Company.

**Cash flows from discontinued operation**

	2016 RM'000	2015 RM'000
Net cash from operating activities	-	12,098
Net cash used in investment activities	-	(1,329)
Net cash from financing activities	-	4,235
Effect on cash flows	-	15,004

NOTES TO THE FINANCIAL STATEMENTS  
AS AT 31 DECEMBER 2016

18. INVESTMENTS IN SUBSIDIARIES (CONT'D.)

(b) Disposal of a subsidiary (cont'd.)

Effect of disposal on the financial position of the Group

	2016 RM'000	2015 RM'000
Property, plant and equipment (Note 15)	-	9,803
Investments in joint ventures	-	14,282
Interest in associates	-	2,739
Deferred tax assets (Note 30)	-	1,670
Inventories	-	36,109
Trade and other receivables	-	73,461
Cash at banks	-	27,381
Borrowings	-	(10,411)
Trade payables and other payables	-	(26,676)
Provision for liabilities (Note 29)	-	(66)
Tax payable	-	(74)
Non-controlling interest	-	(18,885)
Translation reserves	-	(2,000)
Net assets and liabilities of TKSB	-	107,333
Add: Intangible assets recognised in Group (Note 22)	-	59,803
<b>Total net assets and liabilities disposed</b>	-	167,136
Gain on sale of discontinued operation	-	27,531
Consideration received, satisfied in cash	-	194,667
Cash at banks disposed of	-	(27,381)
<b>Net cash inflows</b>	-	167,286

(c) Impairment loss

During the financial year, impairment loss of RM80,306,000 has been recognised in profit or loss due to the recoverable amounts of these subsidiaries are lower than the cost of investments of the Company as these subsidiaries have discontinued its intended business subsequent to the disposal of their respective assets.

NOTES TO THE FINANCIAL STATEMENTS  
AS AT 31 DECEMBER 2016

19. INTEREST IN AN ASSOCIATE

	Group	
	2016 RM'000	2015 RM'000 (Restated)
Unquoted shares, at costs	*	*
Amount due from an associate	100,102	100,102
Share of post-acquisition results and reserves	(2,184)	-
Unrealised profits arising from sale of land to associate	(59,774)	(59,774)
	38,144	40,328

\* Nominal amount of RM3

The amount due from an associate representing outstanding amount arising from the Group's proportionate share in the advances and working capital to the associate. The amount due from an associate is unsecured, non-interest bearing and is not repayable within the next twelve (12) months. The Group views this advances as part of the Group's investment in the associate.

Details of the associate are as follows:

Name of associate	Country of incorporation	Principal activities	Equity interest Held (%)	
			2016	2015
Agile Tropicana Development Sdn. Bhd.	Malaysia	Property development	30	30

The associate has been accounted for using the equity method of accounting.

NOTES TO THE FINANCIAL STATEMENTS  
AS AT 31 DECEMBER 2016

## 19. INTEREST IN AN ASSOCIATE (CONT'D.)

The financial information of the associate is as follow:

	Group	
	2016 RM'000	2015 RM'000
The Group's share of loss before tax	(2,184)	-
The Group's share of loss after tax, representing total comprehensive income	(2,184)	-
Carrying amount of the Group's interest	38,144	40,328

## 20. INVESTMENTS IN JOINT VENTURES

	Group	
	2016 RM'000	2015 RM'000
At cost		
Unquoted shares in Malaysia	249,600	235,100
Share of post-acquisition results and reserves	148,121	104,267
Unrealised profits arising from transaction with joint ventures	(795)	(577)
	396,926	338,790
Represented by:		
Share of net assets	396,926	338,790

Details of the joint ventures are as follows:

Name of joint ventures	Country of incorporation	Principal activities	Equity Interest Held (%)	
			2016	2015
Tropicana Ivory Sdn. Bhd. ("TIVSB")	Malaysia	Property development	55	55
<b>Subsidiary of TIVSB:</b>				
Tropicana Ivory Realty Sdn. Bhd.	Malaysia	Property investment	100	100

## NOTES TO THE FINANCIAL STATEMENTS

AS AT 31 DECEMBER 2016

## 20. INVESTMENTS IN JOINT VENTURES (CONT'D.)

Details of the joint ventures are as follows: (cont'd.)

Name of joint ventures	Country of incorporation	Principal activities	Equity Interest Held (%)	
			2016	2015
Tropicana Danga Cove Sdn. Bhd. ("TDCSB")	Malaysia	Property development	50	50

All the joint ventures are using equity accounting method.

During the financial year, TDCSB issued 290,000,000 of redeemable preference shares series A ("RPS-A") of RM0.01 each at a premium of RM0.09 each. The Group subscribed for 50% of the RPS-A for a cash consideration of RM14,500,000.

In the previous financial year,

- (i) TIVSB issued 94,987,000 of redeemable non-cumulative preference shares ("RPS") with a nominal value of RM0.01 each at a premium of RM0.99 per RPS. The Group subscribed for 55% of the RPS for a cash consideration of RM52,242,960; and
- (ii) TDCSB issued 360,000,000 of RPS-A of RM0.01 each at a premium of RM0.09 each. The Group subscribed for 50% of the RPS-A for a cash consideration of RM18,000,000.
- (a) Summarised financial information of joint ventures that are material to the Group is set out below. The summarised financial information represents the amounts in the financial statements of the joint ventures and not the Group's share of those amounts.
  - (i) Summarised statements of financial position

	Tropicana Ivory Sdn. Bhd.		Tropicana Danga Cove Sdn. Bhd.	
	2016 RM'000	2015 RM'000	2016 RM'000	2015 RM'000
Non-current assets	803,837	519,289	504,096	499,166
Current assets	275,437	298,878	101,015	85,829
Non-current liabilities	(524,969)	(446,579)	(94,489)	(118,025)
Current liabilities	(227,208)	(88,218)	(76,577)	(101,099)
Net assets	327,097	283,370	434,045	365,871

- (ii) Summarised statements of comprehensive income

	Tropicana Ivory Sdn. Bhd.		Tropicana Danga Cove Sdn. Bhd.	
	2016 RM'000	2015 RM'000	2016 RM'000	2015 RM'000
Revenue	390,320	148,171	122,714	68,526
Profit before tax	59,017	18,433	52,660	29,726
Total comprehensive income	43,727	12,444	39,608	22,200

## NOTES TO THE FINANCIAL STATEMENTS

AS AT 31 DECEMBER 2016

## 20. INVESTMENTS IN JOINT VENTURES (CONT'D.)

- (a) Summarised financial information of joint ventures that are material to the Group is set out below. The summarised financial information represents the amounts in the financial statements of the joint ventures and not the Group's share of those amounts (cont'd.).
- (iii) Reconciliation of the summarised financial information presented above to the carrying amount of the Group's interests in joint ventures:

	Tropicana Ivory Sdn. Bhd.		Tropicana Danga Cove Sdn. Bhd.	
	2016 RM'000	2015 RM'000	2016 RM'000	2015 RM'000
Net assets as at 1 January	283,370	175,939	365,871	308,137
Profit for the financial financial year	43,727	12,444	39,608	22,200
Intra group eliminations	-	-	(434)	(466)
	327,097	188,383	405,045	329,871
Issuance of redeemable preference shares	-	94,987	29,000	36,000
Net assets as at 31 December	327,097	283,370	434,045	365,871
Interests in joint ventures	55%	55%	50%	50%
Carrying amount of Group's interests in joint ventures	179,903	155,854	217,023	182,936

- (iv) Share of capital commitment

	Tropicana Ivory Sdn. Bhd.		Tropicana Danga Cove Sdn. Bhd.	
	2016 RM'000	2015 RM'000	2016 RM'000	2015 RM'000
Approved and contracted for: Acquisition of land	84,464	221,500	-	-

- (b) Aggregate information of joint ventures that are not individually material are as follows:

	Group	
	2016 RM'000	2015 RM'000
The Group's share of profit after tax	-	1,672
The Group's share of total comprehensive income	-	1,672

## 21. OTHER INVESTMENTS

	Group and Company	
	2016 RM'000	2015 RM'000
<b>At FVTPL:</b>		
Transferable corporate golf club membership (Note 35)	312	312

NOTES TO THE FINANCIAL STATEMENTS  
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## 22. INTANGIBLE ASSETS

	Group	
	2016 RM'000	2015 RM'000
<b>Goodwill on consolidation</b>		
<b>Cost</b>		
At 1 January	18,170	84,447
Written off arising from:		
Disposal of assets (Note 9)	-	(6,474)
Disposal of a subsidiary (Note 18(b))	-	(59,803)
At 31 December	18,170	18,170
<b>Accumulated impairment loss</b>		
At 1 January	(14,731)	(4,069)
Impairment during the financial year (Note 9)	(1,964)	(10,662)
At 31 December	(16,695)	(14,731)
<b>Carrying amount</b>	<b>1,475</b>	<b>3,439</b>

Goodwill has been allocated to the Group's CGUs identified according to business segments as follows:

	Group	
	2016 RM'000	2015 RM'000
Investment holding	23	23
Property development	1,452	3,416
	<b>1,475</b>	<b>3,439</b>

During the financial year, an impairment loss of RM1,964,000 (2015: RM10,662,000) has been recognised in profit or loss subsequent to the disposal of assets of the respective subsidiaries.

### (a) Key assumptions used in value-in-use calculations

The recoverable amounts of the CGUs have been determined based on value-in-use calculations using cash flow projections based on financial budgets approved by management.

The following describes each key assumption on which management has based its cash flow projections to undertake impairment testing of goodwill.

#### (i) Budgeted gross margin

The basis used to determine the value assigned to the budgeted gross margin is the average rate achieved in the financial year immediately before the budgeted year increased for expected efficiency improvements.

NOTES TO THE FINANCIAL STATEMENTS  
AS AT 31 DECEMBER 2016

## 22. INTANGIBLE ASSETS (CONT'D.)

### (a) Key assumptions used in value-in-use calculations (cont'd.)

The following describes each key assumption on which management has based its cash flow projections to undertake impairment testing of goodwill. (cont'd.)

#### (ii) Pre-tax discount rate

The discount rates used are pre-tax ranging from 10% to 12% (2015: 10% to 12%) and reflect specific risks relating to the relevant segments.

### (b) Sensitivity to changes in assumptions

With regard to the assessment of value-in-use of the CGUs, management believes that no reasonably possible change in any of the above key assumptions would cause the carrying amounts of the unit to materially differ from its recoverable amount.

## 23. INVENTORIES

	Group	
	2016 RM'000	2015 RM'000
<b>At cost</b>		
Completed development properties	33,914	39,364
Consumable stores and spares	1,017	991
	<b>34,931</b>	<b>40,355</b>

The Group's cost of inventories recognised as an expense during the financial year is amounted to RM58,591,000 (2015: RM66,765,000).

Certain completed development properties with carrying amounts of RM4,081,000 are pledged as security for bank borrowings as disclosed in Note 31.

## 24. TRADE AND OTHER RECEIVABLES

	Group		Company	
	2016 RM'000	2015 RM'000 (Restated)	2016 RM'000	2015 RM'000 (Restated)
<b>Non-current</b>				
<b>Other receivables</b>				
Sundry receivables	4,130	4,130	-	-
Government grants (Note 24(b)(i))	30,511	16,565	-	-
Security retainers accumulation fund (Note 24(b)(ii))	4,497	4,270	-	-
Amount due from a subsidiary (Note 24(b)(iii))	-	-	53,879	40,213
	<b>39,138</b>	<b>24,965</b>	<b>53,879</b>	<b>40,213</b>

NOTES TO THE FINANCIAL STATEMENTS  
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24. TRADE AND OTHER RECEIVABLES (CONT'D.)

	Group		Company	
	2016 RM'000	2015 RM'000 (Restated)	2016 RM'000	2015 RM'000 (Restated)
<b>Current</b>				
<b>Trade receivables</b>				
Third parties	291,862	186,700	-	-
Accrued billings in respect of sales of development properties	486,453	449,810	-	-
Amounts due from contract customers (Note 24(c))	5,771	7,453	-	-
Less: Accumulated impairment losses	(6,161)	(4,356)	-	-
Trade receivables, net	777,925	639,607	-	-
<b>Other receivables</b>				
Sundry receivables	73,039	88,597	9,524	9,704
Deposits (Note 24(b)(iv))	22,094	19,301	53	163
Prepayments	3,822	7,527	14	3,091
Amounts due from subsidiaries (Note 24(b)(iii))	-	-	2,213,404	1,943,888
Amounts due from joint ventures (Note 24(b)(iii))	12,166	716	-	716
Less: Accumulated impairment losses				
- Sundry receivables	(9,040)	(8,999)	(8,847)	(8,847)
- Amount due from subsidiaries	-	-	(108,780)	(105,688)
	102,081	107,142	2,105,368	1,843,027
	880,006	746,749	2,105,368	1,843,027
<b>Total trade and other receivables</b>	<b>919,144</b>	<b>771,714</b>	<b>2,159,247</b>	<b>1,883,240</b>

(a) Trade receivables

The Group's normal trade credit term ranges from 14 to 180 days (2015: 14 to 180 days). Other credit terms are assessed and approved on a case-to-case basis. Trade receivables are non-interest bearing and are recognised at their original invoice amounts which represent their fair values on initial recognition.

The Group has no significant concentration of credit risk that may arise from exposures to a single debtor or to groups of debtors.

NOTES TO THE FINANCIAL STATEMENTS  
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## 24. TRADE AND OTHER RECEIVABLES (CONT'D.)

### (a) Trade receivables (cont'd.)

#### Ageing analysis of trade receivables

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

	Group	
	2016 RM'000	2015 RM'000
Neither past due nor impaired	164,964	83,423
1 to 30 days past due but not impaired	23,468	34,727
31 to 60 days past due but not impaired	13,557	16,713
61 to 90 days past due but not impaired	12,688	7,426
91 to 120 days past due but not impaired	6,720	8,260
More than 121 days past due but not impaired	64,304	31,795
Total past due but not impaired	120,737	98,921
Impaired	6,161	4,356
	291,862	186,700

#### Receivables that are neither past due nor impaired

Trade receivables that are neither past due nor impaired are creditworthy debtors with good payment records with the Group.

None of the Group's trade receivables that are neither past due nor impaired have been renegotiated during the current and previous financial year.

#### Receivables that are past due but not impaired

The receivables that are past due but not impaired are mainly related to the progress billings to be settled by the end-buyers' financiers. However, the directors are of the opinion that these debts should be realised in full without material losses in the ordinary course of business as the legal title to the properties sold remain with the Group until the purchase consideration is fully paid.

#### Receivables that are impaired

The Group's trade receivables that are individually impaired at the reporting date and the movement of the accumulated impairment losses is as follows:

	Group Individually impaired	
	2016 RM'000	2015 RM'000
Trade receivables - nominal amount	6,161	4,356
Less: Accumulated impairment losses	(6,161)	(4,356)
	-	-

NOTES TO THE FINANCIAL STATEMENTS  
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**24. TRADE AND OTHER RECEIVABLES (CONT'D.)**

**(a) Trade receivables (cont'd.)**

Receivables that are impaired (cont'd.)

Movement in the accumulated impairment losses:

	<b>Group</b>	
	<b>2016 RM'000</b>	<b>2015 RM'000</b>
At 1 January	<b>4,356</b>	4,311
Charge for the financial year	<b>1,805</b>	450
Disposal of a subsidiary	-	(405)
At 31 December	<b>6,161</b>	4,356

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

**(b) Other receivables**

(i) Government grant

In the previous financial year, a subsidiary of the Group had received a Government grant from the Government of Malaysia ("The Government").

The grant is in relation to provision of financial assistance from the Government for its property development project ("the Project"). There were no unfulfilled conditions or contingencies attached to these grants. The grant is for an amount not exceeding RM106,800,000 or an amount equivalent to ten percent (10%) of the actual construction costs of the Project, whichever is lower to facilitate the Project. The grant will be disbursed upon the completion of the entire of the said Project by 31 December 2019.

(ii) Security retainers accumulation fund

	<b>Group</b>	
	<b>2016 RM'000</b>	<b>2015 RM'000</b>
At 1 January	<b>4,270</b>	4,050
Unrealised returns (Note 9)	<b>238</b>	231
	<b>4,508</b>	4,281
Less: Amortisation for the financial year	<b>(11)</b>	(11)
At 31 December	<b>4,497</b>	4,270

The security retainers accumulation fund of the golf and country resort of the Group relates to the unamortised portion of the single premium paid for the purchase of a Group Endowment with Profits' policy from a local insurer in 1994 and the unrealised returns which accrues annually to this policy on a cumulative basis.

The total accumulated returns together with the insured sum will only be received upon maturity of the said policy on 2 October 2051. The purpose of this scheme is to provide the Group with funds to repay the security retainers received from members of the golf and country resort of the Group, who were registered prior to January 1993, at the end of their membership license term on 9 October 2051.

NOTES TO THE FINANCIAL STATEMENTS  
AS AT 31 DECEMBER 2016

## 24. TRADE AND OTHER RECEIVABLES (CONT'D.)

### (b) Other receivables (cont'd.)

#### (iii) Amounts due from subsidiaries and joint ventures

The amounts due from subsidiaries of the Company amounted to RM538,528,000 (2015: RM343,133,000) bore interest ranging from 4.03% to 7.15% (2015: 5.00%) per annum during the financial year. The balance of the amount are non-trade in nature, unsecured, non-interest bearing and have no fixed terms of repayment except for these amounts classified as non-current which are not expected to be repaid within the foreseeable future. Further details on related party transactions are disclosed in Note 33.

The amounts due from joint ventures are non-trade in nature, unsecured, non-interest bearing and have no fixed terms of repayment.

#### (iv) Included in deposit are deposits paid for the acquisition of land and building amounting RM1,130,000 (2015: RM4,180,000).

#### (iv) The Group has no significant concentration of credit risk included under sundry receivables that may arise from exposures to a single debtor or to groups of debtors except for amounts due from subsidiaries.

#### (v) Accumulated impairment losses

Movement as follows:

	Group		Company	
	2016 RM'000	2015 RM'000	2016 RM'000	2015 RM'000
At 1 January	8,999	8,999	114,535	116,272
Charge for the financial year	41	-	3,092	4,127
Reversal for the financial year	-	-	-	(5,864)
At 31 December	9,040	8,999	117,627	114,535

### (c) Amounts due from contract customers

	Group	
	2016 RM'000	2015 RM'000
Aggregate cost incurred to date	38,446	28,769
Attributable profits	8,170	8,793
	46,616	37,562
Less: Progress billings	(40,845)	(30,109)
Amounts due from contract customers	5,771	7,453

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25. CASH AND BANK BALANCES

	Group		Company	
	2016 RM'000	2015 RM'000	2016 RM'000	2015 RM'000
Deposits with licensed banks	179,811	312,133	100,154	260,131
Cash in hand and at banks	661,454	525,360	100,243	16,924
Cash and bank balances (Note 44)	841,265	837,493	200,397	277,055

For the purpose of statements of cash flows:

	Group		Company	
	2016 RM'000	2015 RM'000	2016 RM'000	2015 RM'000
Cash and bank balances	841,265	837,493	200,397	277,055
Less:				
- Cash and cash equivalents not available for use	(109,821)	(271,040)	(41,225)	(259,846)
- Bank overdrafts (Note 31)	(3,975)	(1,006)	-	-
Total cash and cash equivalents	727,469	565,447	159,172	17,209

The interest rates for the deposits with licensed banks range from 2.60% to 4.00% (2015: 2.95% to 3.96%) per annum and the maturities of deposits as at the end of the financial year range from 1 to 90 days (2015: 1 to 90 days).

Included in cash at banks of the Group are amounts of RM279,812,000 (2015: RM310,973,000) held pursuant to Section 7A of the Housing Development (Control and Licensing) Act, 1966 and therefore restricted from use in other operations.

Cash and cash equivalents not available for use of the Group are:

- (i) Deposits held in trust by a trustee of RM4,359,000 (2015: RM3,383,000) for golf course members' subscription fees.
- (ii) Deposits held in trust by a trustee of Nil (2015: RM241,147,000) for CPMTN facility as disclosed in Note 31.
- (iii) Deposits amounting to RM14,720,000 (2015: RM26,510,000) which are pledged as security for bank guarantees granted to the Group.
- (iv) Deposits amounting to RM90,742,000 (2015: Nil) which are pledged as security for banking facilities granted to the Group.

NOTES TO THE FINANCIAL STATEMENTS  
AS AT 31 DECEMBER 2016

## 26. ASSETS CLASSIFIED AS HELD FOR SALE

	Group	
	2016 RM'000	2015 RM'000
At 1 January	180,740	823,408
Additions	3,666	41,132
Transfer from property, plant and equipment (Note 15)	-	50,740
Transfer from investment properties (Note 17)	-	130,000
Disposals	(184,406)	(864,540)
At 31 December	-	180,740

In the previous financial year, assets classified as held for sale were pledged as securities for bank borrowings as disclosed in Note 31.

The details of the assets classified as held for sale are as follows:

- (i) On 12 January 2016, Advent Nexus Sdn. Bhd., a wholly-owned subsidiary, entered into a sale and purchase agreement to dispose a 10-storey building in Kuala Lumpur for a cash consideration of RM55,000,000. On 7 October 2016, the sales consideration was revised to RM58,000,000 via a Fourth Supplemental Agreement. The said disposal has completed during the financial year and gain on disposal of RM7,542,000 was recognised in the profit or loss.
- (ii) On 28 January 2016, Tropicana Plaza Sdn. Bhd., a wholly-owned subsidiary, entered into a sale and purchase agreement to dispose a 19-storey building with 2 levels of basement car park in Kuala Lumpur for a cash consideration of RM140,000,000. The said disposal has completed during the financial year and gain on disposal of RM6,052,000 was recognised in the profit or loss.

## 27. SHARE CAPITAL, TREASURY SHARES AND SHARE PREMIUM

	Number of ordinary shares of RM1 each	
	2016 '000	2015 '000
<b>Authorised:</b>		
At 1 January/31 December	3,000,000	3,000,000

NOTES TO THE FINANCIAL STATEMENTS  
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27. SHARE CAPITAL, TREASURY SHARES AND SHARE PREMIUM (CONT'D.)

Group and Company	Number of ordinary shares		Amount					
	Share capital (Issued and fully paid)		Share capital		Treasury shares		Share premium	
	2016 '000	2015 '000	2016 RM'000	2015 RM'000	2016 RM'000	2015 RM'000	2016 RM'000	2015 RM'000
<b>Issued and fully paid:</b>								
At 1 January	<b>1,447,466</b>	1,396,268	<b>1,447,466</b>	1,396,268	<b>(15,498)</b>	(42,779)	<b>577,984</b>	568,388
Ordinary shares pursuant to:								
- ESOS	-	344	-	344	-	-	-	-
- RCULS	-	50,854	-	50,854	-	-	-	25,612
Purchase of treasury shares	-	-	-	-	<b>(8,150)</b>	(7,350)	-	-
Share dividends	-	-	-	-	-	34,631	-	(16,112)
Effects pursuant to ESOS on:								
- conversion	-	-	-	-	-	-	-	96
At 31 December	<b>1,447,466</b>	1,447,466	<b>1,447,466</b>	1,447,466	<b>(23,648)</b>	(15,498)	<b>577,984</b>	577,984

In the previous financial year, the Company increased its issued and paid-up share capital from RM1,396,268,338 to RM1,447,466,428 by way of the issuance of:

- 50,854,290 ordinary shares of RM1.00 each pursuant to the conversion of RM76,281,435 nominal value Redeemable Convertible Unsecured Loan Stock converted at RM1.50 per ordinary share; and
- 343,800 ordinary shares of RM1.00 each for cash pursuant to the exercise of share options exercised under the Company's Employee Share Option Scheme at an average exercise price of RM1.00 per ordinary share.

The new ordinary shares issued in the previous financial year ranked pari passu in all respects with the existing ordinary shares of the Company.

(a) Treasury shares

During the financial year, the Company repurchased 8,082,200 (2015: 7,716,600) of its issued ordinary shares from the open market at an average price of RM1.01 per share. The shares repurchased are being held as treasury shares in accordance with Section 67A of the Companies Act, 1965.

In the previous financial year, the Group declared a first single-tier Share Dividend via a distribution of 18,519,605 treasury shares on the basis of 1.3 treasury shares for every 100 existing ordinary shares of RM1.00 each held in the Company. The treasury shares were repurchased at an average price of RM1.87 per share.

As at reporting date, the number of treasury shares held are 20,096,035 (2015:12,013,835) ordinary shares of RM1.00 each.

**NOTES TO THE FINANCIAL STATEMENTS**  
AS AT 31 DECEMBER 2016

## 28. OTHER RESERVES

### (a) Foreign currency translation reserve

The foreign currency translation reserve represents exchange differences arising from the translation of the financial statements of foreign operations whose functional currencies are different from that of presentation currency of the Group.

### (b) Share options reserve (“ESOS”)

Employee share option reserve represents the equity-settled share options granted to employees. The reserve is made up of the cumulative value of services received from employees recorded over the vesting period commencing from the grant date of equity-settled share options, and is reduced by the expiry or exercise of the share options. The Tropicana’s Employee Share Option Scheme (“ESOS”) was implemented on 21 September 2005 and is governed by the Bye-Laws approved by the shareholders at the Extraordinary General Meeting (“EGM”) held on 24 June 2005 which was subsequently amended by the shareholders at the EGM held on 3 October 2011 and at the Annual General Meeting held on 26 June 2014. The ESOS has expired on 20 September 2015.

	<b>Group and Company Nominal amount</b>	
	<b>2016 RM'000</b>	<b>2015 RM'000</b>
At 1 January	-	20,186
Effects pursuant to ESOS on:		
- exercised	-	(96)
- forfeited	-	(2,055)
- expired	-	(18,035)
At 31 December	-	-

The salient terms of the ESOS are as follows:

- (i) The Option Committee has the full discretion in determining the eligibility of employees of the Group to participate in the ESOS provided that they are at the date of offer at least eighteen years of age and are employed by the Group for those holding job grades below the level of Senior Managers and have served at least one continuous year with the Group, and for those holding job grades of Senior Managers and above, regardless of the length of service with the Group and have been confirmed their positions in writing.
- (ii) The ESOS shall be in force for a period of 10 years from 21 September 2005 to 20 September 2015.
- (iii) The total number of shares to be issued under the ESOS shall not exceed in aggregate 10% of the issued share capital of the Company at any point of time during the tenure of the ESOS. In addition, not more than 10% of the shares available under the ESOS shall be allocated to any individual eligible director and/ or eligible employee who, either singly or collectively through person connected to them, holds 20% or more in the issued and paid-up capital of the Company (excluding treasury share, if any).
- (iv) No options shall be granted for less than 1,000 shares or more than the maximum allowable allotment of shares.
- (v) The options granted on 16 June 2007 and 13 April 2010 shall become exercisable to the extent of one-fourth of the shares granted on the grant date and subsequently on each of the first three anniversaries from the date of grant provided that the option holder is in the employment of the Group from the Date of Offer to the Date of Expiry. The options granted on 10 October 2011 shall be vested over the next four years with allocation of 30%:20%:20%:30% each year. The option granted on 22 January 2013 and 7 March 2013 shall be vested over the next three years with allocation of 30%:30%:40% each year. The option granted on 6 March 2014 and 2 May 2014 shall be vested over the next two years with allocation of 30%:70% each year.

## NOTES TO THE FINANCIAL STATEMENTS

AS AT 31 DECEMBER 2016

**28. OTHER RESERVES (CONT'D.)**

- (vi) The option price for each share shall be the weighted average of the share market price as quoted in the Daily Official List issued by Bursa Malaysia Securities Berhad, with a discount that does not exceed 10% or such other percentage of discount as may be permitted by Bursa Malaysia Securities Berhad or any other relevant authorities from time to time during the period of ESOS or at the par value of the shares of RM1 each, whichever is higher.
- (vii) An offer made by the Option Committee shall be valid for a period of forty-five days from the date of offer and may be accepted within this prescribed period by the eligible director or employee to whom the offer is made by written notice to the Option Committee of such acceptance accompanied by a payment to the Company of a nominal non-refundable sum of RM1.00 as consideration for the grant of the option. If the offer is not accepted in the manner aforesaid, such offer shall upon the expiry of the said forty-five days automatically lapse and be null and void and of no further force and effect.
- (viii) All new ordinary shares issued upon exercise of the options granted under the ESOS will rank pari passu in all respects with the then existing ordinary shares of the Company except that they will not be entitled to any dividend declared prior to the date of allotment.

**Movement of share options during the financial year**

The following table illustrates the number ("No.") and weighted average exercise prices ("WAEP") of, and movements in, share options during the financial year:

	Group			
	2016		2015	
	No.	WAEP (RM)	No.	WAEP (RM)
Outstanding at 1 January	-	-	67,410,173	-
- Exercised	-	-	(343,800)	1.00
- Forfeited	-	-	(1,536,619)	1.00
- Forfeited	-	-	(4,342,700)	1.32
- Expired	-	-	(19,528,954)	1.00
- Expired	-	-	(10,008,100)	1.32
- Expired	-	-	(30,650,000)	1.22
- Expired	-	-	(1,000,000)	1.40
Outstanding at 31 December	-	-	-	-

The expected life of the options is based on historical data and is not necessarily indicative of exercise patterns that may occur. The expected volatility reflects the assumption that the historical volatility is indicative of future trends, which may also not necessarily be the actual outcome. No other features of the option grant were incorporated into the measurement of fair value.

**(c) Warrants 2009/2019 reserve**

On 9 December 2009, the Company had issued 129,812,791 free detachable Warrants 2009/2019. The Warrants are constituted by the Deed Poll dated 28 October 2009.

On 18 October 2013, the Company had issued additional 30,894,707 Warrants 2009/2019 pursuant to the adjustment to the Warrants 2009/2019 as a results of the Rights Issue with Bonus Shares.

NOTES TO THE FINANCIAL STATEMENTS  
AS AT 31 DECEMBER 2016

## 28. OTHER RESERVES (CONT'D.)

### (c) Warrants 2009/2019 reserve (cont'd.)

The main features of the Warrants are as follows:

- (i) each Warrant entitles the holder to subscribe for 1 new ordinary share of RM1.00 each in Tropicana at a price of RM1.00 per share;
- (ii) the Warrants may be exercised at any time up to 9 December 2019; and
- (iii) the shares arising from the exercise of Warrants shall rank pari passu in all respect with the existing ordinary shares of the Company, save and except that the new shares shall not be entitled to any dividends, rights, allotments and/or other distributions, the entitlement date of which is prior to the allotment date of the new shares.

As at reporting date, 153,557,696 (2015: 153,557,696) free detachable Warrants 2009/2019 remain unexercised.

### (d) RCULS reserve 2012/2022

The amount recognised in the statements of financial position as at 31 December 2016 may be analysed as follows:

	Group and Company Nominal amount	
	2016 RM'000	2015 RM'000
<b>Nominal value - Issued and fully paid</b>		
At 1 January	-	76,281
Redemption during the financial year	-	(76,281)
At 31 December	-	-

RCULS were fully redeemed in the previous financial year.

The salient features of the RCULS issued by the Company are as follows:

- (i) The RCULS are redeemable at any time at the option of the issuer. They are convertible at any time at the option of the RCULS holders with the following conversion price:

Years	Conversion Price RM
1 - 2	1.3
3 - 5	1.5
6 - 8	1.8
9 - 10	2.5

- (ii) The RCULS carry a coupon rate of 3% p.a.

- (iii) The RCULS are mandatory to be converted to Company's shares in year 10.

The RCULS with a nominal value of RM684,681,000 are unsecured and are repayable in 10 equal annual instalments commencing on 1 February 2013.

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28. OTHER RESERVES (CONT'D.)

(d) RCULS reserve 2012/2022 (cont'd.)

The carrying amount of the liability component of RCULS at the reporting date is arrived at as follows:

	Group and Company	
	2016 RM'000	2015 RM'000
Loss on redemption	-	10,422
Liability component of RCULS at initial recognition	-	10,422
Liability component	-	10,422
Interest expense recognised in profit or loss:		
At 1 January	-	14,597
Recognised during the financial year	-	187
At 31 December	-	14,784
Liability component and interest paid:		
At 1 January	-	(24,065)
Paid during the financial year	-	(1,141)
At 31 December	-	(25,206)
	-	-

(e) Retained earnings

The entire retained earnings is available for distribution as single tier dividends.

29. PROVISION FOR LIABILITIES

	Shortfall for bumi quota RM'000	Stamp duty on memorandum of transfer RM'000	Low cost housing RM'000	Others RM'000	Total RM'000
<b>Group</b>					
<b>Non-current</b>					
At 1 January 2016	73,327	7,064	218,252	-	298,643
Additions	51,190	1,266	-	-	52,456
Utilisation of provision	(2,241)	(159)	-	-	(2,400)
Reversal	(6,639)	(332)	(60)	-	(7,031)
At 31 December 2016	115,637	7,839	218,192	-	341,668
At 1 January 2015	37,511	7,064	-	66	44,641
Additions	38,608	-	218,252	-	256,860
Utilisation of provision	(342)	-	-	-	(342)
Reversal	(2,450)	-	-	-	(2,450)
Disposal of a subsidiary (Note 18(b))	-	-	-	(66)	(66)
At 31 December 2015	73,327	7,064	218,252	-	298,643

NOTES TO THE FINANCIAL STATEMENTS  
AS AT 31 DECEMBER 2016

### 30. DEFERRED TAX LIABILITIES/(ASSETS)

	Group		Company	
	2016 RM'000	2015 RM'000	2016 RM'000	2015 RM'000
At 1 January	39,986	82,590	-	(3,651)
Recognised in profit or loss (Note 12)	(11,963)	(47,687)	-	238
Recognised in equity	-	3,413	-	3,413
Disposal of a subsidiary	-	1,670	-	-
At 31 December	28,023	39,986	-	-

Deferred income tax as at 31 December relates to the following:

Group	Provision for liabilities RM'000	RCULS 2012/2022 RM'000	Unused tax losses and unabsorbed capital allowances RM'000	Unrealised profit from transaction with an associate RM'000	Others RM'000	Total RM'000
<b>Deferred tax assets:</b>						
At 1 January 2016	(9,539)	-	(22,830)	(14,346)	(1,272)	(47,987)
Recognised in profit or loss	(14,739)	-	10,010	(7,063)	(4,360)	(16,152)
At 31 December 2016	(24,278)	-	(12,820)	(21,409)	(5,632)	(64,139)
At 1 January 2015	(7,616)	(3,651)	(24,356)	-	(2,986)	(38,609)
Recognised in profit or loss	(1,923)	238	1,526	(14,346)	1,714	(12,791)
Recognised in equity	-	3,413	-	-	-	3,413
At 31 December 2015	(9,539)	-	(22,830)	(14,346)	(1,272)	(47,987)

NOTES TO THE FINANCIAL STATEMENTS  
AS AT 31 DECEMBER 2016

30. DEFERRED TAX LIABILITIES/(ASSETS) (CONT'D.)

Deferred income tax as at 31 December relates to the following (cont'd.):

Group	Accelerated capital allowances RM'000	Fair value adjustment on business combination RM'000	Fair value changes to investment properties RM'000	Profits from sales of development properties RM'000	Others RM'000	Total RM'000
<b>Deferred tax liabilities:</b>						
At 1 January 2016	13,778	52,883	4,715	-	16,597	87,973
Recognised in profit or loss	(177)	-	(1,054)	14,727	(9,307)	4,189
At 31 December 2016	13,601	52,883	3,661	14,727	7,290	92,162
At 1 January 2015	34,197	54,173	22,026	-	10,803	121,199
Recognised in profit or loss	(22,089)	(1,290)	(17,311)	-	5,794	(34,896)
Disposal of a subsidiary (Note 18(b))	1,670	-	-	-	-	1,670
At 31 December 2015	13,778	52,883	4,715	-	16,597	87,973

	Group	
	2016 RM'000	2015 RM'000
<b>Presented after appropriate offsetting as follows:</b>		
Deferred tax assets	(26,468)	(26,513)
Deferred tax liabilities	54,491	66,499
	28,023	39,986

	Company	
	2016 RM'000	2015 RM'000
<b>RCULS 2012/2022</b>		
<b>Deferred tax assets</b>		
At 1 January	-	(3,651)
Recognised in profit or loss (Note 12)	-	238
Recognised in equity	-	3,413
At 31 December	-	-

The unused tax losses, unabsorbed capital allowances and other deductible temporary differences of the Group are available indefinitely for offsetting against future taxable profits of the respective entities within the Group, subject to no substantial change in shareholdings of those entities under the Income Tax Act, 1967 and guidelines issued by the tax authority.

## NOTES TO THE FINANCIAL STATEMENTS

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## 31. BORROWINGS

	Group		Company	
	2016 RM'000	2015 RM'000	2016 RM'000	2015 RM'000
<b>Current</b>				
Secured:				
Bridging loans	45,314	10,531	-	-
Revolving credits	309,441	213,491	200,250	163,000
Term loans	194,323	168,623	54,100	-
Hire purchase (Note 31(a))	2,030	3,791	-	-
CP MTN (Note 31(b))	-	95,000	-	95,000
Bank overdrafts (Note 25)	3,975	1,006	-	-
Less: Unamortised borrowing costs	(3,324)	(4,092)	(1,107)	(1,083)
	551,759	488,350	253,243	256,917
<b>Non-current</b>				
Secured:				
Bridging loans	23,305	51,922	-	-
Term loans	1,263,893	1,029,631	248,518	-
Hire purchase (Note 31(a))	2,375	3,406	-	-
CP MTN (Note 31(b))	-	205,000	-	205,000
Less: Unamortised borrowing costs	(28,068)	(24,867)	(3,278)	(1,966)
	1,261,505	1,265,092	245,240	203,034
<b>Total borrowings</b>				
Secured:				
Bridging loans	68,619	62,453	-	-
Revolving credits	309,441	213,491	200,250	163,000
Term loans	1,458,216	1,198,254	302,618	-
Hire purchase (Note 31(a))	4,405	7,197	-	-
CP MTN (Note 31(b))	-	300,000	-	300,000
Bank overdrafts (Note 25)	3,975	1,006	-	-
Less: Unamortised borrowing costs	(31,392)	(28,959)	(4,385)	(3,049)
<b>Total borrowings</b>	1,813,264	1,753,442	498,483	459,951

NOTES TO THE FINANCIAL STATEMENTS  
AS AT 31 DECEMBER 2016

31. BORROWINGS (CONT'D.)

	Group		Company	
	2016 RM'000	2015 RM'000	2016 RM'000	2015 RM'000
Unamortised borrowing costs:				
At 1 January	28,959	20,056	3,049	4,151
Incurred during the financial year	14,215	23,550	4,686	-
Amortisation for the financial year (Note 8)	(11,782)	(14,647)	(3,350)	(1,102)
At 31 December	31,392	28,959	4,385	3,049
<b>Maturities of borrowings:</b>				
Not later than 1 year	555,083	492,442	254,350	258,000
Later than 1 year and not later than 5 years	1,127,450	1,194,300	158,918	205,000
More than 5 years	162,123	95,659	89,600	-
Less: Unamortised borrowing costs	(31,392)	(28,959)	(4,385)	(3,049)
<b>Total</b>	<b>1,813,264</b>	<b>1,753,442</b>	<b>498,483</b>	<b>459,951</b>

The range of interest rates per annum at the reporting date for borrowings were as follows:

	2016 %	2015 %
Revolving credits	4.88 - 7.35	5.18 - 6.35
Bridging loans	4.84 - 6.04	4.66 - 5.91
Term loans	4.26 - 7.45	4.91 - 7.35
Bank overdrafts	5.51 - 5.54	5.82 - 7.85
CP MTN	Nil	3.93 - 4.60

The revolving credits, bridging loans and term loans of the Group and of the Company are secured by certain assets of the Group and of the Company are as follows:

- (i) fixed charge over certain property, plant and equipment as disclosed in Note 15;
- (ii) fixed charge over certain land held for property development and property development costs as disclosed in Note 16;
- (iii) fixed charge over certain investment properties as disclosed in Note 17;
- (iv) legal assignment of all cashflows, sale or tenancy agreements, insurance policies, construction contracts, construction guarantees and performance bonds in relation to a project developed by a subsidiary;
- (v) fixed and floating charge over the assets of certain subsidiaries;
- (vi) specific debenture creating a fixed and floating charge over the Charged Properties; and
- (vii) corporate guarantees provided by the Company.

NOTES TO THE FINANCIAL STATEMENTS  
AS AT 31 DECEMBER 2016

### 31. BORROWINGS (CONT'D.)

Other information on financial risks of borrowings are disclosed in Note 37.

	Company	
	2016 RM'000	2015 RM'000
Unsecured corporate guarantees given to banks for credit facilities granted to:		
- Subsidiaries	2,636,975	2,583,608
- Joint ventures	278,770	470,100
- Associate	97,500	97,500
	<b>3,013,245</b>	<b>3,151,208</b>

As at 31 December 2016, the Group has the following undrawn banking facilities:

	Group	
	2016 RM'000	2015 RM'000
Banking facilities obtained by the subsidiaries	1,344,563	1,319,406
Banking facilities obtained by the joint ventures	22,309	88,850

#### (a) Hire purchase

The Group has finance leases for certain items of property, plant and equipment. Future minimum lease payments under finance leases together with the present value of the net minimum lease payments are as follows:

	Group	
	2016 RM'000	2015 RM'000
<b>Minimum lease payments:</b>		
Not later than 1 year	2,133	3,990
Later than 1 year but not later than 2 years	1,341	1,722
Later than 2 years but not later than 5 years	1,127	1,915
Later than 5 years	-	27
Total minimum lease payments	4,601	7,654
Less: Amount representing finance charges	(196)	(457)
Present value of minimum lease payments	4,405	7,197
<b>Present value of payments:</b>		
Not later than 1 year	2,030	3,791
Later than 1 year but not later than 2 years	1,292	1,581
Later than 2 years but not later than 5 years	1,083	1,797
Later than 5 years	-	28
Present value of minimum lease payments	4,405	7,197
Less: Amount due within 12 months	(2,030)	(3,791)
Amount due after 12 months	2,375	3,406

These obligations are secured by charge over the leased property, plant and equipment as disclosed in Note 15. The discount rate implicit in the leases ranges from 2.66% to 5.57% (2015: 2.66% to 5.57%).

## NOTES TO THE FINANCIAL STATEMENTS

AS AT 31 DECEMBER 2016

## 31. BORROWINGS (CONT'D.)

## (b) Commercial Papers and/or Medium Term Notes ("CP MTN")

In the financial year 2013, the Company took up a CP MTN of RM500 million in nominal value. As at 31 December 2015, four tranches with a total of 12 series of CP MTN amounting to RM360 million in nominal value were issued.

The remaining maturities of the CP MTN as at 31 December 2016 and 31 December 2015 are as follows:

	Group and Company	
	2016 RM'000	2015 RM'000
Within 1 year	-	95,000
More than 1 year and less than 2 years	-	205,000
	-	300,000

The CP MTN is being secured by the following:

- (i) assignment and charge over the Designated Accounts;
- (ii) third party charge over freehold and leasehold lands, with an aggregate carrying amounts of Nil (2015: RM223,490,000), and its related rental income arising from the investment properties; and
- (iii) assignment of proceeds arising from the exercise of its warrants.

The Company has fully redeemed the CP MTN during the financial year.

## 32. TRADE AND OTHER PAYABLES

	Group		Company	
	2016 RM'000	2015 RM'000 (Restated)	2016 RM'000	2015 RM'000
<b>Non-current</b>				
<b>Trade payables</b>				
Third parties	775,631	456,810	-	-
<b>Other payables</b>				
Security retainers (Note 32(b)(i))	1,817	1,702	-	-
Sinking fund reserves (Note 32(b)(ii))	4,328	3,217	-	-
Deferred licensed fees (Note 32(b)(iii))	82,190	83,083	-	-
	88,335	88,002	-	-
	863,966	544,812	-	-

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32. TRADE AND OTHER PAYABLES (CONT'D.)

	Group		Company	
	2016 RM'000	2015 RM'000 (Restated)	2016 RM'000	2015 RM'000
<b>Current</b>				
<b>Trade payables</b>				
Third parties	315,083	349,823	-	-
Progress billings	883	3,143	-	-
Retention sum	149,105	119,629	-	-
	465,071	472,595	-	-
<b>Other payables</b>				
Other payables and deposits	132,489	156,115	2,580	937
Accruals	167,552	60,562	2,682	4,657
Dividend payable	35,686	-	35,686	-
Deferred licensed fees (Note 32(b)(iii))	2,491	2,411	-	-
Deferred income (Note 32(b)(iv))	6,514	-	-	-
Amounts due to related companies (Note 32(b)(v))				
- Subsidiaries	-	-	848,145	890,973
- Non-controlling interests	10,954	11,602	-	-
- Joint ventures	2,551	-	-	-
	358,237	230,690	889,093	896,567
	823,308	703,285	889,093	896,567
<b>Total trade and other payables</b>	<b>1,687,274</b>	<b>1,248,097</b>	<b>889,093</b>	<b>896,567</b>

(a) Trade payables

(i) Trade payables (current)

The normal trade credit term granted to the Group ranges from 30 to 90 days (2015: 30 to 90 days) from the of invoice and progress claim. The retention sum is repayable upon expiry of the defect liability period of 12 to 18 months (2015: 12 to 18 months).

(ii) Trade payables (non-current)

This amount relates to payable amount arising from acquisition of land by a subsidiary of the Group, which is payable over 20 years.

NOTES TO THE FINANCIAL STATEMENTS  
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32. TRADE AND OTHER PAYABLES (CONT'D.)

(b) Other payables

(i) Security retainers

Security retainers are funds collected from members of the golf and country resort of the Group who joined prior to January 1993. These security retainers are refundable to the members on cessation of membership, i.e. upon the expiry of the term of the membership license on 9 October 2051 or upon revocation (i.e. termination of the membership at its discretion at any time before the expiry date).

	Group	
	2016 RM'000	2015 RM'000
At 1 January	1,702	1,587
Unwinding of discount	415	295
Termination	(300)	(180)
At 31 December	1,817	1,702

(ii) Sinking fund reserves

	Group	
	2016 RM'000	2015 RM'000
At 1 January	3,217	1,993
Additions	1,337	1,224
Claims made during the financial year	(226)	-
At 31 December	4,328	3,217

Sinking fund of the Group is established for the purpose of covering costs of periodic major repairs or capital replacements in the golf and country resort of the Group. A fraction of 10% of monthly subscription fees received from members during the year are credited to this reserve.

(iii) Deferred licence fees

	Group	
	2016 RM'000	2015 RM'000
<b>Cost</b>		
At 1 January	119,463	114,658
Additions	1,678	4,805
At 31 December	121,141	119,463

NOTES TO THE FINANCIAL STATEMENTS  
AS AT 31 DECEMBER 2016

### 32. TRADE AND OTHER PAYABLES (CONT'D.)

#### (b) Other payables (cont'd.)

##### (iii) Deferred licence fees (cont'd.)

	Group	
	2016 RM'000	2015 RM'000
<b>Accumulated amortisation</b>		
At 1 January	33,969	31,558
Amortisation during the financial year (Note 9)	2,491	2,411
At 31 December	36,460	33,969
	84,681	85,494
<b>Carrying amount</b>		
Current	2,491	2,411
Non-current	82,190	83,083
	84,681	85,494

The deferred license fees refer to accrual and amortisation of license fees over 40 years which will expire on 9 October 2051.

##### (iv) Deferred income

The deferred income of the Group is in respect of advance tuition fees received by the private school operator. It will be recognised as revenue upon services performed.

##### (v) Amounts due to related companies

Amounts due to subsidiaries, non-controlling interests of subsidiaries, and joint ventures are mainly unsecured, non-interest bearing and repayable on demand.

##### (vi) Other payables

Other payables are mainly unsecured, non-interest bearing and have no fixed terms of repayment.

Other information on financial risks of other payables are disclosed in Note 37.

NOTES TO THE FINANCIAL STATEMENTS  
AS AT 31 DECEMBER 2016

33. SIGNIFICANT RELATED PARTY TRANSACTIONS

(a) Transactions with subsidiaries

	Company	
	2016 RM'000	2015 RM'000
Dividend income from subsidiaries (Note 4)	180,001	187,500
Interest income derived from unwinding of discount on amounts due from subsidiaries (Note 7)	5,209	5,142
Interest income on amounts due from subsidiaries (Note 7)	27,814	29,676
Interest expense on amounts due to subsidiaries	(8,930)	(15,264)

(b) Transactions with entities related to Tan Sri Dato' Tan Chee Sing (Major shareholder of the Company)

	2016 RM'000	2015 RM'000
<b>Group</b>		
Rental income receivable/received	26,295	30,079
Security charges receivable/received	79	77
Car park income receivable/received	-	79
Utilities charges receivable/received	739	262
Transportation cost payable/paid	(2,976)	(1,826)
Entertainment expenses payable/paid	(83)	(399)
Car park charges payable/paid	(17)	-
Gift expense payable/paid	(1,708)	(1,491)
Marketing expenses payable/paid	(3,800)	(4,620)
<b>Company</b>		
Insurance charges payable/paid	(29)	(33)
Transportation cost payable/paid	(2,976)	(1,826)
Entertainment expenses payable/paid	-	(13)
Gift expense payable/paid	(10)	(774)

(c) Transactions with entities related to Tan Sri Dato' Tan Chee Yioun ("Tan Sri Vincent Tan"), whom is the brother of Tan Sri Dato' Tan Chee Sing

	2016 RM'000	2015 RM'000
<b>Group</b>		
Rental income receivable/received	179	1,357
Telephone charges payable/paid	(4)	(13)
Transportation cost payable/paid	(67)	(42)
Insurance charges payable/paid	(1,538)	(1,776)
<b>Company</b>		
Transportation cost payable/paid	(67)	(42)

NOTES TO THE FINANCIAL STATEMENTS  
AS AT 31 DECEMBER 2016

### 33. SIGNIFICANT RELATED PARTY TRANSACTIONS (CONT'D.)

#### (d) Sale of development properties

In addition to the related party information disclosed elsewhere in the financial statements, the following significant transactions between the Group and the related parties took place at terms agreed between the parties during the financial year.

Group	2016 RM'000	2015 RM'000
Sales of development properties to certain directors of the Company	-	8,979
Sales of development properties to certain directors of subsidiary	2,768	5,518
Sales of development properties to certain key management personnel	2,652	4,415

#### (e) Transaction with former associate

	Group 2016 RM'000	2015 RM'000
Sales of goods	-	12,264

The directors are of the opinion that all the above transactions were entered into in the normal course of business and have been established under terms that are no less favourable than those obtainable in transactions with unrelated parties.

Information regarding outstanding balances arising from related party transactions as at 31 December 2016 and 2015 are disclosed in Note 24(b)(iii) and Note 32(b)(v).

#### (f) Compensation of key management personnel

Key management personnel are defined as those persons having authority and responsibility for planning, directing and controlling the activities of the Group, either directly or indirectly. The key management personnel includes all the Directors of the Group, and certain members of senior management of the Group.

The remuneration of directors and other members of key management during the financial year were as follows:

	Group		Company	
	2016 RM'000	2015 RM'000	2016 RM'000	2015 RM'000
Salaries, bonus and other emoluments	16,164	22,130	18	400
Contributions to defined contribution plan	1,836	2,423	-	48
Fees	865	1,448	795	873
	18,865	26,001	813	1,321

NOTES TO THE FINANCIAL STATEMENTS  
AS AT 31 DECEMBER 2016

33. SIGNIFICANT RELATED PARTY TRANSACTIONS (CONT'D.)

(f) Compensation of key management personnel (cont'd.)

Included in the total key management personnel are:

	Group		Company	
	2016 RM'000	2015 RM'000	2016 RM'000	2015 RM'000
Directors' remuneration (Note 11)	16,828	21,750	813	1,321

Share options granted to key management personnel

	Group	
	2016 RM'000	2015 RM'000
At 1 January	-	23,603
Adjustment for key management personnel resigned during the financial year	-	(260)
Expired	-	(23,343)
At 31 December	-	-

The share options were granted on the same terms and conditions as those offered to other employees of the Group as disclosed in Note 28.

NOTES TO THE FINANCIAL STATEMENTS  
AS AT 31 DECEMBER 2016

### 34. FINANCIAL INSTRUMENTS

#### Classification of financial instruments

Financial assets and financial liabilities are measured on an ongoing basis either at fair value or at amortised cost. The principal accounting policies of the Group described how the class of financial instruments are measured, and how income and expenses, including fair value gains and losses, are recognised. The following table analysed the financial assets and liabilities in the statement of financial position by the class of financial instrument to which they are assigned, and therefore by the measurement basis.

Group	Loans and receivables RM'000	Fair value through profit or loss RM'000	Financial liabilities at amortised cost RM'000	Total RM'000
<b>31 December 2016</b>				
<b>Assets</b>				
Other investments	-	312	-	312
Trade and other receivables (excludes prepayments)				
- Non-current	39,138	-	-	39,138
- Current	383,960	-	-	383,960
Cash and bank balances	841,265	-	-	841,265
Total financial assets	1,264,363	312	-	1,264,675
Total non-financial assets				6,060,831
Total assets				7,325,506
<b>Liabilities</b>				
Borrowings				
- Non-current	-	-	1,261,505	1,261,505
- Current	-	-	551,759	551,759
Trade and other payables				
- Non-current	-	-	781,776	781,776
- Current	-	-	813,420	813,420
Total financial liabilities	-	-	3,408,460	3,408,460
Total non-financial liabilities				501,062
Total liabilities				3,909,522

NOTES TO THE FINANCIAL STATEMENTS  
AS AT 31 DECEMBER 2016

34. FINANCIAL INSTRUMENTS (CONT'D.)

Classification of financial instruments (cont'd.)

Group	Loans and receivables RM'000	Fair value through profit or loss RM'000	Financial liabilities at amortised cost RM'000	Total RM'000
<b>31 December 2015</b>				
<b>Assets</b>				
Other investments	-	312	-	312
Trade and other receivables (excludes prepayments)				
- Non-current	24,965	-	-	24,965
- Current	281,959	-	-	281,959
Cash and bank balances	837,493	-	-	837,493
Total financial assets	1,144,417	312	-	1,144,729
Total non-financial assets				5,596,235
Total assets				6,740,964
<b>Liabilities</b>				
Borrowings				
- Non-current	-	-	1,265,092	1,265,092
- Current	-	-	488,350	488,350
Trade and other payables				
- Non-current	-	-	461,729	461,729
- Current	-	-	697,731	697,731
Total financial liabilities	-	-	2,912,902	2,912,902
Total non-financial liabilities				473,050
Total liabilities				3,385,952

NOTES TO THE FINANCIAL STATEMENTS  
AS AT 31 DECEMBER 2016

### 34. FINANCIAL INSTRUMENTS (CONT'D.)

#### Classification of financial instruments (cont'd.)

Company	Loans and receivables RM'000	Fair value through profit or loss RM'000	Financial liabilities at amortised cost RM'000	Total RM'000
<b>31 December 2016</b>				
<b>Assets</b>				
Other investments	-	312	-	312
Trade and other receivables (excludes prepayments)				
- Non-current	53,879	-	-	53,879
- Current	2,105,354	-	-	2,105,354
Cash and bank balances	200,397	-	-	200,397
Total financial assets	2,359,630	312	-	2,359,942
Total non-financial assets				1,184,158
Total assets				3,544,100
<b>Liabilities</b>				
Borrowings				
- Non-current	-	-	245,240	245,240
- Current	-	-	253,243	253,243
Other payables	-	-	889,093	889,093
Total financial liabilities	-	-	1,387,576	1,387,576
Total non-financial liabilities				883
Total liabilities				1,388,459

NOTES TO THE FINANCIAL STATEMENTS  
AS AT 31 DECEMBER 2016

34. FINANCIAL INSTRUMENTS (CONT'D.)

Classification of financial instruments (cont'd.)

Company	Loans and receivables RM'000	Fair value through profit or loss RM'000	Financial liabilities at amortised cost RM'000	Total RM'000
<b>31 December 2015</b>				
<b>Assets</b>				
Other investments	-	312	-	312
Trade and other receivables				
- Non-current	40,213	-	-	40,213
- Current	1,839,936	-	-	1,839,936
Cash and bank balances	277,055	-	-	277,055
Total financial assets	2,157,204	312	-	2,157,516
Total non-financial assets				1,350,994
Total assets				3,508,510
<b>Liabilities</b>				
Borrowings				
- Non-current	-	-	203,034	203,034
- Current	-	-	256,917	256,917
Other payables	-	-	896,567	896,567
Total financial liabilities	-	-	1,356,518	1,356,518
Total non-financial liabilities				594
Total liabilities				1,357,112

NOTES TO THE FINANCIAL STATEMENTS  
AS AT 31 DECEMBER 2016

### 35. FAIR VALUE MEASUREMENT

The fair value measurement hierarchies used to measure assets and liabilities carried at fair value in the statements of financial position are as follows:

- (a) Level 1: Quoted prices (unadjusted) in active markets for identical assets or liabilities.
- (b) Level 2: Inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly (i.e. prices) or indirectly (i.e. derived from prices).
- (c) Level 3: Inputs for the asset or liability that are not based on observable market data (unobservable inputs).

Group	Level 1 RM'000	Level 2 RM'000	Level 3 RM'000	Total RM'000
<b>31 December 2016</b>				
<b>Asset</b>				
Investment properties (Note 17)	-	-	368,632	368,632
Other investments (Note 21)	-	-	312	312
<b>31 December 2015</b>				
<b>Asset</b>				
Investment properties (Note 17)	-	-	311,742	311,742
Other investments (Note 21)	-	-	312	312

NOTES TO THE FINANCIAL STATEMENTS  
AS AT 31 DECEMBER 2016

35. FAIR VALUE MEASUREMENT (CONT'D.)

Company	Level 1 RM'000	Level 2 RM'000	Level 3 RM'000	Total RM'000
<b>31 December 2016</b>				
<b>Asset</b>				
Other investments (Note 21)	-	-	312	312
<b>31 December 2015</b>				
<b>Asset</b>				
Other investments (Note 21)	-	-	312	312

There were no material transfer between Level 1, Level 2 and Level 3 during the financial year.

The Group and the Company do not have any financial liabilities carried at fair value nor any financial instruments classified as Level 2 as at 31 December 2016 and 31 December 2015.

36. FAIR VALUE OF FINANCIAL INSTRUMENTS

A. Determination of fair value

Amounts due from/to subsidiaries

The fair values of these financial instruments 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.

Financial instruments that are not carried at fair value and whose carrying amounts are reasonable approximation of fair value

The carrying amounts of current financial assets and liabilities are reasonable approximation of fair values, either due to their short-term nature or that they are floating rate instruments that are re-priced to market interest rates on or near the reporting date.

NOTES TO THE FINANCIAL STATEMENTS  
AS AT 31 DECEMBER 2016

### 37. FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES

The Group and the Company are exposed to financial risks arising from their operations and the use of financial instruments. The key financial risks include credit risk, liquidity risk, interest rate risk and foreign currency risk.

The Board of Directors reviews and agrees policies and procedures for the management of these risks, which are executed by the Finance Director. The Board Risk Management Committee provides independent oversight to the effectiveness of the risk management process.

The following sections provide details regarding the Group's and the Company's exposure to the above-mentioned financial risks and the objectives, policies and processes for the management of these risks.

#### (a) Credit risk

Credit risk is the risk of loss that may arise on outstanding financial instruments should a counterparty default on its obligations. The Group's and the Company's exposure to credit risk arises primarily from trade and other receivables. Credit risks with respect to trade receivables are limited as the legal title to the properties sold remain with the Group until the purchase consideration is fully paid. For cash and bank balances, the Group and the Company minimise credit risk by dealing exclusively with reputable financial institutions.

The Group's objective is to seek continual revenue growth while minimising losses incurred due to increased credit risk exposure. The Group trades only with recognised and creditworthy third parties. It is the Group's policy that all customers who wish to trade on credit terms are subject to credit verification procedures. In addition, receivable balances are monitored on an ongoing basis with the result that the Group's exposure to bad debts is not significant.

#### Exposure to credit risk

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.

#### Credit risk concentration profile

The Group determines concentrations of credit risk by monitoring the industry sector profile of its trade receivables on an ongoing basis. The credit risk concentration profile of the Group's trade receivables at the reporting date are as follows:

Group	2016		2015	
	RM'000	% of total	RM'000	% of total
Property development	241,177	83%	153,545	82%
Property investment and recreation and resort operation	33,755	11%	24,376	13%
Investment holding and others	16,930	6%	8,779	5%
	291,862	100%	186,700	100%

## NOTES TO THE FINANCIAL STATEMENTS

AS AT 31 DECEMBER 2016

## 37. FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES (CONT'D.)

## (b) Liquidity risk

Liquidity risk is the risk that the Group or the Company will encounter difficulty in meeting financial obligations due to shortage of funds. The Group's and the Company's exposure to liquidity risk arises primarily from mismatches of the maturities of financial assets and liabilities. The Group's and the Company's objective is to maintain a balance between continuity of funding and flexibility through the use of stand-by credit facilities.

The Group's and the Company's liquidity risk management policy is to maintain sufficient liquid financial assets and stand-by credit facilities with several banks so as to ensure that all operating, investing and financing needs are met.

## Analysis of financial instruments by remaining contractual maturities

The table below summarises the maturity profile of the Group's and the Company's liabilities at the reporting date based on contractual undiscounted repayment obligations.

	On demand or within one year RM'000	One to five years RM'000	More than five years RM'000	Total RM'000
<b>Group</b>				
<b>Financial liabilities</b>				
<b>2016</b>				
Trade and other payables	975,441	466,127	580,463	2,022,031
Borrowings	615,098	1,274,603	193,221	2,082,922
Total undiscounted financial liabilities	1,590,539	1,740,730	773,684	4,104,953
<b>2015</b>				
Trade and other payables	810,486	314,590	739,800	1,864,876
Borrowings	567,528	1,111,926	281,793	1,961,247
Total undiscounted financial liabilities	1,378,014	1,426,516	1,021,593	3,826,123
<b>Company</b>				
<b>Financial liabilities</b>				
<b>2016</b>				
Other payables	889,093	-	-	889,093
Borrowings	271,094	196,428	94,664	562,186
Total undiscounted financial liabilities	1,160,187	196,428	94,664	1,451,279
<b>2015</b>				
Other payables	896,567	-	-	896,567
Borrowings	268,753	210,833	-	479,586
Total undiscounted financial liabilities	1,165,320	210,833	-	1,376,153

NOTES TO THE FINANCIAL STATEMENTS  
AS AT 31 DECEMBER 2016

### 37. FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES (CONT'D.)

#### (c) Interest rate risk

Interest rate risk is the risk that the fair value of future cash flows of a financial instrument will fluctuate because of changes in market interest rates. The Group's primary interest rate risk relates to interest-bearing borrowings.

The investments in financial assets including fixed deposits are mainly short-term in nature and they are not held for speculative purposes.

The Group manages its interest rate exposure by using a mix of fixed and floating rate debts and actively reviewing its debt portfolio, taking into account the investment holding period and nature of its assets.

#### Interest rate sensitivity

The following table demonstrates the sensitivity to a reasonably possible change in interest rates, with all other variables held constant, of the Group's profit before tax (through the impact on floating rate borrowings).

	Group RM'000	Company RM'000
<b>31 December 2016</b>		
Borrowings denominated in Ringgit Malaysia		
Interest rates increase by 25 basis point	(4,533)	(4,384)
Interest rates decrease by 25 basis point	4,533	4,384
<b>31 December 2015</b>		
Borrowings denominated in Ringgit Malaysia		
Interest rates increase by 25 basis point	(1,246)	(1,150)
Interest rates decrease by 25 basis point	1,246	1,150

#### (d) Foreign currency risk

Foreign currency risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in foreign exchange rates.

The Group has transactional currency exposures arising from balances in other payables in a currency other than the functional currencies of Group. The foreign currency in which these transactions are denominated is US Dollars, Singapore Dollar and Renminbi.

The Group's foreign currency risk management objective is to minimise foreign currency exposure that gives rise to economic impact, both at transaction and reporting period translation levels.

The Group and the Company are not exposed to significant foreign currency risk as the majority of the Group's and the Company's transactions, assets and liabilities are denominated in the functional currencies of the respective entities within the Group.

**NOTES TO THE FINANCIAL STATEMENTS**  
AS AT 31 DECEMBER 2016

**38. OPERATING LEASE ARRANGEMENTS**

**(a) The Group as lessee**

The Group has entered into non-cancellable operating lease agreements for the use of office premises and equipment. These leases have lease terms between 1 to 3 years with renewal or purchase option included in the contracts. There are no restrictions placed upon the Group by entering into these leases.

Future minimum rentals payable under non-cancellable operating leases at the reporting date are as follows:

	<b>Group</b>		<b>Company</b>	
	<b>2016</b>	<b>2015</b>	<b>2016</b>	<b>2015</b>
	<b>RM'000</b>	<b>RM'000</b>	<b>RM'000</b>	<b>RM'000</b>
Not later than 1 year	<b>4,487</b>	6,567	<b>517</b>	-
Later than 1 year and not later than 5 years	<b>2,420</b>	8,262	<b>259</b>	-
	<b>6,907</b>	14,829	<b>776</b>	-

**(b) The Group as lessor**

The Group has entered into non-cancellable operating lease agreements on its investment property portfolio. These leases have remaining non-cancellable lease terms of between 1 to 10 years.

Future minimum rentals receivable under non-cancellable operating leases at the reporting date are as follows:

	<b>Group</b>	
	<b>2016</b>	<b>2015</b>
	<b>RM'000</b>	<b>RM'000</b>
Not later than 1 year	<b>28,741</b>	26,719
Later than 1 year and not later than 5 years	<b>56,556</b>	23,748
Later than 5 years	<b>101,221</b>	-
	<b>186,518</b>	50,467

NOTES TO THE FINANCIAL STATEMENTS  
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### 39. COMMITMENTS

	Group	
	2016 RM'000	2015 RM'000
<b>Capital expenditure</b>		
<b>Capital commitment</b>		
Approved and contracted for:		
- Land held for property development	94,664	231,850
- Property, plant and equipment	336,000	732,464
Approved and not contracted for:		
- Property, plant and equipment	557,800	539,844
	<b>988,464</b>	<b>1,504,158</b>

Included in land held for property development is share of joint venture's capital commitment amounting to RM84,464,000 (2015: RM221,500,000).

### 40. SEGMENTAL INFORMATION

#### (a) Business segments:

For management purposes, the Group is organised into business units based on their business segments, and has three reportable operating segments as follows:

- |   |  |
|---|--|
| (i) Property development                        | - Development of residential and commercial properties.  |
| (ii) Property investment, recreation and resort | - Management and operation of hotels, resort, golf course and club house and investments in commercial and other properties.                               |
| (iii) Investment holding and others             | - Investment income, landscape services, management and operation of private school and other operations which are not sizeable to be reported separately. |

Except as indicated above, no operating segments has been aggregated to form the above reportable operating segments.

Management monitors the operating results of its business units separately for the purpose of making decisions about resource allocation and performance assessment. Segmental performance is evaluated based on operating profit or loss which, in certain respects as explained in the table below, is measured differently from operating profit or loss in the consolidated financial statements. Group financing (including finance costs) and income taxes are managed on a group basis and are not allocated to operating segments.

NOTES TO THE FINANCIAL STATEMENTS  
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40. SEGMENTAL INFORMATION (CONT'D.)

Segmental information by business segments:

	Property development		Property investment, recreation and resort		Investment holding and others		Discontinued operation		Adjustments and eliminations		Note	Total	
	2016	2015	2016	2015	2016	2015	2016	2015	2016	2015		2016	2015
	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000		RM'000	RM'000
<b>Revenue and expenses</b>													
<b>Revenue</b>													
External sales	1,330,757	1,087,384	74,338	111,447	54,310	53,883	-	98,990	-	-	-	1,459,405	1,351,704
Inter-segment	38,578	5,990	64	1,759	185,016	285,500	-	-	(223,658)	(293,249)	(A)	-	-
Total revenue	1,369,335	1,093,374	74,402	113,206	239,326	339,383	-	98,990	(223,658)	(293,249)		1,459,405	1,351,704
<b>Results</b>													
Interest income	16,473	13,515	6,255	21,798	42,286	42,626	-	53	(42,834)	(52,119)		22,180	25,873
Depreciation and amortisation	(16,044)	(14,589)	(6,592)	(9,372)	(3,175)	(2,346)	-	(1,329)	(636)	(632)		(26,448)	(28,268)
Share of results of associate	-	-	-	-	-	-	-	(17)	(2,184)	-		(2,184)	(17)
Share of results of joint ventures	-	-	-	-	-	-	-	1,672	43,854	17,944		43,854	19,616
Other non-cash item	(18,889)	35,668	14,728	(127,705)	(6,174)	10,776	-	(27,531)	20,670	(17,569)	(B)	10,335	(126,361)
<b>Segment profit</b>	160,553	180,487	33,018	213,512	53,378	279,994	-	43,272	(78,896)	(404,436)	(C)	168,053	312,829

NOTES TO THE FINANCIAL STATEMENTS  
AS AT 31 DECEMBER 2016

40. SEGMENTAL INFORMATION (CONT'D.)

Segmental information by business segments: (cont'd.)

	Property development		Property investment, recreation and resort		Investment holding and others		Discontinued operation		Adjustments and eliminations		Note		Consolidated	
	2016	2015	2016	2015	2016	2015	2016	2015	2016	2015			2016	2015
	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000			RM'000	RM'000
<b>Assets</b>														
Interest in an associate	100,102	100,102	-	-	-	-	-	-	(61,958)	(59,774)			38,144	40,328
Investments in joint ventures	-	-	-	-	249,600	235,100	-	-	147,326	103,690			396,926	338,790
Additions to non-current assets	510,708	447,203	23,584	3,650	55,808	53,535	-	-	-	-	(D)		590,100	504,388
<b>Segment assets</b>	<b>6,323,417</b>	<b>5,533,449</b>	<b>1,439,811</b>	<b>1,708,468</b>	<b>4,661,729</b>	<b>4,594,057</b>	<b>-</b>	<b>-</b>	<b>(5,099,451)</b>	<b>(5,095,010)</b>			<b>7,325,506</b>	<b>6,740,964</b>
<b>Segment liabilities</b>	<b>5,106,900</b>	<b>4,408,598</b>	<b>443,974</b>	<b>467,393</b>	<b>2,244,482</b>	<b>2,164,512</b>	<b>-</b>	<b>-</b>	<b>(3,885,834)</b>	<b>(3,654,551)</b>			<b>3,909,522</b>	<b>3,385,952</b>

## NOTES TO THE FINANCIAL STATEMENTS

AS AT 31 DECEMBER 2016

## 40. SEGMENTAL INFORMATION (CONT'D.)

Inter-segment revenue are eliminated upon consolidation and reflected in the 'adjustment and eliminations' column. All other adjustments and eliminations are part of detail reconciliations presented below:

**Notes: Nature of adjustments and eliminations to arrive at the 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:

	2016 RM'000	2015 RM'000
Impairment loss on trade and other receivables	1,846	450
Provision for liabilities	-	14,044
Unrealised returns on security retainers accumulation fund	(238)	(231)
Unwinding of RCULS liability	-	187
Unwinding of discount on trade and other payables	-	1,398
Unrealised foreign exchange loss	-	310
Amortisation of borrowings expenses	11,782	14,647
Amortisation of deferred license fees	(2,491)	(2,411)
Amortisation of security retainers accumulation fund	11	11
Impairment loss on intangible assets	1,964	10,662
Property, plant and equipment written off	7,816	3,582
Property development costs written off	3,587	-
Gain on disposal from discontinued operation	-	(27,531)
Gain on disposal of assets classified as held for sale	(13,594)	-
Gain on disposal of investment properties	-	(126,032)
Gain on disposal of property, plant and equipment	(811)	(12,149)
Fair value loss/(gains) on investment properties	463	(3,298)
	10,335	(126,361)

- C. The following items are added to/(deducted from) segment profit to arrive at profit before tax from continuing operations presented in the consolidated statement of comprehensive income:

	2016 RM'000	2015 RM'000
Share of results of joint ventures	43,854	17,944
Share of results of associate	(2,184)	-
Finance cost	(40,447)	(65,005)

- D. Additions to non-current assets consist of:

	2016 RM'000	2015 RM'000
Property, plant and equipment (Note 15)	155,767	144,732
Investment properties (Note 17)	21,420	8,637
Land held for property development (Note 16(a))	412,913	351,019
	590,100	504,388

NOTES TO THE FINANCIAL STATEMENTS  
AS AT 31 DECEMBER 2016

#### 41. SIGNIFICANT EVENTS

- (A) The followings are summary of material acquisitions of properties by the Group's subsidiaries and joint ventures during the financial year ended 31 December 2016 and previous financial years.

**Acquisition in financial year ended 31 December 2011:**

- (i) Transaction by a joint venture where the conditions precedent were fulfilled and completed as at 31 December 2016 is as follows:

Location of property	Type	Area	Consideration RM'000
Mukim 13, District of Timur Laut, State of Pulau Pinang (Parcel 5).	Freehold	Penang	216,092

- (ii) Transaction by a joint venture where the conditions precedent have not been fulfilled as at 31 December 2016 is as follows:

Location of property	Type	Area	Consideration RM'000
Mukim 13, District of Timur Laut, State of Pulau Pinang (Parcel 6).	Freehold	Penang	209,088

**Acquisition by a subsidiary in financial year ended 31 December 2014:**

- (i) Transaction where the conditions precedent have not been fulfilled as at 31 December 2016 is as follows:

Location of property	Type	Area	Consideration RM'000
HSM 715, PTD 3997, Kg. Sungai Danga, Mukim Pulai, Daerah Johor Bahru, Negeri Johor.	Leasehold	Johor	11,300

**Acquisitions by a subsidiary in financial year ended 31 December 2015:**

- (i) Transactions where the conditions precedents were fulfilled and completed as at 31 December 2016 are as follows:

Location of property	Type	Area	Consideration RM'000
Lot 603, 604 & Lot 605, Jln Rembia, Changkat Bukit Bintang, Kuala Lumpur.	Freehold	Kuala Lumpur	19,200

## NOTES TO THE FINANCIAL STATEMENTS

AS AT 31 DECEMBER 2016

**41. SIGNIFICANT EVENTS (CONT'D.)**

**(B)** The followings are summary of material disposals of properties by the Group's subsidiaries during the financial year ended 31 December 2016:

- (i) On 28 January 2016, Tropicana Plaza Sdn. Bhd., a wholly-owned subsidiary of the Group, entered into a sale and purchase agreement ("SPA") with Kenanga Investment Bank Berhad, for disposal of a property comprising a piece of freehold land measuring approximately 3,674 square meter together with a 19-storey office building in Kuala Lumpur for a cash consideration of RM140,000,000.

The SPA has become unconditional on 11 April 2016. The said disposal has completed during the financial year. Accordingly, gain on disposal of RM7,542,000 was recognised in the profit or loss.

- (ii) On 12 January 2016, Advent Nexus Sdn. Bhd., a wholly-owned subsidiary of the Group, entered into a conditional sale and purchase agreement with Pinnacle Supreme Sdn. Bhd. for disposal of a piece of freehold land measuring approximately 1,106 square meters together with a 10-storey building in Kuala Lumpur for a cash consideration of RM55,000,000. On 7 October 2016, the sales consideration was revised to RM58,000,000 via a Fourth Supplemental Agreement. The said disposal has completed during the financial year. Accordingly, gain on disposal of RM6,052,000 was recognised in the profit or loss.

**42. SUBSEQUENT EVENTS**

On 28 March 2017, the Board of Directors declared a second interim single-tier share dividend for the financial year ended 31 December 2016 via a distribution of treasury shares on the basis of 1.2 treasury shares for every 100 existing ordinary shares held in the Company. The dividend will be accounted as distributions to owners in the financial year ending 31 December 2017.

**43. MATERIAL LITIGATION**

On 26 August 2013, the Company received an order from the Arbitral Tribunal to add the Company as a party to the arbitration proceedings between Dijaya-Malind JV (Mauritius) Limited ("DMML"), Dijaya-Malind Properties (India) Private Limited ("DMPPL") and Starlite Global Enterprise (India) Limited ("SGEIL") ("Order").

The arbitration proceedings were previously instituted by DMML and DMPPL against SGEIL to seek the return of the deposit sum and damages arising from termination of the Deed of Novation cum Joint Development Agreement.

The Company appealed to the City Civil Court of Hyderabad against the Order which was dismissed on 2 June 2014. As our legal counsel opines the Order was erroneous and wrong in law, the Company has filed a further appeal to the High Court of Judicature of Andhra Pradesh and is pending hearing date to be set.

## NOTES TO THE FINANCIAL STATEMENTS

AS AT 31 DECEMBER 2016

## 44. CAPITAL MANAGEMENT

The primary objective of the Group's capital management is to ensure that it maintains a strong credit rating and healthy capital ratios in order to support its business and maximise shareholder value.

The Group manages its capital structure and makes adjustments to it, in light of changes in economic conditions. To maintain or adjust the capital structure, the Group may adjust the dividend payment to shareholders, return capital to shareholders or issue new shares. No changes were made in the objectives, policies or processes during the years ended 31 December 2016 and 31 December 2015.

The Group monitors capital using a gearing ratio, which is net debt divided by total capital plus net debt. The Group includes within net debt, loans and borrowings less cash and bank balances. Capital refers to equity attributable to the equity holders of the Company.

	Group		Company	
	2016 RM'000	2015 RM'000	2016 RM'000	2015 RM'000
Borrowings (Note 31)	1,813,264	1,753,442	498,483	459,951
Less: Cash and bank balances (Note 25)	(841,265)	(837,493)	(200,397)	(277,055)
Net debt	971,999	915,949	298,086	182,896
Equity attributable to the owners of the parent	3,126,900	3,086,822	2,155,641	2,151,398
Gearing ratio	0.31	0.30	0.14	0.09

## 45. COMPARATIVES

Certain figures as at 31 December 2015 have been restated to conform with the presentation in the current financial year, as detailed below:

	As previously stated RM'000	Reclassifi- cations RM'000	As restated RM'000
<b>Statements of financial position - Group</b>			
<b>Non-current assets</b>			
Interest in an associate	100,102	(59,774)	40,328
Security retainer accumulation fund	4,270	(4,270)	-
Trade and other receivables	20,695	4,270	24,965
<b>Current assets</b>			
Trade and other receivables	281,959	464,790	746,749
Other current assets	464,790	(464,790)	-
<b>Equity and liabilities</b>			
<b>Non-current liabilities</b>			
Sinking fund	(3,217)	3,217	-
Security retainers	(1,702)	1,702	-
Deferred licence fees	(83,083)	83,083	-
Trade and other payables	(456,810)	(88,002)	(544,812)
Deferred income	(59,774)	59,774	-

## NOTES TO THE FINANCIAL STATEMENTS

AS AT 31 DECEMBER 2016

## 45. COMPARATIVES (CONT'D.)

Certain figures as at 31 December 2015 have been restated to conform with the presentation in the current financial year, as detailed below:

	As previously stated RM'000	Reclassifi- cations RM'000	As restated RM'000
<b>Statements of financial position - Group (cont'd.)</b>			
<b>Current liabilities</b>			
Deferred licence fees	(2,411)	2,411	-
Trade and other payables	(697,731)	(5,554)	(703,285)
Other current liabilities	(3,143)	3,143	-
<b>Statement of financial position - Company</b>			
<b>Current assets</b>			
Other current assets	3,091	(3,091)	-
Trade and other receivables	1,839,936	3,091	1,843,027
<b>Statements of cash flows - Group</b>			
Cash flows from operating activities			
Adjustments for:			
Unwinding of discount retention sum payables	990	(990)	-
Unwinding of discount deposits rental refundable	113	(113)	-
Unwinding of discount of security retainers	295	(295)	-
Unwinding of RCULS liability	187	(187)	-
Amortisation of borrowings costs	14,647	(14,647)	-
Interest expense	49,109	16,232	65,341
Operation profit before working capital changes			
Changes in working capital:			
Trade and other payables	(133,302)	6,029	(127,273)
Cash generated from operations carried forward	130,540	6,029	136,569
Increase in sinking fund	1,224	(1,224)	-
Increase in deferred licence fees	4,805	(4,805)	-

NOTES TO THE FINANCIAL STATEMENTS  
AS AT 31 DECEMBER 2016

**46. SUPPLEMENTARY INFORMATION - BREAKDOWN OF RETAINED EARNINGS INTO REALISED AND UNREALISED**

The breakdown of the retained earnings of the Group and of the Company as at 31 December 2016 and 31 December 2015 into realised and unrealised profits is presented in accordance with the directive issued by Bursa Malaysia Securities Berhad dated 25 March 2011 and prepared 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.

<b>Group</b>	<b>2016 RM'000</b>	<b>2015 RM'000</b>
Total retained earnings of the Company and its subsidiaries		
- Realised profits	<b>1,161,441</b>	1,209,627
- Unrealised profits	<b>63,375</b>	84,348
	<b>1,224,816</b>	1,293,975
Total share of retained earnings from joint ventures		
- Realised profits	<b>147,326</b>	103,690
Total share of retained earnings from associate		
- Realised losses	<b>(2,184)</b>	-
	<b>1,369,958</b>	1,397,665
Add: Consolidation adjustments	<b>(290,745)</b>	(366,697)
Retained earnings as per financial statements	<b>1,079,213</b>	1,030,968
<b>Company</b>		
Total retained earnings of the Company		
- Realised profits	<b>107,879</b>	95,486

## ANALYSIS OF SHAREHOLDINGS

AS AT 23 MARCH 2017

### SHARE CAPITAL

Issued share capital	:	RM1,465,761,346
Adjusted issued share capital	:	RM1,445,660,311 (excluding 20,101,035 treasury shares)
Class of shares	:	Ordinary shares
Voting rights	:	1 vote per ordinary share held (on poll only)

### DISTRIBUTION OF SHAREHOLDINGS

Sizes of Shareholdings	No. of Holders		No. of Holdings		% of Holdings	
	Malaysian	Foreign	Malaysian	Foreign	Malaysian	Foreign
1 to 99	914	20	27,535	572	-	-
100 to 1,000	475	5	187,704	1,420	0.01	-
1,001 to 10,000	6,507	70	21,588,059	231,078	1.49	0.02
10,001 to 100,000	2,403	58	57,545,893	2,417,949	3.98	0.17
100,001 to less than 72,283,015*	282	50	1,051,631,219	58,378,681	72.74	4.04
72,283,015 and above**	3	-	253,650,201	-	17.55	-
<b>Total</b>	<b>10,584</b>	<b>203</b>	<b>1,384,630,611</b>	<b>61,029,700</b>	<b>95.77</b>	<b>4.23</b>
	<b>10,787</b>		<b>1,445,660,311</b>		<b>100.00</b>	

Notes:

\* Less than 5% of the adjusted issued share capital

\*\* 5% and above of the adjusted issued share capital

### Substantial Shareholders as per the Register of Substantial Shareholders (excluding bare trustees)

Names	No. of Shares Held			
	Direct Interest	%	Deemed Interest	%
Tan Sri Dato' Tan Chee Sing	439,737,325	30.42	604,576,709 <sup>(1)</sup>	41.82
Aliran Firasat Sdn Bhd	302,641,895	20.93	-	-
Golden Diversity Sdn Bhd	172,347,426	11.92	-	-
Impeccable Ace Sdn Bhd	129,587,388	8.96	-	-

Notes:

<sup>(1)</sup> Deemed interested by virtue of his interests in Aliran Firasat Sdn Bhd, Golden Diversity Sdn Bhd and Impeccable Ace Sdn Bhd pursuant to Section 8 of the Companies Act 2016.

### Directors' Shareholdings in the Company as per the Register of Directors' Shareholdings

Names	No. of Shares Held			
	Direct Interest	%	Deemed Interest	%
Dato' Yau Kok Seng	4,659,800	0.32	-	-

### Thirty Largest Registered Shareholders according to the Record of Depositors (Without aggregating the securities from different securities account belonging to the same depositor)

No.	Names of Shareholders	No. of Shares	%
1.	CIMB Group Nominees (Tempatan) Sdn Bhd Pledged Securities Account for Tan Chee Sing, Dato (1835 ANSA)	88,457,201	6.12
2.	UOBM Nominees (Tempatan) Sdn Bhd United Overseas Bank Nominees (Pte) Ltd for Tan Chee Sing	87,118,000	6.03
3.	Scotia Nominees (Tempatan) Sdn Bhd Pledged Securities Account for Aliran Firasat Sdn Bhd	78,075,000	5.40

## ANALYSIS OF SHAREHOLDINGS

AS AT 23 MARCH 2017

No.	Names of Shareholders	No. of Shares	%
4.	RHB Nominees (Tempatan) Sdn Bhd Bank of China (Malaysia) Berhad Pledged Securities Account for Aliran Firasat Sdn Bhd	69,700,610	4.82
5.	RHB Capital Nominees (Tempatan) Sdn Bhd Pledged Securities Account for Impeccable Ace Sdn Bhd	62,525,000	4.33
6.	Maybank Nominees (Tempatan) Sdn Bhd Pledged Securities Account for Tan Chee Sing	55,907,190	3.87
7.	Kenanga Nominees (Tempatan) Sdn Bhd Pledged Securities Account for Aliran Firasat Sdn Bhd (001)	53,689,000	3.71
8.	RHB Nominees (Tempatan) Sdn Bhd Pledged Securities Account for Impeccable Ace Sdn Bhd	46,662,317	3.23
9.	Alliance Group Nominees (Tempatan) Sdn Bhd Pledged Securities Account for Tan Chee Sing (8118939)	42,258,443	2.92
10.	Kenanga Nominees (Tempatan) Sdn Bhd Pledged Securities Account for Tan Chee Sing (021)	35,755,587	2.47
11.	Amsec Nominees (Tempatan) Sdn Bhd Pledged Securities Account – AmBank (M) Berhad for Aliran Firasat Sdn Bhd	33,559,000	2.32
12.	RHB Capital Nominees (Tempatan) Sdn Bhd Pledged Securities Account for Golden Diversity Sdn Bhd	33,107,500	2.29
13.	Maybank Nominees (Tempatan) Sdn Bhd Pledged Securities Account for Enhance Summer Sdn Bhd	31,733,795	2.20
14.	CIMB Group Nominees (Tempatan) Sdn Bhd Pledged Securities Account – DBS Bank Ltd for Tan Chee Sing (SG1300296741)	29,377,000	2.03
15.	Maybank Nominees (Tempatan) Sdn Bhd Pledged Securities Account for Golden Diversity Sdn Bhd (51405769502A)	25,625,000	1.77
16.	CIMSEC Nominees (Tempatan) Sdn Bhd Prestigious Century Sdn Bhd	25,046,383	1.73
17.	ABB Nominee (Tempatan) Sdn Bhd Pledged Securities Account for Tan Chee Sing (DT's OD3)	25,029,724	1.73
18.	Maybank Nominees (Tempatan) Sdn Bhd Pledged Securities Account for Golden Diversity Sdn Bhd	24,919,800	1.72
19.	ABB Nominee (Tempatan) Sdn Bhd Pledged Securities Account for Golden Diversity Sdn Bhd (DT's OD3)	20,190,815	1.40
20.	Bank Kerjasama Rakyat Malaysia Berhad Pledged Securities Account for Aliran Firasat Sdn Bhd	20,000,000	1.38
21.	CIMB Group Nominees (Tempatan) Sdn Bhd Pledged Securities Account for Golden Diversity Sdn Bhd (CBM & EDG)	19,053,263	1.32
22.	RHB Capital Nominees (Tempatan) Sdn Bhd Pledged Securities Account for Tan Chee Sing (Impecc Ace)	18,450,000	1.28
23.	CIMB Group Nominees (Tempatan) Sdn Bhd Pledged Securities Account for Aliran Firasat Sdn Bhd (TSDTCS-CBM-REC)	18,300,000	1.27
24.	RHB Capital Nominees (Tempatan) Sdn Bhd Pledged Securities Account for Aliran Firasat Sdn Bhd (Golden)	18,000,000	1.25
25.	Maybank Nominees (Tempatan) Sdn Bhd Pledged Securities Account for Golden Diversity Sdn Bhd ( 41405751840A)	17,556,007	1.21
26.	Maybank Securities Nominees (Tempatan) Sdn Bhd Pledged Securities Account for Reka Antika Sdn Bhd (Margin)	16,230,185	1.12
27.	Lai Ming Chun @ Lai Poh Lin	15,375,000	1.06
28.	CIMSEC Nominees (Tempatan) Sdn Bhd CIMB Bank For Lim Wee Chai (PBCL-0G0025)	15,195,000	1.05
29.	Citigroup Nominees (Asing) Sdn Bhd Exempt an for OCBC Securities Private Limited (Client A/C-NR)	13,448,963	0.93
30.	Malaysia Nominees (Tempatan) Sendirian Berhad Pledged Securities Account for Vincent Tan Chee Yioun (01-00856-003)	12,327,100	0.85
<b>Total</b>		<b>1,052,672,883</b>	<b>72.82</b>

## ANALYSIS OF WARRANT HOLDINGS

AS AT 23 MARCH 2017

### WARRANT 2009/2019

No. of warrants issued : 160,707,498  
 No. of warrants outstanding : 153,557,696  
 Exercise price of warrants : RM1.00 each  
 Expiry date of warrants : 8 December 2019

### DISTRIBUTION OF WARRANT HOLDINGS

Sizes of Warrant Holdings	No. of Holders		No. of Holdings		% of Holdings	
	Malaysian	Foreign	Malaysian	Foreign	Malaysian	Foreign
1 to 99	378	5	18,852	285	0.01	0.00
100 to 1,000	569	2	377,272	1,733	0.25	0.00
1,001 to 10,000	983	10	3,861,344	42,139	2.51	0.03
10,001 to 100,000	485	13	17,268,715	692,350	11.25	0.45
100,001 to less than 7,677,884*	101	9	49,175,983	11,648,549	32.02	7.59
7,677,884 and above**	2	1	62,254,818	8,215,656	40.54	5.35
<b>Total</b>	<b>2,518</b>	<b>40</b>	<b>132,956,984</b>	<b>20,600,712</b>	<b>86.58</b>	<b>13.42</b>
	<b>2,558</b>		<b>153,557,696</b>		<b>100.00</b>	

Notes:

\* Less than 5% of the total warrants in issue

\*\* 5% and above of the total warrants in issue

### THIRTY LARGEST WARRANT HOLDERS ACCORDING TO THE RECORD OF DEPOSITORS

(Without aggregating the securities from different securities account belonging to the same Depositor)

No.	Names of Warrant Holders	No. of Warrants	%
1.	Kenanga Nominees (Tempatan) Sdn Bhd Pledged Securities Account for Tan Chee Sing (021)	46,617,901	30.36
2.	Amsec Nominees (Tempatan) Sdn Bhd Impeccable Ace Sdn Bhd	15,636,917	10.18
3.	Maybank Nominees (Asing) Sdn Bhd Pledged Securities Account for San Tuan Sam	8,215,656	5.35
4.	UOBM Nominees (Asing) Sdn Bhd United Overseas Bank Nominees (Pte) Ltd for Fortune First Limited	5,717,921	3.72
5.	Golden Diversity Sdn Bhd	5,264,333	3.43
6.	Tng Kee Meng	4,360,000	2.84
7.	CIMB Group Nominees (Tempatan) Sdn Bhd Pledged Securities Account for Golden Diversity Sdn Bhd (CBM & EDG)	3,899,700	2.54
8.	UOBM Nominees (Asing) Sdn Bhd United Overseas Bank Nominees (Pte) Ltd for Novel Glory Investments Limited	3,715,000	2.42
9.	RHB Capital Nominees (Tempatan) Sdn Bhd Pledged Securities Account for Fong Jong Han (CEB)	3,500,000	2.28
10.	Goh Cheah Hong	2,487,892	1.62
11.	Amsec Nominees (Tempatan) Sdn Bhd Pledged Securities Account – Ambank (M) Berhad for Tan Chee Sing	2,476,000	1.61
12.	Ng Cheek What	1,303,400	0.85
13.	RHB Capital Nominees (Tempatan) Sdn Bhd Silvercheers Sdn Bhd	1,199,900	0.78
14.	Law Sook Kuan	1,114,533	0.73

## ANALYSIS OF WARRANT HOLDINGS

AS AT 23 MARCH 2017

No.	Names of Warrant Holders	No. of Warrants	%
15.	Ng Cheek What	948,300	0.62
16.	Eg Kaa Chee	815,842	0.53
17.	Alliancegroup Nominees (Tempatan) Sdn Bhd Pledged Securities Account for Ng Ah Meng	739,700	0.48
18.	Choong Yoke Lee	727,141	0.47
19.	Tang Kee Hoon	620,000	0.40
20.	RHB Capital Nominees (Tempatan) Sdn Bhd Pledged Securities Account for Lee Poh Kwee (551004)	603,640	0.39
21.	Affin Hwang Nominees (Asing) Sdn. Bhd. Exempt an for DBS Vickers Securities (Singapore) Pte Ltd (Clients)	601,668	0.39
22.	Low Bee Keng	600,000	0.39
23.	Ng Kok Hin	551,400	0.36
24.	JF Apex Nominees (Asing) Sdn Bhd Exempt an for CIMB Securities (Singapore) Pte Ltd (A/C Client)	547,600	0.36
25.	Tey Yee Yee	535,746	0.35
26.	Ong Chin Ling	457,200	0.30
27.	Lim Peck Hoon	435,100	0.28
28.	Public Nominees (Tempatan) Sdn Bhd Pledged Securities Account for Goh Cheah Wah (E-Tai)	406,680	0.26
29.	Public Invest Nominees (Asing) Sdn Bhd Exempt an for Phillip Securities Pte Ltd (Clients)	404,520	0.26
30.	Lim Diang Seng	401,700	0.26
<b>Total</b>		<b>114,905,390</b>	<b>74.81</b>

## LIST OF PROPERTIES

AS AT 31 DECEMBER 2016

Title Reference	Purpose/ Existing Use	Tenure	Year of Acquisition/ Year of Completion*	Age of Building Approx. (Years)	Land Area Approx (acres)	Built-up Area/ Net Lettable Area (sq ft)	Fair Value/ Carrying Amount 31 Dec 2016 (RM'Million)	Revaluation Value (RM'Million)	Date of Revaluation
<b>DAYA PETALING SDN BHD</b>									
PN 15978, Lot 102 Seksyen 27, Town of Petaling Jaya, District of Petaling, Selangor	Intan Square (8-Storey Commercial Building with a basement carpark)	Leasehold (99 years) expiring on 19.11.2102	2012	7	0.49	41,622	27.00	27.00	Dec-16
<b>TROPICANA DANGA BAY RESORT SDN BHD</b>									
HSD455043 PTB21345 & HSD455049 PTB21346 Township and District of Johor Bahru, State of Johor	Land held for future development	Freehold	2014	-	5.97	0	89.16	-	-
<b>TROPICANA AMAN SDN BHD (F.K.A SAPPHIRE INDEX SDN BHD)</b>									
HSD39242, PT41267, HSD39241, PT41266, HSD39265, PT41306, HSD39238, PT41262, HSD39239, PT41263 Mukim Tanjung Duabelas, Daerah Kuala Langat	Land under cosntruction	Leasehold (99 years) expiring on 09.11.2110	2014	-	41.10	-	155.63	-	-
HSD39252 PT41285, HSD39263 PT41303, HSD39264 PT41305, HSD39266 PT41308, HSD39235 PT41255, HSD39272 PT41336, HSD39243 PT41269, HSD39246 PT41274, HSD39247 PT41275, HSD39248 PT41277, HSD39249 PT41278, HSD39251 PT41284, HSD39253 PT41290, HSD39254 PT41291, HSD39270 PT41330, HSD39240 PT41265, HSD39234 PT41253, HSD39275 PT41339, HSD39236 PT41258, HSD39273 PT41337, HSD39274 PT41338 Mukim Tanjung Duabelas, Daerah Kuala Langat	Land held for future development	Leasehold (99 years) expiring on 09.11.2110	2014	-	305.02	-	840.25	-	-
Tanjung Duabelas, Daerah Kuala Langat	Showcase	Leasehold (99 years) expiring on 09.11.2110	2015*	2	-	12,000	13.65	-	-
<b>TROPICANA CHERAS SDN BHD</b>									
330377(PT56738) & 330376(PT56919), Mukim Cheras, Ulu Langat, Selangor	Land under construction	Freehold	2008	-	2.91	-	6.39	-	-
<b>TROPICANA CITY SDN BHD</b>									
HSD 136188 Lot PT8, Bandar Petaling Jaya, Tambahan 1, District Petaling, Negeri Selangor	Land under construction	Freehold	1995	-	1.01	4,101	18.52	-	-

## OTHER INFORMATION

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AS AT 31 DECEMBER 2016

Title Reference	Purpose/ Existing Use	Tenure	Year of Acquisition/ Year of Completion*	Age of Building Approx. (Years)	Land Area Approx (acres)	Built-up Area/ Net Lettable Area (sq ft)	Fair Value/ Carrying Amount 31 Dec 2016 (RM'Million)	Revaluation Value (RM'Million)	Date of Revaluation
<b>TROPICANA CITY PARKING SDN BHD (F.K.A TROPICANA CITY PARKING SDN BHD)</b>									
Part of PN97674 Lot 89556, Bandar Damansara, District of Petaling, Selangor	A stratified office lot accessorised with 1,223 carpark bays within Tropicana Avenue	Leasehold (99 years) expiring on 22.09.2109	2016*	-	5.73	-	36.94	37.00	May-16
<b>TROPICANA COLISEUM (IPOH) SDN BHD</b>									
Lot No.26749S, GRN 144938 (Previously Known As PT 234518, HSD 190863), Town of Ipoh (S), District of Kinta, Perak	Coliseum Square (6 1/2-Storey Commercial Building)	Freehold	2012	6.5	1.31	50,661	23.00	23.00	Dec-16
<b>TROPICANA DANGA BAY SDN BHD</b>									
H.S.(D) 471884 PT 22902, Bandar Johor Bahru, Daerah Johor Bahru, Negeri Johor	Land under construction	Freehold	2010	-	4.01	-	112.56	-	-
H.S.(D) 471884 PT 22902, Bandar Johor Bahru, Daerah Johor Bahru, Negeri Johor	Land held for future development	Freehold	2010	-	20.58	-	238.19	-	-
H.S.(D) 471884 PT 22902, Bandar Johor Bahru, Daerah Johor Bahru, Negeri Johor	Proposed mall development	Freehold	2010	-	6.68	-	78.89	-	-
H.S.(D) 47884 PT 22902, Bandar Johor Bahru, Daerah Johor Bahru, Negeri Johor	Showcase	Freehold	2012*	4	1.80	25,575	5.40	-	-
<b>TROPICANA DANGA LAGOON SDN BHD</b>									
Lot 3432, 3433, 3434, 3435, 3440, 3441, 3442, 3443, 3445, 3446 and 3447, Mukim Pulau, Dearah Johor Bahru, Negeri Johor	Land held for future development	Leasehold (999 years) expiring on 17.01.2911	2012	-	55.07	-	120.70	-	-
PM 134 Lot 44998, Mukim Pulau, Dearah Johor Bahru, Negeri Johor	Land held for future development	Leasehold (99 years) expiring on 5.01.2091	2015	-	1.27	-	11.86	-	-
<b>TROPICANA DESA MENTARI SDN BHD</b>									
GM800 Lot313, GM801 Lot321, GM802-806 Lot324-328, GM786 Lot337, GM808 Lot339, GM787 Lot340, GM809-810 Lot342-343, GRN436669 Lot795, GRN105314 Lot797, GM1199-1202 Lot65678-65681, Mukim Pulau, Daerah Johor Bahru, Negeri Johor	Land held for future development	Freehold	2014	-	256.54	-	429.83	-	-
<b>TROPICANA DEVELOPMENT (JOHOR BAHRU) SDN BHD</b>									
GRN 26977 Lot 4271, Bandar Johor Bahru, Daerah Johor Bahru, Negeri Johor	Land held for future development	Freehold	1991	-	21.69	-	64.27	-	-

## OTHER INFORMATION

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AS AT 31 DECEMBER 2016

Title Reference	Purpose/ Existing Use	Tenure	Year of Acquisition/ Year of Completion*	Age of Building Approx. (Years)	Land Area Approx (acres)	Built-up Area/ Net Lettable Area (sq ft)	Fair Value/ Carrying Amount 31 Dec 2016 (RM'Million)	Revaluation Value (RM'Million)	Date of Revaluation
<b>TROPICANA DEVELOPMENT (SABAH) SDN BHD</b>									
(i) CL215311658, (ii) CL215311667, (iii) CL215011902 and (iv) CL215010807 (1/2 share), District of Penampang, Sabah	4-Storey Commercial Building known as Blue7	Leasehold (999 years) expiring on (i)&(ii) 12.05.2920 (iii) 15.10.2915 (iv) 05.10.2912	2012	6	3.49	55,127	36.30	36.30	Dec-16
CL215322660 District of Penampang, Sabah	5-Storey Commercial Building	Leasehold (99 years) expiring on 31.12.2080	2012	5.5	1.39	44,207	26.00	26.00	Dec-16
CL215312922 District of Penampang, Sabah	3-Storey Commercial Building	Leasehold (99 years) expiring on 31.12.2070	2012	9	2.68	34,713	25.00	25.00	Dec-16
<b>TROPICANA RESIDENCES SDN BHD</b>									
Geran 51952, Lot 194, Seksyen 58, Bandar Kuala Lumpur, Daerah Kuala Lumpur, Negeri Wilayah Persekutuan	Land under construction	Freehold	2010	-	0.52	-	150.07	-	-
Geran 51952, Lot 194, Seksyen 58, Bandar Kuala Lumpur, Daerah Kuala Lumpur, Negeri Wilayah Persekutuan	Hotel development known as W Hotel	Freehold	2010	-	0.76	-	228.14	-	-
<b>TROPICANA EDUCATION MANAGEMENT SDN BHD</b>									
HS(D) 296471 PT12687 Pekan Baru Sungai Buloh, Daerah Petaling, Negeri Selangor	St Joseph's Institution International School Malaysia (Tropicana PJ Campus)	Leasehold (99 years) expiring on 27.09.2106	2016	-	6.07	418,084	218.35	220.00	May-16
<b>TROPICANA GOLF &amp; COUNTRY RESORT BERHAD</b>									
Tropicana Golf & Country Resort, 47410 Petaling Jaya, Negeri Selangor	Club house & Golf course	Leasehold (99 years) expiring on 25.10.2090	1994	24	237.78	356,792	110.60	-	-
Lot 89553, No Hakmilik 92831, Mukim Bandar Damansara, Daerah Petaling, Negeri Selangor	Land held for future development	Leasehold (99 years) expiring on 04.04.2109	1991	-	1.77	-	0.66	-	-
Lot 204, No Hakmilik 30648, Mukim Bandar Damansara, Daerah Petaling, Negeri Selangor	Showcase	Leasehold (99 years) expiring on 25.10.2090	2012	-	0.89	-	3.87	-	-

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AS AT 31 DECEMBER 2016

Title Reference	Purpose/ Existing Use	Tenure	Year of Acquisition/ Year of Completion*	Age of Building Approx. (Years)	Land Area Approx (acres)	Built-up Area/ Net Lettable Area (sq ft)	Fair Value/ Carrying Amount 31 Dec 2016 (RM'Million)	Revaluation Value (RM'Million)	Date of Revaluation
<b>TROPICANA HARAPAN SDN BHD</b>									
Jalan Harapan, GRN 22702 & 45709, Lot 1 & 4, Seksyen 1, Pekan Sungai Penchala, District of Petaling, Selangor	Land held for future development	Freehold	2012	-	2.82	-	15.49	22.00	Mar-12
<b>TROPICANA INDAH SDN BHD</b>									
Geran 79950 Lot 52582, Pekan Baru Sungai Buloh, Daerah Petaling, Negeri Selangor	Land under construction	Leasehold (99 years) expiring on 24.04.2106	1994	-	14.65	-	314.88	-	-
Geran 79948 Lot 52581, Pekan Baru Sungai Buloh, Daerah Petaling, Negeri Selangor	Showcase	Leasehold (99 years) expiring on 24.04.2106	2012*	4	2.95	13,057	4.61	-	-
<b>TROPICANA JAYA SDN BHD</b>									
PT 14, HSD 124212, Town of Subang Jaya, District of Petaling, Selangor	Jaya Square (6-Storey Commercial Building)	Leasehold (99 years) expiring on 11.01.2098	2012	10.5	0.70	45,554	20.00	20.00	Dec-16
<b>TROPICANA KAJANG HILL SDN BHD</b>									
PT38088 Bandar Batu 18, Semenyih Daerah Ulu Langat, Negeri Selangor	Showcase	Freehold	2016*	-	2.00	14,927	15.65	-	-
PT38080-38084, Bandar Batu 18, Semenyih Daerah Ulu Langat, Negeri Selangor	Land under construction	Freehold	2012	-	68.13	-	121.26	-	-
PT38087, 38089, 38090, Bandar Batu 18, Semenyih Daerah Ulu Langat, Negeri Selangor	Land held for future development	Freehold	2012	-	37.27	-	247.81	-	-
<b>TROPICANA KEMAYAN DEVELOPMENT SDN BHD</b>									
PN 25820-25821, Lot 24131-24132, Pekan Bukit Kepayang, District of Seremban, Negeri Sembilan	Land held for investment	Leasehold (99 years) expiring on 17.04.2095	2012	-	2.00	-	8.42	9.00	Mar-12
<b>TROPICANA KL DEVELOPMENT SDN BHD</b>									
Lot 734 Seksyen 57, Bandar Kuala Lumpur. No.25, Jalan Sultan Ismail, 50250 Kuala Lumpur	Land held for future development	Freehold	2010	-	0.54	-	54.36	-	-
<b>TROPICANA LAGOON SDN BHD</b>									
PM 42 Lot 44996 and PM 43 Lot 44997, Mukim Pulau, Daerah Johor Bahru, Negeri Johor	Land held for future development	Leasehold (99 years) expiring on 01.02.2091	2013	-	2.78	-	4.77	-	-

# OTHER INFORMATION

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AS AT 31 DECEMBER 2016

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<b>TROPICANA LAHAD DATU DEVELOPMENT SDN BHD</b>									
CL115355612, District of Lahad Datu, Sabah	Land held for investment	Leasehold (999 years) expiring on 08.05.2933	2012	-	1.25	-	2.70	2.70	Dec-16
<b>TROPICANA LAND (SANDAKAN) SDN BHD</b>									
CL075318697, District of Sandakan, Sabah	Land held for investment	Leasehold (999 years) expiring on 09.07.2887	2012	-	1.52	-	3.68	-	-
<b>TROPICANA LAND SDN BHD</b>									
HSD 330120 PTD 123308 and GRN 422076 Lot 85652, Mukim Pulau, Daerah Johor Bahru, Negeri Johor	Land held for future development	Freehold	2012	-	4.41	-	19.65	-	-
<b>TROPICANA LIDO DEVELOPMENT SDN BHD</b>									
(i) CL215377763, (ii) CL215173649, (iii) CL215173658, (iv) CL215278710 and (v) CL215278701, District of Penampang, Sabah	Land held for investment	Leasehold (99 years) expiring on 12.09.2060	2012	-	1.67	-	11.72	11.72	Dec-16
<b>TROPICANA MACALISTER AVENUE (PENANG) SDN BHD</b>									
(i) Geran 35440 Lot 914, (ii) Geran 35443 Lot 918, (iii) Geran 35441, Lot 915 and (iv) Geran 5670 Lot 916, Seksyen 13 (Jalan Macalister), Town of Georgetown, District of Timor Laut, Pulau Pinang	Land held for future development	Freehold	2012	-	2.09	-	30.02	41.50	Mar-12
Geran 35440 Lot 914, Geran 35443 Lot 918, Geran 35441, Lot 915 and Geran 5670 Lot 916, Seksyen 13 (Jalan Macalister), Town of Georgetown, District of Timor Laut, Pulau Pinang	Hotel development known as Marriot Hotel	Freehold	2012	-	-	-	68.88	-	-
<b>TROPICANA METRO SDN BHD</b>									
GM 17092/11455, Lot 82748/10788 Section 31, Town of Klang, District of Klang, Selangor	4-Storey Commercial Building with a basement carpark	Freehold	2012	20	1.52	60,589	22.00	22.00	Dec-16
<b>TROPICANA METROPARK SDN BHD</b>									
HS (D) 287218, 287220, 287225-287226, 316105, Lot 72017, 72019, 72024-72025, PT39, Pekan Country Heights, Petaling, Selangor	Land held for future development	Freehold	2011	-	39.17	-	430.52	-	-
HS (D) 287219 Lot 72018, HS (D) 287222 Lot 72021, HS (D) 287223 Lot 72022, HS (D) 287224 Lot 72023, HS (D) 3106106, PT40, Pekan Country Heights, Petaling, Selangor	Land under construction	Freehold	2011	-	20.59	-	238.55	-	-
HS (D) 287218, Lot 72018, Pekan Country Heights, Petaling, Selangor	Showcase	Freehold	2012*	4	4.39	22,098	8.65	-	-
<b>TROPICANA PROPERTIES (KENINGAU) SDN BHD</b>									
CL135366344, District of Keningau, Sabah	2-Storey Commercial Building known as Kelab Rekreasi Keningau Bistro & Fun Pub	Leasehold (999 years) expiring on 03.01.2917	2012	19.5	2.00	11,668	6.90	6.90	Dec-16

## OTHER INFORMATION

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<b>TROPICANA PROPERTIES (KLANG) SDN BHD</b>									
PT 4215 Seksyen 23, Town of Klang, District of Klang, Selangor	Casa Klang (10-Storey Office Tower(Phase 1))	Freehold	2012	5	1.52	68,522	30.00	30.00	Dec-16
<b>TROPICANA PROPERTIES (SABAH) SDN BHD</b>									
CL015106377, District of Kota Kinabalu, Sabah	3-Storey Commercial Building with basement carpark	Leasehold (999 years) expiring on 30.12.2914	2012	5	0.23	17,709	9.00	9.00	Dec-16
(i) TL017511830, (ii) TL017511849, (iii) CL015105674, (iv) CL015138860, District of Kota Kinabalu, Sabah	4-Storey Commercial Building known as Moretune	Leasehold (999 years) expiring on (i),(ii) & (iii) 31.12.2913 (iv) 31.12.2908	2012	6	0.86	27,288	14.00	14.00	Dec-16
CL015562348, District of Kota Kinabalu, Sabah	4-Storey Commercial Building	Leasehold (999 years) expiring on 26.08.2916	2012	19	0.45	17,137	9.00	9.00	Dec-16
<b>TROPICANA PROPERTIES (SANDAKAN) SDN BHD</b>									
(i) Suburban Lease 077902179, (ii) TL077555081 and (iii) TL077555161, District of Sandakan, Sabah	3-Storey Commercial Building	Leasehold (999 years) expiring on (i) 01.04.2893 (ii)&(iii) 31.12.2910	2012	6	1.88	32,637	12.80	12.80	Dec-16
<b>TROPICANA RAHANG DEVELOPMENT SDN BHD</b>									
GRN 233167, Lot 23858, Town and District of Seremban, Negeri Sembilan	Land held for investment	Freehold	2012	-	2.42	-	4.80	4.84	Mar-12
<b>TROPICANA TAWAU DEVELOPMENT SDN BHD</b>									
(i) TL107504138, (ii) TL107504147, (iii) TL107504156, (iv) TL107504165 and (v) TL107504174, District Tawau, Sabah	Land held for investment	Leasehold (999 years) expiring on 31.12.2895	2012	-	0.80	-	7.00	7.00	Dec-16
<b>TROPICANA WISMA TT SDN BHD</b>									
PN 74910, Lot 62141, Town of Sunway, District of Petaling, Selangor	Wisma TT (7-Storey Commercial Building)	Leasehold (99 years) expiring on 29.08.2104	2012	6	1.83	64,941	28.00	28.00	Dec-16

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<b>TROPICANA IVORY SDN BHD^^</b>									
Lot 20264 GRN 159981, Mukim 13, Timor Laut Pulau Pinang	Land for construction	Freehold	2012	-	10.55	-	93.60	-	-
Parcel 2B-PT 3984, H.S.D 18420, Mukim 13, Timur Laut, Pulau Pinang	Land held for future development	Freehold	2013	-	3.74	-	46.27	-	-
Parcel 3A- PT 4011, H.S.D 18778, Mukim 13, Timur Laut, Pulau Pinang	Land held for future development	Freehold	2014	-	6.44	-	79.33	-	-
Parcel 3B- PT 4012- H.S.D 18777, Mukim 13, Timur Laut Pulau Pinang	Land held for future development	Freehold	2014	-	3.53	-	43.61	-	-
Parcel 3C - PT 4013- H.S.D 18779, Mukim 13, Timur Laut Pulau Pinang	Land held for future development	Freehold	2014	-	8.10	-	99.76	-	-
Parcel 4A PT 4039 H.S.D 18895, Mukim 13, Timur Laut Pulau Pinang	Land held for future development	Freehold	2015	-	17.84	-	216.06	-	-
Parcel 4B – PT 4038 H.S.D 18894, Mukim 13, Timur Laut Pulau Pinang	Land held for future development	Freehold	2015	-	4.22	-	51.14	-	-
Parcel 5 - Mukim 13, Timur Laut Pulau Pinang	Land held for future development	Freehold	2016	-	20.67	-	262.03	-	-
<b>TROPICANA DANGA COVE SDN BHD ^^</b>									
261 plots on Mukim Plentong, Daerah Johor Bahru, Negeri Johor	Land under construction	Freehold	2011	-	19.58	-	28.73	-	-
Part of 1378 Plots on Mukim Plentong, Daerah Johor Bahru, Negeri Johor	Land held for future development	Freehold	2011 & 2012 & 2013 & 2015	-	191.17	-	251.87	-	-
Part of 1378 Plots on Mukim Plentong, Daerah Johor Bahru, Negeri Johor	Land held for investment	Freehold	2011	-	18.76	817,186	242.00	242.00	Dec-16
<b>TROPICANA BUKIT BINTANG DEVELOPMENT SDN BHD</b>									
Lot 603, 604 and 605, Jalan Rembia, Off Changkat Bukit Bintang, 50200 Kuala Lumpur	3 adjoining units of 4-storey shop offices	Freehold	2016	-	0.14	6,128	21.00	21.00	Dec-16

^^ Joint ventures' properties

## CORPORATE DIRECTORY

## MAIN CONTACT NUMBERS

## Head Office

Tel : +603 7710 1018

## Customer Loyalty &amp; Services

Tel : +603 7713 8888

## Property Sales Hotline

Tel : +603 7713 8888

## CORPORATE OFFICES

## Tropicana Corporation Berhad

## Head Office

Level 2, 7, 9, 10, 11 & 12

Tropicana City Office Tower

No. 3, Jalan SS20/27

47400 Petaling Jaya

Selangor Darul Ehsan, Malaysia

Tel : +603 7710 1018

Fax : +603 7725 3035

Email : corpcomm@tropicana.com.my

Website : www.tropicana.com.my

Office Hours: 9am - 6pm (Monday - Friday)

Closed (Saturday & Sunday)

Tropicana Golf & Country Resort Berhad  
Clubhouse

Jalan Kelab Tropicana

Tropicana Golf & Country Resort

47410 Petaling Jaya

Selangor Darul Ehsan, Malaysia

Tel : +603 7804 8888

Fax : +603 7804 3688

Email : gm@tropicana.com.my

Website : www.tropicana.com.my

Office Hours: 9am - 6pm (Monday - Friday)

9am - 1pm (Saturday)

Closed (Sunday)

## PROPERTY GALLERY &amp; SHOW UNITS

## Tropicana Main Property Gallery

Lot G-28A, Ground Floor

Tropicana City Mall

No. 3, Jalan SS20/27

47400 Petaling Jaya

Selangor Darul Ehsan

Tel : +603 7713 8888

Email : enquiry@tropicana.com.my

Operating Hours: 10am - 10pm

(Monday - Sunday)

## Tropicana Aman (Kota Kemuning)

## Property Gallery &amp; Show Unit

No. 2, Persiaran Aman Perdana 3

Bandar Tropicana Aman

42500 Telok Panglima Garang

Selangor Darul Ehsan

Tel : 1700 81 8868

Email : enquiry@tropicana.com.my

Website : www.tropicana.com.my

Operating Hours : 9:30am - 6:30pm

(Monday - Sunday)

## Tropicana Gardens

## Property Gallery &amp; Show Unit

Jalan PJU 3/21

Kota Damansara

47410 Petaling Jaya

Selangor Darul Ehsan, Malaysia

Tel : +603 7880 0989

Email : enquiry@tropicana.com.my

Website : www.tropicana.com.my

Operating Hours : 9:30am - 6:30pm

(Monday - Sunday)

## Tropicana Metropark (Subang)

## Property Gallery &amp; Show Unit

No. 1, Jalan Delima 1/1

Subang Hi-Tech

40000 Subang, Selangor, Darul Ehsan

Tel : +603 5636 6888

Email : enquiry@tropicana.com.my

Website : www.tropicana.com.my

Operating Hours : 9:30am - 6:30pm

(Monday - Sunday)

## Tropicana Heights (Kajang)

## Property Gallery &amp; Show Unit

Tropicana Heights Show Village

Off Jalan P6/2

43500 Semenyih, Kajang

Selangor Darul Ehsan, Malaysia

Tel : +603 7453 2328/ +6016 239 7566

Email : enquiry@tropicana.com.my

Website : www.tropicana.com.my

Operating Hours : 9:30am - 6:30pm

(Monday - Sunday)

## Tropicana The Residences

## Property Gallery

4th Floor, South Block

Wisma Selangor Dredging, 142 A, Jalan Ampang

50450 Kuala Lumpur

Tel : +603 2166 1188/ +603 2162 1188

Email : enquiry@tropicana.com.my

Website : www.tropicana.com.my

Operating Hours : 10am - 7pm

(Monday - Sunday)

## Tropicana 218 Macalister (Penang)

## Property Gallery &amp; Show Unit

16, Jalan Anson

10400 Penang

Tel : +604 2105 888

Email : enquiry@tropicana.com.my

Website : www.tropicana218macalister.com.my

Operating Hours : 9:30am - 6:30pm

(Monday - Sunday)

## Penang WorldCity

## Property Gallery &amp; Show Unit

Persiaran Bayan Indah

11900 Bayan Lepas

Penang

Tel : +604 6596 888

Fax : +604 6553 888

Email : talk2us@penangworldcity.com

Website : www.penangworldcity.com

Operating Hours : 8:30am - 6pm

(Monday - Friday)

11am - 6pm

(Saturday & Sunday)

## Tropicana Danga Bay (Iskandar Malaysia)

## Property Gallery &amp; Show Unit

Lot PTB 22902, Teluk Danga

Jalan Persiaran Abu Bakar Sultan

80200 Johor Bahru, Johor

Tel : +607 234 1585

Email : enquiry@tropicana.com.my

Website : www.tropicana.com.my

Operating Hours : 9am - 6pm (Monday - Friday)

10am - 6pm (Saturday,

Sunday & Public Holiday)

## Tropicana Danga Cove (Iskandar Malaysia)

## Property Gallery &amp; Show Unit

Lot PTD 28845-28892

Taman Cahaya Kota Putri

Plentong, 81750 Masai

Johor

Tel : +607 386 3888

Website : www.tropicana.com.my

Operating Hours : 9am - 6pm (Monday - Friday)

10am - 6pm (Saturday,

Sunday & Public Holiday)

## CORPORATE DIRECTORY

## PROPERTY MANAGEMENT OFFICE

**Tropicana Management Services Sdn Bhd (TMS)****Property Management Office**

Jalan Kelab Tropicana  
Tropicana Golf & Country Resort  
47410 Petaling Jaya  
Selangor Darul Ehsan, Malaysia  
Tel : +603 7804 8888 (General Line)  
Ext: 513/557  
Fax : +603 7806 5044  
Email : tms@tropicana.com.my  
Office Hours : 9am - 6pm (Monday - Friday)  
9am - 1pm (Saturday)  
Closed (Sunday)

**Tropicana Grande**

Management Office, Level 1, Block A  
Block A, Tropicana Grande Condominiums  
No. 3 Persiaran Tropicana  
47410 Petaling Jaya  
Selangor Darul Ehsan, Malaysia  
Tel : +603 7610 0965/0968  
Fax : +603 7610 0966  
Email : tropicanagrande@tropicana.com.my  
Office Hours : 9am - 6pm (Monday - Friday)  
9am - 1pm (Saturday)  
Closed (Sunday)

**Tropicana Indah Sdn. Bhd.****Property Management Office**

Jalan Kelab Tropicana  
Tropicana Golf & Country Resort  
47410 Petaling Jaya  
Selangor Darul Ehsan, Malaysia  
Tel : +603 7804 8888  
Fax : +603 7806 5044  
Email : tisb@tropicana.com.my  
Office Hours : 9am - 6pm (Monday - Friday)  
9am - 1pm (Saturday)  
Closed (Sunday)

**Casa Tropicana Condominiums**

B-5-17, Block B  
Casa Tropicana  
No. 5 Jalan Persiaran Tropicana PJU 3  
Tropicana Golf & Country Resort  
47410 Petaling Jaya  
Selangor Darul Ehsan, Malaysia  
Tel : +603 7883 0982  
Fax : +603 7883 0292  
Email : casatropicana@tropicana.com.my  
Office Hours : 9am - 5.30pm (Monday - Friday)  
9am - 1pm (Saturday)  
Closed (Sunday)

**Tropicana Cheras**

No. 6, Jalan Tropicana Cheras 1  
Taman Tropicana Cheras  
43000 Kajang, Selangor  
Tel : +6013 2020 746  
Email : tropicanacheras@tropicana.com.my  
Office Hours : 9am - 5.30pm (Monday - Friday)  
9am - 1pm (Saturday)  
Closed (Sunday)

**Tropicana Heights**

Off Jalan P6/2  
43500 Semenyih, Kajang  
Selangor Darul Ehsan, Malaysia  
Tel : +6013 2020 746  
Email : sp.yap@tropicana.com.my/  
nurhafizah@tropicana.com.my  
Office Hours : 9am - 5.30pm (Monday - Friday)  
9am - 1pm (Saturday)  
Closed (Sunday)

**Tropicana Gardens**

Level 5, Residensi A  
Tropicana Gardens  
No 2A, Persiaran Surian  
Tropicana Indah  
47810 Petaling Jaya  
Selangor Darul Ehsan  
Malaysia  
Tel : +603 2714 6172  
Fax : +603 2714 6173  
Email : trop.gardens@tropicana.com.my  
Office Hours : 9am - 5.30pm (Monday - Friday)  
9am - 1pm (Saturday)  
Closed (Sunday)

**Tropicana Avenue**

LG-01 Lower Ground Floor  
Tropicana Avenue  
No. 12 Persiaran Tropicana  
Tropicana Golf & Country Resort, PJU3  
47410 Petaling Jaya  
Selangor Darul Ehsan  
Malaysia  
Tel : +603 8605 3608  
Fax : +603 8605 3618  
Email : trop.avenue@tropicana.com.my  
Office Hours : 9am - 5.30pm (Monday - Friday)  
9am - 1pm (Saturday)  
Closed (Sunday)

**Tropicana Development (Johor Bahru) Sdn Bhd**

Level 15, Menara MSC Cyberport  
No. 5, Jalan Bukit Meldrum  
80300 Johor Bahru, Johor Darul Takzim, Malaysia  
Tel : +607 2266 888  
Fax : +607 2272 788  
Office Hours : 9am - 6pm (Monday - Friday)  
Saturday - Sunday (Closed)

**Tropicana Danga Bay Sdn Bhd - Tropez Tropez Residences Management Office**

#G-03, Blok B, Tropez Residences  
Persiaran Danga Perdana  
80200 Johor Bahru, Johor  
Tel : +607 3005 000  
Email : enquiry@tropicana.com.my  
Operating Hours : 9am - 5.30pm  
(Monday - Friday)  
9am - 1pm (Saturday)  
Closed (Sunday)

## SCHOOL

**St Joseph's Institution International School Malaysia (Tropicana, PJ Campus)**

No. 1, Jalan PJU 3/13  
47400 Petaling Jaya  
Selangor Darul Ehsan, Malaysia  
Tel : +603 8605 3605  
Email : enquiries@sj-i-international.edu.my  
Office Hours : 7.30am - 4.30pm  
(Monday - Friday)  
Closed (Saturday-Sunday)

## NOTICE OF ANNUAL GENERAL MEETING

**NOTICE IS HEREBY GIVEN THAT** the 38th Annual General Meeting of Tropicana Corporation Berhad (“**Tropicana**” or “**the Company**”) will be held at Ballroom 1, Tropicana Golf & Country Resort, Jalan Kelab Tropicana, 47410 Petaling Jaya, Selangor Darul Ehsan, Malaysia on Tuesday, 30 May 2017 at 11.00 a.m. for the following purposes:-

### AS ORDINARY BUSINESSES

1. To receive the Audited Financial Statements for the year ended 31 December 2016 together with the Reports of the Directors and Auditors thereon. **Please see Note 8 below**
2. To re-elect the following Directors who retire by rotation in accordance with Article 97 of the Company’s Constitution and, being eligible, have offered themselves for re-election:-
  - 2.1 Dato’ Gan Nyap Liou @ Gan Nyap Liow **Ordinary Resolution 1**
  - 2.2 Datuk Tang Vee Mun **Ordinary Resolution 2**
3. To re-elect the following Director who retires in accordance with Article 103 of the Company’s Constitution and, being eligible, have offered himself for re-election:-
  - 3.1 Mr Mohd Najib Bin Abdul Aziz **Ordinary Resolution 3**
4. To note that Tan Sri Rastam Bin Mohd Isa, a Director who retires by rotation in accordance with Article 97 of the Company’s Constitution, has expressed his intention not to seek re-election. Hence, he will retain office until the close of the 38th Annual General Meeting of the Company.
5. To approve the payment of Directors’ fees amounting to RM795,913 in respect of the financial year ended 31 December 2016. **Ordinary Resolution 4**
6. To re-appoint Messrs Ernst & Young as Auditors of the Company until the conclusion of the next Annual General Meeting and to authorise the Directors to fix their remuneration. **Ordinary Resolution 5**

### AS SPECIAL BUSINESSES

To consider and if thought fit, to pass the following resolutions as Ordinary Resolutions, with or without modifications:-

7. **PROPOSED AUTHORITY FOR DIRECTORS TO ISSUE SHARES PURSUANT TO SECTIONS 75 AND 76 OF THE COMPANIES ACT 2016** **Ordinary Resolution 6**

“**RESOLVED THAT** pursuant to Sections 75 and 76 of the Companies Act 2016 and subject always to the Company’s Constitution, the Directors of the Company be and are hereby authorised to issue shares in the Company from time to time to such person(s) 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 issued pursuant to this resolution does not exceed 10% of the issued share capital (excluding treasury shares) of the Company for the time being and that the Directors be and are hereby also empowered to obtain the approval for the listing of and quotation for the additional shares so issued, on Bursa Malaysia Securities Berhad and that such approval shall continue to be in force until:-

- (a) the conclusion of the Annual General Meeting held next after this approval was given; or
- (b) the expiration of the period within which the next Annual General Meeting is required to be held after this approval was given; or
- (c) revoked or varied by ordinary resolution of the shareholders of the Company in a general meeting,

whichever is the earlier.”

## NOTICE OF ANNUAL GENERAL MEETING

## 8. PROPOSED RENEWAL OF AUTHORITY FOR THE COMPANY TO PURCHASE ITS OWN SHARES

## Ordinary Resolution 7

**“RESOLVED THAT** subject to Section 127 of the Companies Act 2016 (**“the Act”**), the Company’s Constitution, the Listing Requirements of Bursa Malaysia Securities Berhad and any other relevant authority, the Directors of the Company be and are hereby authorised to purchase its own shares through Bursa Malaysia Securities Berhad as may be determined by the Directors of the Company from time to time provided that:-

- (a) the aggregate number of shares, which may be purchased pursuant to this resolution, does not exceed 10% of the issued share capital of the Company at the time of purchase and further, provided that the Company continues to maintain a shareholding spread that is in compliance with the requirements of Bursa Malaysia Securities Berhad after the share purchase;
- (b) the maximum funds to be allocated by the Company for the purpose of purchasing its own shares shall not exceed the total retained profits of the Company at the time of purchase;
- (c) upon the completion of the purchases of the shares of the Company, the Directors of the Company be authorised to deal with those shares in the following manner:-
  - (i) cancel the shares so purchased; or
  - (ii) retain the shares so purchased as treasury shares; or
  - (iii) retain part of the shares so purchased as treasury shares and cancel the remainder; or
  - (iv) distribute the treasury shares as dividend to shareholders and/or resell them on Bursa Malaysia Securities Berhad and/or cancel all or part of them; or

in any other manner as prescribed by the Act, rules, regulations and orders made pursuant to the Act and the requirements of Bursa Malaysia Securities Berhad and any other relevant authority for the time being in force;
- (d) the authority conferred by this resolution will commence immediately after the conclusion of this Annual General Meeting and will continue to be in force until:-
  - (i) the conclusion of the Annual General Meeting held next after this approval was given, unless the authority is renewed, either conditionally or unconditionally, by ordinary resolution passed at that meeting; or
  - (ii) the expiration of the period within which the next Annual General Meeting is required to be held after this approval was given; or
  - (iii) revoked or varied by ordinary resolution of the shareholders of the Company in a general meeting;

whichever occurs first,

**AND THAT** the Directors of the Company be authorised to take all such steps as are necessary or expedient to implement or to give effect to the purchases of the shares of the Company with full power to assent to any conditions, modifications, variations and/or amendments (if any) as may be imposed or permitted by the relevant authorities and/or deem fit by the Directors in the best interest of the Company.”

## NOTICE OF ANNUAL GENERAL MEETING

9. **PROPOSED RENEWAL OF AUTHORITY TO ALLOT AND ISSUE ORDINARY SHARES IN TROPICANA ("TROPICANA SHARES") FOR THE PURPOSE OF TROPICANA'S DIVIDEND REINVESTMENT SCHEME THAT PROVIDES SHAREHOLDERS OF TROPICANA THE OPTION TO ELECT TO REINVEST THEIR CASH DIVIDEND ENTITLEMENTS INTO NEW ORDINARY SHARES OF TROPICANA**

**Ordinary Resolution 8**

**"RESOLVED THAT** pursuant to the Dividend Reinvestment Scheme ("**DRS**") as approved by the shareholders of the Company at the 34th Annual General Meeting of the Company held on 28 June 2013 and renewed in subsequent annual general meetings, approval be and is hereby given to the Company to allot and issue such number of new Tropicana Shares for the DRS from time to time as may be required to be allotted and issued pursuant to the DRS until the conclusion of the next Annual General Meeting upon such terms and conditions and to such persons as the Directors, may in their absolute discretion, deem fit and in the best interest of the Company PROVIDED THAT the issue price of the said new Tropicana Shares shall be fixed by the Directors at a discount of not more than ten percent (10%) to the five (5)-day volume weighted average market price ("**VWAMP**") of Tropicana Shares immediately prior to the price-fixing date, of which the VWAMP shall be adjusted ex-dividend before applying the aforementioned discount in fixing the issue price.

**AND THAT** the Directors of the Company be and are hereby authorised to do all such acts and enter into all such transactions, arrangements, deeds, undertakings and documents as may be necessary or expedient in order to give full effect to the DRS with full power to assent to any conditions, modifications, variations and/or amendments to the terms of the DRS as may be imposed or agreed to by any relevant authorities or consequent upon the implementation of the said conditions, modifications, variations and/or amendments by the Directors as they may in their absolute discretion deem fit, necessary and/or expedient in the best interest of the Company."

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

By order of the Board  
TROPICANA CORPORATION BERHAD (47908-K)

TEH PENG PENG (MAICSA 7021299)  
Company Secretary

Petaling Jaya  
28 April 2017

**Notes:-**

**Members who may be present and voting at the meeting**

- For the purpose of determining members who shall be entitled to attend this 38th Annual General Meeting, the Company shall be requesting Bursa Malaysia Depository Sdn Bhd to issue a Record of Depositors as at 23 May 2017 in accordance with Article 62(3) of the Company's Constitution and Section 34(1) of the Securities Industry (Central Depositories) Act 1991. Only depositors whose names appear in such Record of Depositors shall be entitled to attend and vote at the meeting.

**Appointment of proxy or proxies**

- A member of the Company shall be entitled to appoint another person as his proxy to exercise all or any of his rights to attend, participate, speak and vote at the 38th Annual General Meeting. A proxy may but need not be a member of the Company. There is no restriction as to the qualification of proxy.
- Where a member is an authorised nominee as defined under the Securities Industry (Central Depositories) Act 1991, it may appoint at least one (1) proxy in respect of each securities account it holds with ordinary shares of the Company standing to the credit of the said securities account.
- Where a member of the Company is an exempt authorised nominee (as defined under the Securities Industry (Central Depositories) Act 1991), which holds ordinary shares in the Company for multiple beneficial owners in one securities account ("**Omnibus Account**"), there is no limit to the number of proxies which the exempt authorised nominee may appoint in respect of each Omnibus Account it holds.
- Where more than (1) proxy is appointed to attend and vote at the meeting, the proportion of shareholdings to be represented by each proxy must be specified in the instrument appointing the proxies, failing which, the appointment shall be invalid.
- The instrument appointing a proxy must be in writing under the hands of the appointer or of his attorney duly authorised in writing or, if the appointer is a corporation either under its common seal or under the hand of its officer(s) or its duly authorised attorney.

## NOTICE OF ANNUAL GENERAL MEETING

7. To be valid, the instrument appointing a proxy and the power of attorney or other authority, if any, under which it is signed or a notarially certified copy of that power or authority must be completed and deposited at the Company's Registered Office situated at Lot LG-A1, Lower Ground Floor, Tropicana City Mall, No. 3, Jalan SS 20/27, 47400 Petaling Jaya, Selangor Darul Ehsan, Malaysia not less than 48 hours before the time set for holding the meeting or at any adjournment thereof.

### Agenda 1 – Laying of audited financial statements and reports of the Directors and Auditors

8. In accordance with Section 340(1)(a) of the Companies Act 2016, the Company is required to lay the audited financial statements and the reports of the Directors and Auditors thereon at its Annual General Meeting. Article 67 of the Company's Constitution specifies that one of the ordinary businesses to be transacted at an annual general meeting of the Company is to consider and to adopt the audited financial statements and the reports of the Directors and Auditors thereon. As such, the agenda item no. 1 above is not a business which requires a resolution to be put to vote by the shareholders. This agenda item is for discussion and receipt only.

### Agenda 5 – Approval for fees of Directors

#### Proposed Ordinary Resolution 4

9. Pursuant to Section 230(1) of the Companies Act 2016, which came into force on 31 January 2017, the fees of the directors and any benefits payable to the directors including any compensation for loss of employment of a director or former director of a public company shall be approved at a general meeting.

The Company intends to seek shareholders' approval on the amount of benefits payable based on services rendered for the financial year ending 31 December 2017 ("FY2017") at the next Annual General Meeting of the Company, instead of obtaining pre-approval of up to a certain limit of benefits payable. It is noted that in obtaining such pre-approval of up to a certain limit, the variables to be considered for meeting attendance allowance are basically the number of scheduled meetings for the Board and Board Committees and the number of Directors involved in these meetings. The unforeseen factors could be the changes in the size of the Board and Board Committees, the setting up of new Board Committees or the dissolution thereof and more than expected meetings to be held. Other than meeting attendance allowance, the Company will also have to consider any other types of benefits payable for the FY2017 in due course.

## EXPLANATORY NOTES ON SPECIAL BUSINESSES

### Proposed Ordinary Resolution 6

#### Proposed authority for Directors to issue shares pursuant to Sections 75 and 76 of the Companies Act 2016

10. The general mandate sought by the Company under the proposed Ordinary Resolution 6 is to renew the previous general mandate granted to the Directors at the 37th Annual General Meeting held on 26 May 2016 to issue shares pursuant to Section 132D of the Companies Act, 1965, which has since been replaced by Sections 75 and 76 of the Companies Act 2016. As at the date of this notice, no new shares in the Company were issued under the previous general mandate, which will lapse at the conclusion of the 38th Annual General Meeting and hence, no proceeds raised therefrom.

The proposed Ordinary Resolution 6, if passed, will empower the Directors of the Company to allot and issue not more than 10% of the Company's total issued share capital speedily without having to convene a general meeting. This authority, unless revoked or varied by the Company in general meeting, will expire at the conclusion of the 39th Annual General Meeting of the Company.

Instances for which the Company may issue new shares under this general mandate include but not limited to the purpose(s) of complying with public shareholding spread requirements and raising funds through private placement for purposes of working capital requirement and/or allowing the entry of strategic partners.

### Proposed Ordinary Resolution 7

#### Proposed renewal of authority for the Company to purchase its own shares

11. The proposed Ordinary Resolution 7, if passed, will renew the shareholders' mandate for the Company to purchase up to 10% of the issued share capital of the Company. This authority, unless revoked or varied by the Company at a general meeting, will expire at the conclusion of the 39th Annual General Meeting.

Further information on this proposal is set out in the Share Buy-Back Statement to Shareholders dated 28 April 2017, which is despatched together with the Company's Annual Report 2016.

### Proposed Ordinary Resolution 8

#### Proposed renewal of authority to allot and issue ordinary shares in Tropicana ("Tropicana Shares") for the purpose of Tropicana's Dividend Reinvestment Scheme ("DRS") that provides shareholders of Tropicana the option to elect to reinvest their cash dividend entitlements into new ordinary shares of Tropicana

12. The proposed Ordinary Resolution 8, if passed, will empower the Directors of the Company to allot and issue new ordinary shares in the Company in respect of dividends to be declared, if any, under the DRS. This authority, unless revoked or varied by the Company at a general meeting, will expire at the conclusion of the 39th Annual General Meeting.

## STATEMENT ACCOMPANYING THE NOTICE OF ANNUAL GENERAL MEETING

Pursuant to paragraph 8.27(2) of the Main Market Listing Requirements of Bursa Malaysia Securities Berhad, the notice convening an annual general meeting is to be accompanied by a statement furnishing details of individuals who are standing for election as director. This requirement excludes directors who are standing for re-election.

No individual is standing for election as Director at the 38th Annual General Meeting of the Company.

## PROXY FORM

I/ We:

Full name (in block capitals):	CDS account no.:	No. of shares held:
Address:	NRIC/ Passport/ Company no.:	Contact no.:

being a member of TROPICANA CORPORATION BERHAD, do hereby appoint:

Full name (in block capitals):	NRIC/ Passport no.:	Proportion of shareholdings	
		No. of shares	%
Address:			

AND/ OR (please delete as appropriate)

Full name (in block capitals):	NRIC/ Passport no.:	Proportion of shareholdings	
		No. of shares	%
Address:			

OR failing him, the Chairman of the meeting as my/our proxy to vote for me/us on my/our behalf at the 38th Annual General Meeting of the Company to be held at **Ballroom 1, Tropicana Golf & Country Resort, Jalan Kelab Tropicana, 47410 Petaling Jaya, Selangor Darul Ehsan** on **Tuesday, 30 May 2017** at **11.00 a.m.** or any adjournment thereof.

NO.	RESOLUTIONS	FOR	AGAINST
1.	To re-elect Dato' Gan Nyap Liou @ Gan Nyap Liow as Director.		
2.	To re-elect Datuk Tang Vee Mun as Director.		
3.	To re-elect Mr Mohd Najib Bin Abdul Aziz as Director.		
4.	To approve the payment of Directors' fees for the financial year ended 31 December 2016.		
5.	To re-appoint Messrs Ernst & Young as Auditors and to authorise the Directors to fix their remuneration.		
6.	To authorise Directors to issue shares of up to 10% of the issued capital for the time being pursuant to Sections 75 and 76 of the Companies Act 2016.		
7.	To renew the authority for the Company to purchase its own shares.		
8.	To renew the authority to issue shares for the purpose of the Dividend Reinvestment Scheme.		

Please indicate with an "X" or "V" in the appropriate column how you wish your votes to be cast. In the absence of specific directions, your proxy will vote or abstain from voting at his discretion.

Signature/Seal of Shareholder(s)

Date

Notes:-

Members who may be present and voting at the meeting

1. For the purpose of determining members who shall be entitled to attend this 38th Annual General Meeting, the Company shall be requesting Bursa Malaysia Depository Sdn Bhd to issue a Record of Depositors as at 23 May 2017 in accordance with Article 62(3) of the Company’s Constitution and Section 34(1) of the Securities Industry (Central Depositories) Act 1991. Only depositors whose names appear in such Record of Depositors shall be entitled to attend and vote at the meeting.

Appointment of proxy or proxies

2. A member of the Company shall be entitled to appoint another person as his proxy to exercise all or any of his rights to attend, participate, speak and vote at the 38th Annual General Meeting. A proxy may but need not be a member of the Company. There is no restriction as to the qualification of proxy.
3. Where a member is an authorised nominee as defined under the Securities Industry (Central Depositories) Act 1991, it may appoint at least one (1) proxy in respect of each securities account it holds with ordinary shares of the Company standing to the credit of the said securities account.
4. Where a member of the Company is an exempt authorised nominee (as defined under the Securities Industry (Central Depositories) Act 1991), which holds ordinary shares in the Company for multiple beneficial owners in one securities account (“**Omnibus Account**”), there is no limit to the number of proxies which the exempt authorised nominee may appoint in respect of each Omnibus Account it holds.
5. Where more than (1) proxy is appointed to attend and vote at the meeting, the proportion of shareholdings to be represented by each proxy must be specified in the instrument appointing the proxies, failing which, the appointment shall be invalid.
6. The instrument appointing a proxy must be in writing under the hands of the appointer or of his attorney duly authorised in writing or, if the appointer is a corporation either under its common seal or under the hand of its officer(s) or its duly authorised attorney.
7. To be valid, the instrument appointing a proxy and the power of attorney or other authority, if any, under which it is signed or a notarially certified copy of that power or authority must be completed and deposited at the Company’s Registered Office situated at Lot LG-A1, Lower Ground Floor, Tropicana City Mall, No. 3, Jalan SS 20/27, 47400 Petaling Jaya, Selangor Darul Ehsan, Malaysia not less than 48 hours before the time set for holding the meeting or at any adjournment thereof.

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AFFIX  
STAMP

THE COMPANY SECRETARY  
TROPICANA CORPORATION BERHAD (47908-K)  
Lot LG-A1, Lower Ground Floor  
Tropicana City Mall  
No. 3, Jalan SS 20/27  
47400 Petaling Jaya  
Selangor Darul Ehsan  
Malaysia

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