GLOMAC

ANNUAL REPORT 2019



35th Annual General Meeting

Date : Wednesday, 23 October 2019

Time : 11.00 a.m.

Place : Dewan Perdana, Bukit Kiara Equestrian & Country Resort, Jalan Bukit Kiara, Off Jalan Damansara, 60000 Kuala Lumpur

vision



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

mission

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

forward

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

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





02 Corporate Profile

03 Corporate Information

04 Corporate Structure

06 Board of Directors' Profiles

13 Key Senior Management Profile

14 5-Year Financial Highlights

16 Sustainability Report

30 Group Executive Chairman's Statement
Kenyataan Pengerusi Eksekutif Kumpulan

34 Awards and Recognition

CONTENTS

36 Management Discussion & Analysis

49 Corporate Governance Overview Statement

58 Statement On Risk Management And Internal Control

65 Audit Committee Report

67 Financial Statements

174 Additional Compliance Information

176 List of Top 10 Properties And Development Properties

178 Analysis of Shareholdings

181 Notice of 35th Annual General Meeting & Administrative Details

Proxy Form



corporate PROFILE

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

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

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

To-date, the Group has completed more than a total sales value over RM8.8 billion and moving forward Glomac is in the midst of launching more than RM900 million worth of properties.

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

CORPORATE INFORMATION

Board Of Directors

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

Datuk Richard Fong Loong Tuck / *Group Executive Vice-Chairman*

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

Dato' Ikhwan Salim bin Dato' Haji Sujak / *Senior Independent Non-Executive Director*

Datuk Ali bin Abdul Kadir / *Independent Non-Executive Director*

Shan Choo / *Independent Non-Executive Director*

AUDIT COMMITTEE

Datuk Ali bin Abdul Kadir
Chairman

Dato' Ikhwan Salim bin Dato' Haji Sujak
Member

Shan Choo
Member

NOMINATION COMMITTEE

Dato' Ikhwan Salim bin Dato' Haji Sujak
Chairman

Datuk Ali bin Abdul Kadir
Member

Shan Choo
Member

REMUNERATION & ESS COMMITTEE

Dato' Ikhwan Salim bin Dato' Haji Sujak
Chairman

Datuk Ali bin Abdul Kadir
Member

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

Shan Choo
Member

COMPANY SECRETARIES

Ong Shaw Ching
MIA 7819

Izreen Fara binti Ismail
MAICSA 7056436

Chua Siew Chuan
MAICSA 0777689

Chin Mun Yee
MAICSA 7019243

REGISTRAR

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

PRINCIPAL BANKERS

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

REGISTERED OFFICE

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

AUDITOR

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

STOCK EXCHANGE

Main Market of Bursa Malaysia
Stock Code: 5020

WEBSITE

www.glomac.com.my

CORPORATE STRUCTURE

Property Development & Investment

100%	**Anugerah Armada Sdn. Bhd.** Lot 13720, Pekan Kayu Ara
100%	**Dunia Heights Sdn. Bhd.** Proposed Residential Development in Sg. Buloh
100%	**Elmina Equestrian Centre (Malaysia) Sdn. Bhd.** Saujana Utama V, Sg. Buloh
100%	**Glomac Alliance Sdn. Bhd.** Lakeside Residences, Puchong
100%	**Glomac Consolidated Sdn. Bhd.** Bukit Saujana, Sg. Buloh
100%	**Glomac City Sdn. Bhd.** Plaza Glomac, Kelana Jaya
100%	**Glomac Damansara Sdn. Bhd.** Glomac Damansara, Kuala Lumpur
100%	**Glomac Enterprise Sdn. Bhd.** Sungai Buloh Country Resort, Sg. Buloh
100%	**Glomac Realty Sdn. Bhd.**
100%	**Glomac Jaya Sdn. Bhd.** Glomac Cyberjaya, Cyberjaya
100%	**Glomac Maju Sdn. Bhd.** Suria Residen, Cheras
100%	**Glomac Rawang Sdn. Bhd.** Saujana Rawang, Rawang
100%	**Glomac Regal Sdn. Bhd.** Suria Stonor, Kuala Lumpur
100%	**Glomac Resources Sdn. Bhd.** Glomac Galleria, Kuala Lumpur
100%	**Glomac Segar Sdn. Bhd.** Plaza@Kelana Jaya
100%	**Glomac Sutera Sdn. Bhd.** Sri Saujana, Kota Tinggi, Johor
100%	**Glomac Vantage Sdn. Bhd.** Taman Mahkota Laksamana, Seksyen III, Melaka
100%	**Kelana Centre Point Sdn. Bhd.** Kompleks Kelana Centre Point, Kelana Jaya
100%	**Precious Quest Sdn. Bhd.** Saujana Jaya, Kulai, Johor
100%	**Regency Land Sdn. Bhd.** Saujana Utama III, Sg Buloh & Saujana Aman
51%	**Glomac Al Batha Sdn. Bhd.** Glomac Tower (now known as Menara Prestige), Kuala Lumpur
51%	**Glomac Al Batha Mutiara Sdn. Bhd.** Reflection Residences, Mutiara Damansara
100%	**Glomac Kristal Sdn. Bhd.** Glomac Centro, Petaling Jaya
100%	**FDM Development Sdn. Bhd.** Proposed Residential Development: 121 Residences, Petaling Jaya
100%	**Berapit Properties Sdn. Bhd.** Glomac Cyberjaya 2, Cyberjaya
100%	**Kelana Kualiti Sdn. Bhd.** Saujana Perdana, Sg. Buloh
100%	**Magical Sterling Sdn. Bhd.** Saujana KLIA, Dengkil
100%	**Glomac Nusantara Sdn. Bhd.** Dataran Glomac, Kelana Jaya

Other Activities

Property Investment

100%	**Bangi Integrated Corporation Sdn. Bhd.** Plaza Kelana Jaya, Phase II, Kelana Jaya
100%	**Berapit Pertiwi Sdn. Bhd.** Suria Stonor, Kuala Lumpur
60%	**Glomac Utama Sdn. Bhd.** Worldwide Business Park

Investment Holdings

100%	**Glomac Restaurants Sdn. Bhd.**
100%	**Glomac Australia Pty Ltd.**
85.7%	**Glomac Power Sdn. Bhd.**
30%	**Irama Teguh Sdn. Bhd.** (held through PPC Glomac Sdn. Bhd.)

Car Park Operations and Management

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

Property Management Services

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

Property Investment and Mall Management

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

Property Development, Investment Holding and Project Management

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

Building Contractor

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

Trustee Management

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

Dormant

100%	**Berapit Development Sdn. Bhd.**
100%	**BH Interiors Sdn. Bhd.**
100%	**Glomac Land Sdn. Bhd.**
100%	**Glomac Leisure Sdn. Bhd.**
100%	**Glomac Real Estate Sdn. Bhd.**
100%	**Kelana Seafood Centre Sdn. Bhd.**
100%	**Magic Season Sdn. Bhd.**
100%	**Magnitud Teknologi Sdn. Bhd.**
100%	**OUG Square Sdn. Bhd.**
100%	**Prisma Legacy Sdn. Bhd.**
100%	**Prima Sixteen Sdn. Bhd.**
100%	**Sungai Buloh Country Resort Sdn. Bhd.**
100%	**Glomac Thailand Sdn. Bhd.**
70%	**FDA Sdn. Bhd.**
60%	**Glomac Excel Sdn. Bhd.**
100%	**Glomac Cekap Sdn. Bhd.**

BOARD OF DIRECTORS' PROFILES



TAN SRI DATO' MOHAMED MANSOR BIN FATEH DIN

Group Executive Chairman

79, Male, Malaysian

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

Tan Sri Dato' FD Mansor has extensive experience in the property development business through his involvement in the industry for more than 30 over years. He was the Honorary Secretary of the Selangor Chapter of Malay Chamber of Commerce and Industry from 1987 to 1995. He was also on the Advisory Council of Iqra Foundation.

He was awarded the Selangor Entrepreneur of the Year 1995 by the Malay Chamber of Commerce and Industry, Selangor Chapter in recognition of his contributions to the state. In September 2005, he was awarded the prestigious "Property Man of the Year" by FIABCI Malaysia. Being a genuine Malay businessman and entrepreneur, he was presented the award of "Anugerah Usahasama Tulen" by the Malay Chamber of Commerce, Malaysia in June 2008.

In June 2011, Tan Sri Dato' FD Mansor was bestowed with the "Jewels of Muslim World 2011" award in recognition of his achievements and contributions in the Muslim World. In October 2013, Tan Sri Dato' FD Mansor was conferred the prestigious Brand Laureate - Premier Brand Icon Leadership 2013 in the Brand Laureate Icon Award 2013 for his illustrious career as one of Malaysia's top business entrepreneurs and corporate leaders. The annual Brand Laureate Award provides recognition to inspirational leaders who dedicate their lives and profession to the country.

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

Tan Sri Dato' FD Mansor attended all five (5) board meetings of the Company held during the financial year ended 30 April 2019.



DATUK RICHARD FONG LOONG TUCK

Group Executive Vice Chairman

68, Male, Malaysian

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

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

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

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

Datuk Richard attended all five (5) board meetings of the Company held during the financial year ended 30 April 2019.



DATUK SERI FATEH ISKANDAR BIN TAN SRI DATO' MOHAMED MANSOR

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

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

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

Thereafter, Datuk Seri FD Iskandar began rising up the corporate ladder, starting out as a Corporate Manager for Kumpulan Perangsang Selangor Berhad (KPS) before leaving KPS in 1992 to join Glomac Berhad as a General Manager for Business Development. By 1997, Datuk Seri FD Iskandar was appointed to the board as Glomac's Executive Director, a position he held for seven years before assuming his current role of Group Managing Director/Chief Executive Officer. Currently, Datuk Seri FD Iskandar is one of the Directors on the Board of Construction Industry Development Board Malaysia (CIDB) and has also been appointed as the Chairman of the Construction Research Institute of Malaysia (CREAM) from June 2019. In addition to that, he also sits on the Board Member of Axis-REIT Managers Berhad, the first REITs company to be listed on Bursa Malaysia. Moreover, he has been a member of the City Advisory Board for Dewan Bandaraya Kuala Lumpur (DBKL) since 2014. He is also the Immediate Past President of REHDA Malaysia (Real Estate and Housing Developers' Association Malaysia) from 2018 until 2020.

Datuk Seri FD Iskandar was the President of REHDA Malaysia (Real Estate and Housing Developers' Association Malaysia) for 2 terms from 2014 until 2018 and he was formerly the Chairman of REHDA Selangor for 2 terms from 2006 to 2010. He has also served as the Chairman of the Special Taskforce to Facilitate Business (PEMUDAH), specializing in legal matters. Datuk Seri FD Iskandar has served as an Independent Director of Telekom Malaysia (TM) from 2013 until 2018. TM is Malaysia's broadband champion and leading integrated information and communications. He was the Chairman of VADS Berhad; a wholly-owned subsidiary of Telekom Malaysia Berhad which services the IT and telecommunications industries from 2017 until 2018.

Datuk Seri FD Iskandar was also the Group Chairman of the Media Prima Group, the largest incorporated media company in South East Asia, for 8 years in various capacities until 2017. He was appointed to the Board in 2009 and was also the Chairman of the Nomination & Remuneration Committee and Risk Management Committee of Media Prima. His presence also extends to being a Director of New Straits Times Press (Malaysia) Berhad from 2009 until 2015, the most established publisher in Asia with three main newspapers and a string of established magazines.

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

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

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

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

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

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

Datuk Seri FD Iskandar was honoured under the special recognition awards category by Des Prix Infinitus ASEAN Property Awards Malaysia 2018-2019 whereby he was awarded the Prestigious Leadership Excellence Award in March 2019. In May 2019, The Property Insight Prestigious Developer Awards (PIPDA) 2019 presented the Best Industry Leadership award to Datuk Seri FD Iskandar in recognition of his long-time leadership in the property industry.

Datuk Seri FD Iskandar attended all five (5) board meetings of the Company held during the financial year ended 30 April 2019.



DATO' IKHWAN SALIM BIN DATO' HAJI SUJAK

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

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

Currently, Dato' Ikhwan runs his private business namely Konsortium Jaringan Selangor Sdn Bhd. He is the Non-Executive Chairman of Malaysia Steel Works (KL) Berhad and Independent Non-Executive Director of Land and General Berhad.

Dato' Ikhwan Salim attended all five (5) board meetings of the Company held during the financial year ended 30 April 2019.



DATUK ALI BIN ABDUL KADIR

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

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

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

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

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

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

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

Datuk Ali attended all five (5) board meetings of the Company held during the financial year ended 30 April 2019.

Board of Directors' Profiles



SHAN CHOO

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

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

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

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

Shan Choo then joined CLSA Malaysia in 1999, firstly as an analyst covering banks and conglomerates. She subsequently led an award-winning research team for six years as Head of Research before moving on as Head of Sales in 2006 when CLSA Malaysia was awarded a full stockbroking licence. She was appointed the Country Head and was the principal officer for CLSA Group's operations in Malaysia in 2007. In August 2015, she was appointed as Chairman of CLSA Malaysia and on her retirement in December 2016, she was made an advisor. She sat on the Board of RHB Asset Management Sdn Bhd and RHB Islamic International Asset Management Bhd until her resignation as a Board member in 2018. Shan Choo was appointed a Board member of Sapura Upstream Sdn Bhd, a subsidiary company within the Sapura Group, on 20 July 2018.

Shan Choo attended all five (5) board meetings of the Company held during the financial year ended 30 April 2019.

Additional information of the Directors:

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

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

   i. *Any family relationship with any directors/major shareholders of the Company;*
   ii. *Any conflict of interest with the Company;*
   iii. *Any conviction for offences within the past five years other than traffic offences; and*
   iv. *Any public sanction or penalty imposed by the relevant regulatory bodies during the financial year ended 30 April 2019.*

KEY SENIOR MANAGEMENT PROFILE

ONG SHAW CHING

Aged 54, Male, Malaysian
Chief Operating Officer

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

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

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

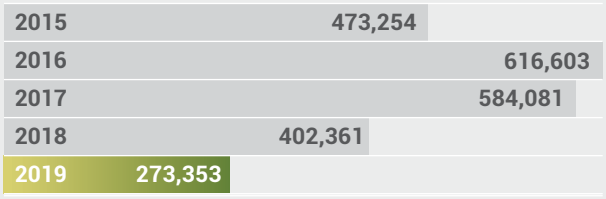
In 1994, he moved on to be the Financial Controller of a Hong Kong based group of companies involved in manufacturing and trading before joining Glomac in 1996.

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

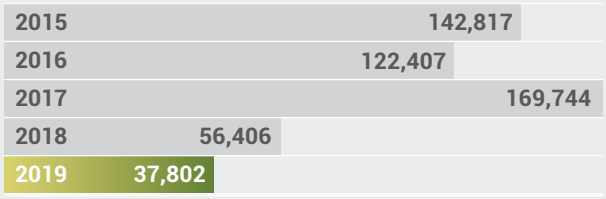
i. Has directorships in other public companies and listed issuers;
ii. Has any family relationship with any directors/major shareholders of the Company;
iii. Has any conflict of interest with the Company;
iv. Has any conviction for offences within the past five years other than traffic offences; and
v. Has any public sanction or penalty imposed by the relevant regulatory bodies during the financial year ended 30 April 2019.

5-YEAR FINANCIAL HIGHLIGHTS

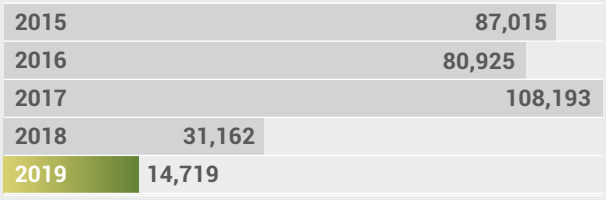
Revenue
RM'000



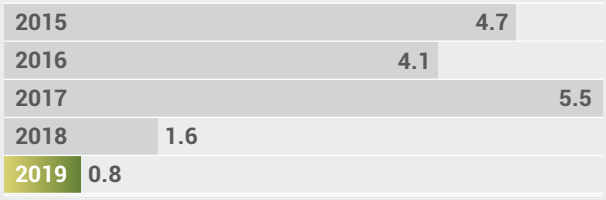
Profit Before Tax
RM'000



Profit attributable to owners of the company
RM'000



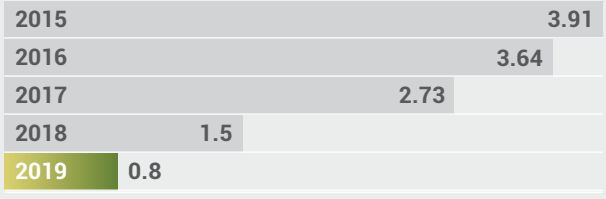
Return on total assets
%



Basic earnings per share
SEN



Net dividend per share
SEN



	2019	2018	2017	2016	2015
	RM'000	**RM'000 (Restated)**	**RM'000 (Restated)**	**RM'000**	**RM'000**
Revenue	273,353	402,361	584,081	616,603	473,254
Profit Before Tax and Exceptional Item	37,802	56,406	169,744	122,407	142,817
Profit Before Tax	37,802	56,406	169,744	122,407	142,817
Income Tax Expense	(23,083)	(22,876)	(60,535)	(36,747)	(47,266)
Profit for the year	14,719	33,530	109,209	85,660	95,551
Profit Attributable to : Owners of the Company	14,719	31,162	108,193	80,925	87,015
Non-controlling Interest	-	2,368	1,016	4,735	8,536
	14,719	**33,530**	**109,209**	**85,660**	**95,551**
Assets and Equity					
Total Assets Employed	1,899,692	1,918,811	1,970,670	1,981,330	1,870,328
Paid-up Share Capital	418,632	418,632	418,632	363,911	363,911
Equity Attributable to Owners of the Company	1,090,748	1,092,286	1,074,644	991,938	938,945
Return on Shareholders' Funds Attributable To Owners of the Company	1.3%	2.9%	10.1%	8.2%	9.3%
Return On Total Assets	0.8%	1.6%	5.5%	4.1%	4.7%
Share Information					
Basic Earnings Per Share Attributable to Owners of the Company (Sen)	1.9	3.9	13.6	10.2	10.9
Net Assets Per Share Attributable to Owners of the Company (RM)	1.40	1.38	1.35	1.25	1.19
Net Dividend Per Share (Sen)	0.8	1.5	2.73	3.64	3.91

Note:

Comparative has been restated to take into account the effects of adoption of MFRS 15 and MFRS 9 in the financial year ended 30 April 2019.

SUSTAINABILITY REPORT

ABOUT THIS SUSTAINABILITY STATEMENT

Glomac Berhad ("Glomac" or "the Company") is pleased to present our second Sustainability Statement that highlights the Company's sustainability initiatives and strategies that cover Glomac Berhad and its subsidiaries ("the Group") in the property development and construction industries for the financial year ended 30 April 2019 ("FY 2019").

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

The scope of this Sustainability Statement covers Menara Glomac, our corporate headquarters, and our business operations throughout Peninsular Malaysia.

SUSTAINABILITY STRATEGY

We are committed to driving responsible and sustainable business practices throughout our organisation. Strategies and initiatives are implemented with a goal to maximise our business performance with regards to expanding our development portfolio, building sustainable investment assets and creating reputable long term relationships with our stakeholders.

CORPORATE VISION

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

CORPORATE MISSION

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

SUSTAINABILITY GOALS

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

We embed our sustainability strategy across our business operations to continuously improve our sustainability development. Participation by our employees, including top Management, is highly encouraged as it is vital towards sustaining the business and making continuous improvements.

SUSTAINABILITY GOVERNANCE STRUCTURE

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

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

SSC

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

SWC

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



ASSESSING OUR MATERIAL ISSUES

We have identified key material issues that directly impact the Group's business activities. The material issues are ranked accordingly by conducting an internal assessment involving the SSC and SWC members as illustrated below.

1 IDENTIFICATION

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

2 APPROVAL

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

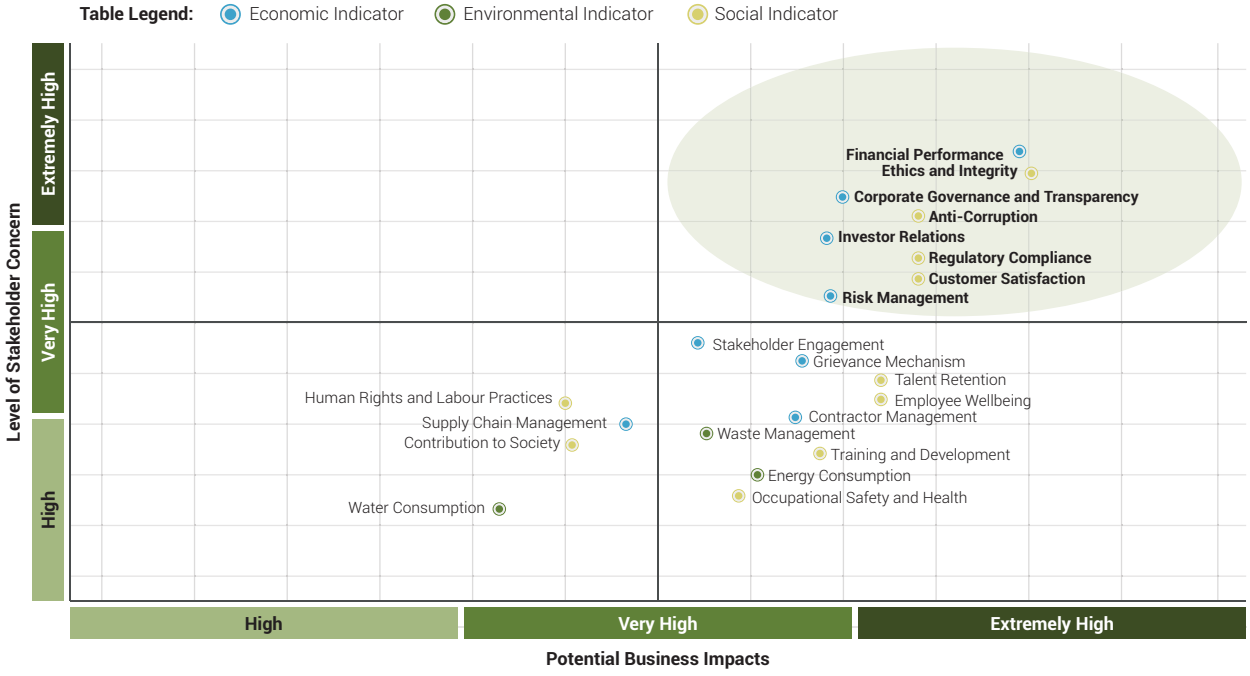
The approved material issues were prioritised based on the degree of impact each individual issue would have on our business operations and its level of concern to our stakeholders.

3 RANKING

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

Sustainability Report

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



The Group's risk profile is assessed by the Management and Internal Audit periodically and presented to the Audit Committee accordingly.

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

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

ENGAGING WITH OUR STAKEHOLDERS

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

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

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

MARKETPLACE : DEVELOPING A SUSTAINABLE ECONOMY

Corporate Governance and Compliance

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

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

MCCG Principles

Principle A
Board Leadership and Effectiveness Board Leadership

Principle B
Effective Audit and Risk Management Effective Audit

Principle C
Integrity in Corporate Reporting and Meaningful Relationship with Stakeholders

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

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

We assure our stakeholders that our business operations adhere to and are in compliance with all Malaysian laws and regulations applicable to the business.

Code of Ethics and Conduct

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

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

Whistleblowing Policy

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

Complying with Minimum Wage Order 2018

Malaysia's Minimum Wage Order 2018 stipulates that every employee hired by a company should be paid at an average minimum wage of not less than RM1,100 per month in through out the country. We comply with this Minimum Wage Order as it ensures the standard entry level wage offered is fair and equal for both men and women.

Hiring from Local Communities



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

Keeping in mind Malaysia's cultural diversity, we only employ Malaysians for our senior management positions.

Investing in Local Infrastructure

Our corporate headquarters and townships are established in areas that are well served by public services such as public utilities, local infrastructure and amenities. To better serve our stakeholders and the general public, we invested towards improving accessibility to these public services. All of the Glomac townships are planned and equipped with the local surrounding community in mind. Brick walkways are constructed surrounding the township premises to provide accessibility and associability to all township tenants. Lands were allocated for schools, houses of worship, community centres as well as hawker centres for the local community.

We recognise that nature is an important aspect of our township planning. With that in mind, an 8-acre recreational park equipped with a football field, basketball court and children's playground was put in place in Saujana KLIA to facilitate social interactions within the township community. In Sri Saujana and Saujana Kulai, recreational areas are dotted within the enclave.

MENARA GLOMAC

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

GLOMAC DAMANSARA

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

LAKESIDE RESIDENCES

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

GLOMAC CENTRO

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

REFLECTION RESIDENCES

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

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

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

We also recognise that there is a need for affordable housing. In addressing this, we are able to provide affordable housing scheme via the Rumah SelangorKu and Rumah Mampu Milik Johor, which are built within our development plans. The housing units in the Rumah SelangorKu for Saujana Perdana area are complemented with community facilities, such as a kindergarten, community hall, rubbish collection area and security guardhouses.

Spending on Local Suppliers

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

In our Saujana Perdana township, local contractors are hired to maintain the township security and rubbish collection. The Saujana KLIA township engages approximately 80% of local suppliers to carry out works throughout the township. The Johor Development Division for our Sri Saujana and Saujana Jaya Projects have engaged only local suppliers. We pride ourselves on this achievement knowing that we have contributed to the local economy in the localities we operate in and we aim to continue this practice in the years to come.

Ensuring Product Quality and Customer Satisfaction

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

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

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

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

Our customers are ensured of a pleasant living experience at our township and non-township developments. We have different avenues to facilitate customer feedback. A majority of feedback received is via the Glomac website, which serves as the primary grievance reporting mechanism. This allows our stakeholders and the general public to utilise this channel accordingly.

Contribution to the Industry

In our contribution towards developing a sustainable economy, we also participate in industrial associations, such as the following:-

- Real Estate and Housing Developers' Association Malaysia ("REHDA")
- FIABCI Malaysia
- Construction Industry Development Board ("CIDB")



ENVIRONMENT : DEVELOPING A SUSTAINABLE ENVIRONMENT

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

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

Our Green Building Initiatives

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

Our project portfolios with green aspects that are taken into account include the following:-

MENARA GLOMAC

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

REFLECTION RESIDENCES

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

SAUJANA KLIA

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

GLOMAC CENTRO

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

LAKESIDE RESIDENCES

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

SAUJANA PERDANA

- Walkways, green open areas and playgrounds are included as part of the township landscaping, exceeding the minimum requirements set by the local council
- Walkways are accessible to joggers and bicycle riders, surrounded by green trees, flora and fauna

We are currently in the midst of constructing our new development, Plaza@Kelana Jaya, a project in which we are working at achieving GreenRe certification. To this effect, independent third party evaluations are being carried out after the tender award and throughout the construction progress, with a goal towards achieving Green Building certification at the end of the project.

Safeguarding Energy Consumption

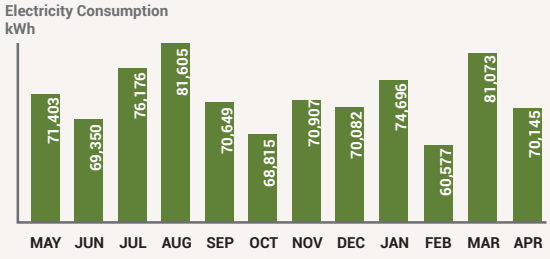
Irresponsible energy consumption can lead to an increase in overall carbon emission which subsequently contributes to climate change. In light of this, we actively monitor the energy consumption of our sales galleries and within Menara Glomac. This way, we will be able to formulate future energy reduction measures and monitor the effectiveness of such measures in the short, medium and long-term. For the reporting year, we launched the "Every Drop Counts" awareness and campaign, where employees were encouraged to switch off office lights, lighting in non-essential areas as well as air conditioning during lunch breaks and non-office hours.

Our energy consumption value is dependent on the number of clients that visit our sales galleries to view our flagship projects. Therefore, we observe slight fluctuations in energy consumption trends but still remain conscious of our role to conserve electricity. For project sites, half (50%) of our electricity bills are charged to our contractors as their electricity is recorded using the same meter and to encourage awareness amongst our contractors towards conserving energy. We hope to continue this practice in the long run to avoid any wastage.

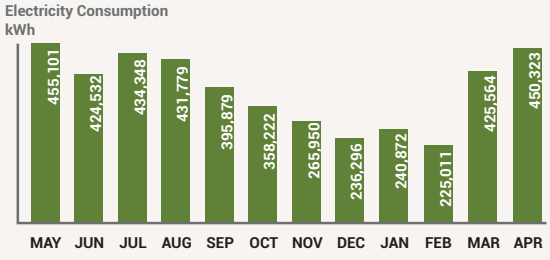
Menara Glomac

The environmental data for Menara Glomac represents specific building levels, which are Level 1 (Property Gallery), 3, 3A, 5, 15 and the Penthouse. The remaining office levels at Menara Glomac are occupied by other tenants who manage their own utility bills. Our building electricity consumption is highly dependent on the number of employees working at each building level.

Menara Glomac's Annual Electricity Consumption, kWh

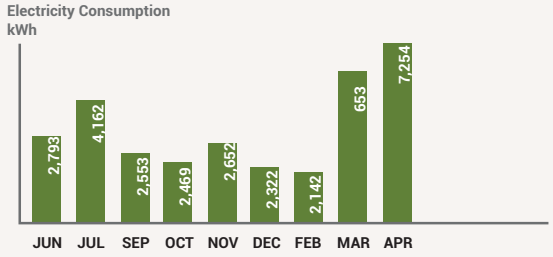


Glo Damansara's Annual Electricity Consumption, kWh

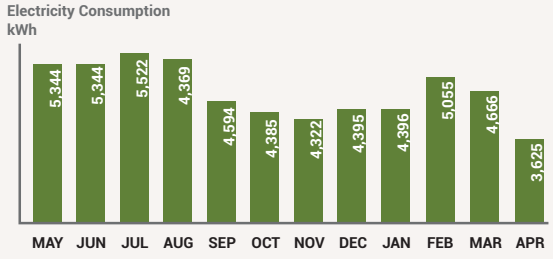


Electricity consumption decreased between the months of September 2018 to February 2019 due to the lower footfall for the Mall and departure of key tenants. Initiatives to improve energy consumption were undertaken, especially on the air conditioning components.

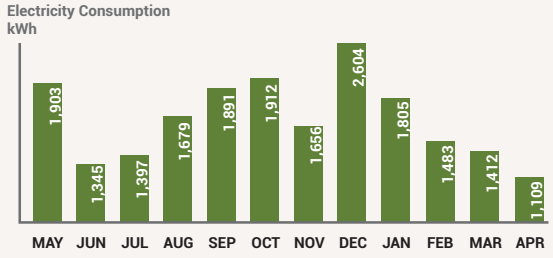
Saujana Perdana Sales Gallery Electricity Consumption, kWh



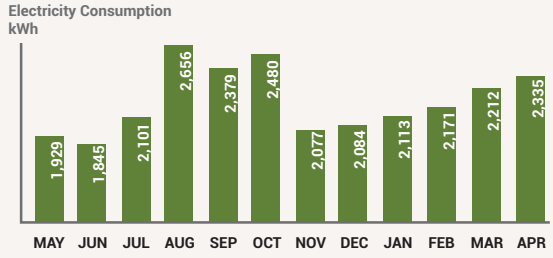
Lakeside Residences Sales Gallery Electricity Consumption, kWh



Saujana Jaya, Kulai Sales Gallery Electricity Consumption, kWh



Sri Saujana, Kota Tinggi Sales Gallery Electricity Consumption, kWh



Efficient Water Utilisation

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

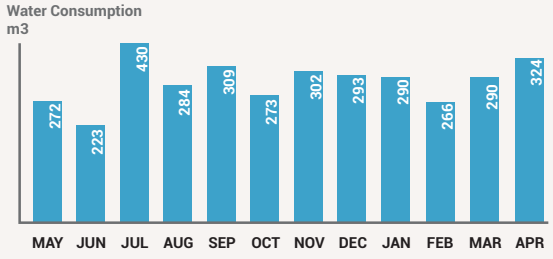
To play a part in maintaining environmental sustainability while our projects continue to enrich the lives of the nation, we aim to steer our strict monitoring practices towards creating future initiatives that are geared towards effective water management and reducing water wastage.

Menara Glomac

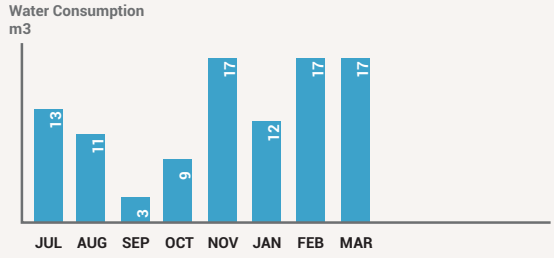
Throughout FY2019, water consumption at Menara Glomac showed a steady monthly consumption rate. By closely monitoring our water consumption habits, we can begin to formulate initiatives that are targeted towards reducing our water usage.

The increased consumption of water is directly proportional to the volume of usage depending on several factors. Among these factors are the premise renovations, non-scheduled cleaning and washing of common requiring increase usage of water. Water leakages are closely monitored accordingly.

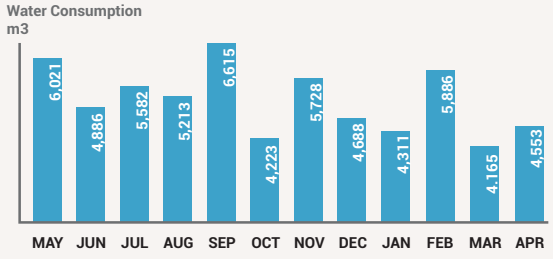
Monthly Water Consumption for Menara Glomac, m3



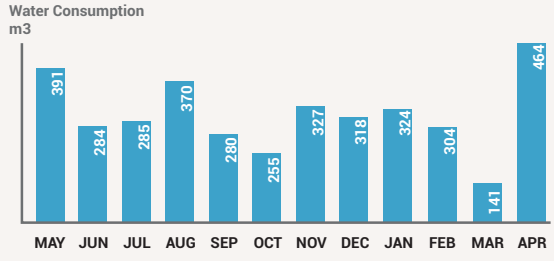
Monthly Water Consumption for Saujana Perdana, m3



Monthly Water Consumption for Glo Damansara, m3



Monthly Water Consumption for Lakeside Residences, m3



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

On our Group A project construction sites, a third party consultant is engaged to monitor and provide monthly reports on water quality, noise levels and air quality on site.

Managing Waste Sustainably

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

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

While we do not keep exact records of the weight of waste we produce at Menara Glomac, we have a rough estimation of the amount of general waste the building generates. The property manager oversees five (5) mobile garbage bins with a capacity of 600 litres per bin. These are emptied and disposed by a licensed and registered contractor periodically. For the mall at Glo Damansara, all common waste and refuse is handled by its appointed third party contractors. The mall at Glo Damansara also has dedicated areas with segregated waste recycling bins.

WORKPLACE: DEVELOPING A SUSTAINABLE WORKPLACE

Developing a Healthy and Safe Working Environment

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

- **The Health and Safety Policy**

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

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

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

  Additional to this, we ensure that our employees are made aware of our policy and management system by conducting a compulsory safety induction session for our new recruits, contractors and suppliers. Periodic HSE newsletters are also disseminated to all employees to elevate the health and safety awareness throughout the organisation.

- **The Health and Safety Committee and Emergency Response Team**

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

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

  We have in place a qualified Health and Safety Officer (HSO) to strictly monitor and maintain our safety performance at our headquarters and for our property development and construction divisions. The roles and responsibilities of the HSO include:

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

- **Maintaining Building and Construction Safety**

  We maintain our workplace safety by providing necessary personal protective equipment (PPE), obtaining building permits and hiring pest control services. PPE is provided and made mandatory for employees and contractors who work in high-risk areas, namely the project construction sites. Our safety equipment includes safety helmets, safety shoes, high-visibility vests, ear muffs, gloves and goggles. We also conduct regular inspection and fogging on the project construction sites as a precautionary measure to mitigate mosquito breeding on site.

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

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

- **Human Rights and Labour Practices**

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

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

Malaysia's Human Rights and Labour Regulations

Employment Act 1955
Employment Regulations 1957
Children and Young Persons (Employment) Act 1966
Employment (Restriction) Act 1968
Trade Unions Act 1959

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

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

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

- **Responsible Construction Practices and Management**

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

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

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

- ***Industrialised Building System (IBS)***

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

- ***Jump Form System***

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



Developing and Sustainably Managing Our Human Resources

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

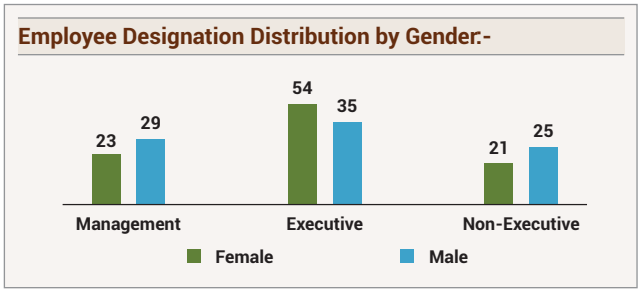
- **Employee Conduct**

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

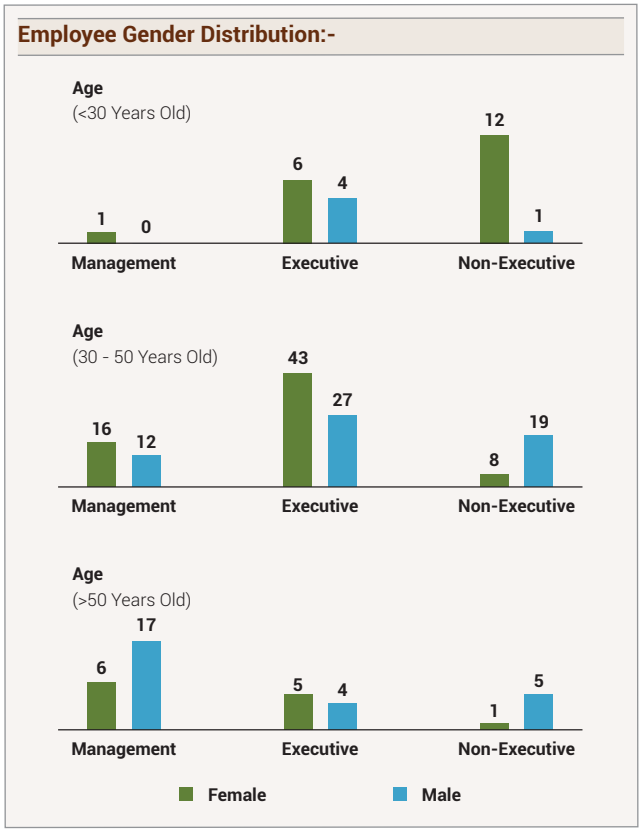
- **Providing Equal Opportunities for Our Employees**

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

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



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



- **Retaining Our Pool of Talents**

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

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

COMMUNITY: DEVELOPING A SUSTAINABLE SOCIETY

Giving Back to Local Communities

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

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

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

- **Healthy Living: The Edge Kuala Lumpur Rat Race 2018**

  Since its launch in 2000, the annual Edge Kuala Lumpur Rat Race®, has been regarded as one of the highlights of the annual calendar for Corporate Malaysia. Since its inception, the event has continued to support over 200 registered charities and NGOs that benefit the poor, the disadvantaged and the disabled. Glomac's participation in the 2018 Edge Kuala Lumpur Rat Race marked the Company's involvement for the 17th consecutive year. We enlisted on mixed team of runners consisting of male and female participants and 10 cheerleaders to support those who participated in the race.

- **Keeping Our Employees Healthy: Sports and Fitness**

  Getting our employees involved in sports contributes towards positive enhancement in psychological, physical and social wellbeing; on top of creating a culture of respect, tolerance, togetherness and community sense of belonging. Towards this, a badminton and bowling event was organised for the Glomac employees which saw the participation of 110 individuals. The events were also graced by the presence of the Group Executive Chairman and the Group Managing Director / CEO.

- **Giving Back to the Less Fortunate**

  For the year, we made a monetary contribution for 2 asnaf families in Bandar Saujana Utama, Selangor towards ensuring their well-being for the holy month of Ramadhan. Monetary contribution was also advanced to the Rumah Aman Orphanage and Welfare Home, towards ensuring the well-being of the children there. These funds also go towards procuring the home's necessities and pay the salaries of the school teachers as well as administrative costs.

- **Contributing to the local society in Townships**

  As established property developers, we are always looking for ways to contribute to the local township community we establish.

  - In Bandar Saujana Utama, monetary contributions were provided to the Parents-Teachers Association of Sekolah Kebangsaan Saujana Utama in conjunction of their Karnival Tautan Bahasa Jalinan Kasih and to the Parents-Teachers Association of Sekolah Kebangsaan Parit 4, Selangor. We also made a contribution towards the Majlis Tadarus Al-Quran that was organised for schools in the Bestari Jaya zone. In addition, a contribution was made towards the Program Larian Malaysia Saujana Utama that was organised in September, 2018. We also contributed to the welfare funds of a deceased local member of the community who unfortunately perished in a search and rescue operation in Puta Perdana in October 2018 in recognition of his standing as a local member of the fire-fighting community. The Community Police Station in Saujana Utama was also given an upgrade by the contribution of a new signboard.

  - In Saujana Jaya, Kulai, Johor, a National Day celebration was organised in August 2018 to celebrate Hari Merdeka and instilling pride of being Malaysians amongst local students. During the event, monetary contributions were also advanced to SK Kulai, SK Kota Kulai 1 and SK Kota Kulai 2.

- **Creating Social Awareness**

  In conjunction with the Pink Ribbon Day for 2018 and breast cancer awareness, social awareness and support towards this noble cause was generated with the distribution of free pink ribbon pins to the public for the entire month of October 2018 in the Glo Damansara and Glo Mall premises.

  The Persatuan Kebajikan Suara Kanak-Kanak Malaysia (SUKA) is a registered non-governmental organisation that was set up to protect and preserve the best interests of children. In support of their ongoing efforts in continuously creating awareness for their cause, we provided SUKA with a complimentary floor space in the mall at Glo Damansara in May 2018.



GROUP EXECUTIVE CHAIRMAN'S STATEMENT
KENYATAAN PENGERUSI EKSEKUTIF KUMPULAN



On behalf of the Board of Directors, I am pleased to present Glomac Berhad's ('Glomac' or 'The Group') Annual Report for the financial year ended 30 April 2019 ('FY19').

The Malaysia economy saw a moderation in growth in 2018, expanding by 4.7% year-on-year, after registering exceptionally strong growth in 2017 of 5.9%. Growth was impacted by a weak agriculture sector, post-election policy uncertainty and the Government's spending rationalisation. Externally, concerns over global growth amidst US interest rate hikes, and US-China tension on the trade front further undermined market confidence.

As for the domestic property sector, although official statistics indicate a slight uptick in transaction activities, sentiment as a whole remained sluggish. Tight mortgage financing guidelines and a worsening residential sector overhang situation remained the key dampening factors.

Against this challenging backdrop, the Group has turned in yet another year of satisfactory performance. Profits have been sustained at a reasonable level, and more importantly, we have regained healthy momentum in crystallising new sales. We have every reason to believe that this momentum will sustain. In addition to properties available for sale at ongoing projects, we have earmarked more than RM900 million worth of what we believe are very saleable new products for launch in the 2020 financial year.

Bagi pihak Lembaga Pengarah, saya dengan sukacitanya membentangkan Laporan Tahunan Glomac Berhad ('Glomac' atau 'Kumpulan') bagi tahun kewangan berakhir 30 April 2019 ('TK19').

Pertumbuhan yang sederhana telah dicatatkan oleh ekonomi negara pada tahun 2018 apabila ia meningkat sebanyak 4.7 % dalam perbandingan tahunan selepas berkembang dengan kukuh sebanyak 5.9% pada tahun 2017. Pertumbuhan terjejas akibat prestasi lemah sektor pertanian, dasar selepas pilihan raya yang tidak jelas dan berlakunya rasionalisasi dalam perbelanjaan Kerajaan. Faktor luaran iaitu kebimbangan terhadap pertumbuhan ekonomi dunia di tengah-tengah peningkatan kadar faedah di Amerika Syarikat ('AS') dan pertikaian perdagangan antara AS dengan China menjejaskan lagi keyakinan pasaran.

Bagi sektor hartanah domestik pula, sentimen pasaran secara keseluruhannya kekal lemah meskipun perangkaan rasmi yang dikeluarkan menunjukkan terdapat sedikit peningkatan dalam kegiatan urus niaga. Garis panduan kewangan yang ketat dan lebihan penawaran dalam sektor rumah kediaman yang semakin buruk terus menjadi faktor utama yang menjejaskan industri ini.

Di sebalik keadaan yang mencabar ini, Kumpulan tetap berjaya untuk terus mencatat prestasi kewangan yang memuaskan pada tahun kewangan ini. Keuntungan dapat dikekalkan berada pada paras munasabah, malah lebih penting lagi kami kembali mencatatkan momentum yang baik dalam memperoleh jualan baharu. Kami yakin dan percaya bahawa keadaan ini akan berlaku secara berterusan. Selain terdapat hartanah yang tersedia untuk dijual, kami mempunyai produk baharu yang bernilai lebih RM900 juta untuk dilancarkan pada tahun kewangan 2020 yang kami percaya akan bakal laris di pasaran.

In conjunction with Glomac's 30th anniversary, we have also launched '**GLOMAC'S 30TH ANNIVERSARY REWARDS**', where properties buyers in several of our key residential and commercial projects can look forward to winning exciting lucky draw prizes. This promotional campaign is aimed at rewarding our buyers, and further driving sales in our developments.

Much of this momentum stems from the tireless efforts of the management team, led by Group Managing Director and Chief Executive Officer, Datuk Seri FD Iskandar; in continuously improving, enhancing and re-aligning our product range to enhance its relevance and appeal to buyers. Fresh concepts and themes are being incorporated, and where advantageous, projects have been thoroughly re-designed, re-priced and re-branded.

This can be seen in the success of Plaza@Kelana Jaya, which underscores our ability in adapting to prevailing soft market conditions. Introducing more efficient designs and innovating on the layout, this RM347 million integrated freehold residential development in Petaling Jaya has achieved a strong take-up rate since we progressively launched it at the onset of FY19.

Management's efforts to revitalize the mall at Glo Damansara has also come to fruition with new anchor tenants boosting the vibrancy of the mall. These include homegrown Jaya Grocer supermarket together with its Bonjour Garden Café, and Samanea Malaysia, which has chosen our mall to locate their first Home Living Centre internationally. Samanea Malaysia, with its multitude of brands, will feature a wide range of home and living products, including the LSDD Experience Hub enabled by Lazada.

Our long-term development platform remains robust. Including launches this year, our available GDV to drive Glomac's development activities stands at more than RM8 billion. Experience in the past has shown that this figure is conservative and has potential to be enhanced by another 10% to 15% through further design innovation and enhancements. We continue to explore new landbank opportunities, including joint-ventures and strategic tie-ups, to boost our future pipeline and solidify our position as a leading long-term player in the industry.

Sempena sambutan ulang tahun ke-30 Glomac, kami juga telah melancarkan '**GANJARAN ULANG TAHUN KE-30 GLOMAC**' (GLOMAC'S 30TH ANNIVERSARY REWARDS), yang mana semua pembeli rumah kediaman dan juga unit komersial kami akan berpeluang untuk memenangi hadiah-hadiah cabutan bertuah yang menarik. Kempen promosi ini bertujuan untuk menghargai para pembeli kami, serentak itu juga merupakan usaha untuk Kumpulan meningkatkan jualan projek-projek pembangunan kami.

Pencapaian ini adalah hasil daripada usaha gigih pasukan pengurusan yang diterajui oleh Pengarah Urusan Kumpulan dan Ketua Pegawai Eksekutif, Datuk Seri FD Iskandar; yang terus menambah baik, meningkatkan dan menyelaraskan rangkaian produk kami bagi menjadikannya lebih relevan dan menarik kepada pembeli. Konsep dan temanya yang lebih segar atau baharu diterapkan dalam projek-projek kami, bahkan sekiranya perlu, projek-projek tersebut bukan hanya direkabentuk semula, tetapi juga ditetapkan semula harga dan juga jenamanya.

Kejayaan ini dapat dilihat dalam projek Plaza@Kelana Jaya, yang memperlihatkan keupayaan kami dalam menyesuaikan diri dengan keadaan pasaran yang secara lazimnya lemah. Dengan menawarkan reka bentuk yang lebih efisien dan susun atur yang inovatif, projek pembangunan kediaman bersepadu pegangan bebas yang bernilai RM347 juta di Petaling Jaya telah mencatat kadar permintaan yang tinggi dalam kalangan pembeli sejak dilancarkan secara berperingkat-peringkat pada awal TK2019.

Usaha pihak pengurusan untuk 'menghidupkan' semula pusat membeli-belah Glo Damansara juga membuahkan hasil dengan penyewa-penyewa utama yang baharu yang telah meningkatkan daya tarikan pusat membeli-belah ini. Para penyewa baharu ini termasuk Pasaraya Jaya Grocer, sebuah syarikat tempatan dan kafenya, Bonjour Garden Café dan Samanea Malaysia telah memilih Glo Damansara untuk menempatkan cawangan antarabangsanya yang pertama. Samanea Malaysia merupakan pusat pelbagai jenis kelengkapan dan peralatan rumah yang menawarkan produk berbilang jenama termasuk LSDD dikendalikan oleh Lazada.

Kami mempunyai pelan pembangunan jangka panjang yang terus berkembang dengan pesat. Nilai pembangunan kasar (NPK) yang turut mengambil kira pelancaran projek hartanah tahun ini, adalah berjumlah lebih RM8 bilion. Berdasarkan pengalaman lalu, ia merupakan angka yang konservatif dan berpotensi untuk ditingkatkan sebanyak 10% hingga 15% lagi dengan melakukan inovasi dan peningkatan reka bentuk. Kami akan terus meneroka peluang-peluang untuk mendapatkan bank-bank tanah yang baharu termasuk melalui usaha sama dan kerjasama strategik, bagi mengukuhkan kedudukan kami pada masa depan sebagai 'pemain' atau penggerak utama industri dalam tempoh jangka panjang.

Group Executive Chairman's Statement
Kenyataan Pengerusi Eksekutif Kumpulan

Dividends

Glomac takes pride in its long and uninterrupted dividend track record. It is the Board's aim to maintain a reasonable trend in dividend payments, taking into consideration our cashflow generation and future capital commitment to sustain long term growth.

For the financial year ended 30 April 2019, the Board has proposed a final single tier dividend of 0.8 sen per ordinary share, subject to shareholders' approval in the upcoming 35th Annual General Meeting. While lower than what was declared and paid in the previous year, the Board believes that it is prudent to conserve our liquidity in light of the significant working capital required to support our step-up in new launches in the current financial year.

Awards & Accolades

As a developer focused on innovation and quality delivery, it is highly gratifying to be recognised by our peers and industry experts for the achievements and standards we have attained in our developments, and for our contribution to the development and progress of the real estate industry.

It gives me great pleasure to share with you the awards Glomac has garnered through the course of this year. SAUJANA PERDANA, our affordable township development in Sungai Buloh was accorded the BEST AFFORDABLE TOWNSHIP award at the PROPERTY INSIGHT PRESTIGIOUS DEVELOPER AWARDS 2019. We also won the INNOVATIVE DEVELOPER AWARD at the DES PRIX INFINITUS ASEAN PROPERTY AWARDS 2018/2019.

In recognition of our Company's Group Managing Director and Chief Executive Officer, Datuk Seri FD Iskandar's immense contribution to the industry, he was recognised with the BEST INDUSTRY LEADERSHIP award at the PROPERTY INSIGHT PRESTIGIOUS DEVELOPER AWARDS 2019 as well as the LEADERSHIP EXCELLENCE AWARD at the DES PRIX INFINITUS ASEAN PROPERTY AWARDS 2018/2019.

Prospects

The economic outlook for Malaysia is expected to remain stable in 2019, underpinned by private sector consumption and investment. Official forecast estimates GDP growth to be between 4.3% to 4.8% in 2019. Concurrently, we are encouraged that the Government is in continuous dialogue with property developers to formulate various initiatives to encourage new home ownership and spur demand. We however believe any broad and significant recovery in the sector will require other catalysts, including stronger economic growth, active participation by foreign buyers and a more accommodative lending stance by financial institutions.

Dividen

Glomac berbangga dengan pengekalan rekod kejayaannya dalam pembayaran dividen kepada para pemegang sahamnya secara berterusan bagi satu tempoh yang panjang. Lembaga Pengarah bermatlamat untuk mengekalkan pencapaian ini, di samping menimbang kemampuan Kumpulan untuk menjana aliran tunai dan komitmen modal pada masa hadapan bagi mengekalkan pertumbuhan jangka panjang.

Bagi tahun kewangan berakhir 30 April 2019, Lembaga Pengarah mencadangkan pemberian dividen akhir satu peringkat sebanyak 0.8 sen sesaham, tertakluk kepada kelulusan para pemegang saham pada Mesyuarat Agung Tahunan ke-35 yang akan diadakan. Meskipun kadar dividen ini lebih rendah berbanding tahun-tahun sebelumnya, Lembaga Pengarah percaya ia wajar dilakukan untuk mengekalkan kecairan Kumpulan berikutan keperluannya terhadap modal kerja yang besar bagi pelancaran projek-projek pembangunan baharu bagi tahun kewangan semasa.

Anugerah & Penghargaan

Sebagai syarikat pemaju hartanah yang bertumpu kepada inovasi dan penyampaian berkualiti, kami amat gembira dengan pengiktirafan yang diberikan rakan-rakan dan pakar-pakar industri terhadap pencapaian dan piawaian yang diraih dalam projek-projek pembangunan kami dan juga sumbangan kami kepada pembangunan dan kemajuan industri harta tanah di negara ini.

Saya dengan sukacitanya ingin memaklumkan anugerah-anugerah yang berjaya diraih oleh Glomac pada sepanjang tahun ini. SAUJANA PERDANA, projek pembangunan perbandaran mampu milik di Sungai Buloh telah menerima anugerah PERBANDARAN MAMPU MILIK TERBAIK pada Majlis PROPERTY INSIGHT PRESTIGIOUS DEVELOPER AWARDS 2019. Kami juga memenangi ANUGERAH PEMAJU INOVATIF di Majlis DES PRIX INFINITUS ASEAN PROPERTY AWARDS MALAYSIA 2018/2019.

Pada masa sama, Pengarah Urusan Kumpulan dan Ketua Pegawai Eksekutif kami, Datuk Seri FD Iskandar juga mendapat pengiktirafan sebagai PENERAJU INDUSTRI TERBAIK di Majlis PROPERTY INSIGHT PRESTIGIOUS DEVELOPER AWARDS 2019 dan juga ANUGERAH PENERAJU CEMERLANG di Majlis DES PRIX INFINITUS ASEAN PROPERTY AWARDS MALAYSIA 2018/2019 sebagai menghargai sumbangan besar yang diberikannya kepada industri hartanah.

Prospek

Tinjauan ekonomi Malaysia dijangka kekal stabil pada tahun 2019, disokong oleh penggunaan dan pelaburan sektor swasta. Unjuran rasmi menganggarkan KDNK berkembang antara 4.3% hingga 4.8% pada tahun 2019. Pada masa yang sama, kami juga merasa disokong oleh Kerajaan yang terus berdialog dengan para pemaju perumahan untuk merumuskan pelbagai inisiatif dalam usaha menggalakkan pemilikan rumah baharu dan memacu permintaan. Walau bagaimanapun, kami percaya bahawa sebarang pemulihan yang meluas dan ketara dalam sektor ini akan berlaku dengan kehadiran pemangkin lain termasuklah pertumbuhan ekonomi lebih kukuh, penyertaan secara aktif daripada para pembeli asing dan pemberian pinjaman yang lebih akomodatif daripada institusi-institusi kewangan.



Meanwhile, we will continue with our tried and proven strategy of understanding the demands and requirements of our buyers, continuous enhancement of our brand value, innovating on our products and ultimately delivering unsurpassed value and quality to our customers. At the same time, this sector consolidation has reminded us of the importance of being efficient, effective and timely in our operations and delivery channels. We look forward to the future with confidence, and continue to believe that our long-term prospects remain solidly anchored by our proven development strategy, the hard work and perseverance of our management and employees, our quality branding and strategic landbank.

Acknowledgements

On behalf of the Board, I would like to say 'Thank You' to all stakeholders for their support. Our sincere appreciation goes to our shareholders for their confidence and trust in Glomac throughout the years. We would also like to place on record our gratitude to our employees, customers, bankers and financiers, statutory bodies, business associates and partners for their support and contribution. Each and everyone has played a part in the Glomac success story.

My statement would be incomplete without putting on record my appreciation to my esteemed Board members for their counsel, guidance and invaluable inputs throughout the year. I look forward to their continued insight and may the years ahead prove to be even more successful and rewarding for all.

Thank you.

Tan Sri Dato' FD Mansor
Group Executive Chairman

Sementara itu, kami akan terus mengguna pakai strategi-strategi yang telahpun terbukti dalam memahami permintaan dan keperluan pembeli, meningkatkan nilai jenama kami secara berterusan, memastikan inovasi terhadap produk kami dan justeru itu, akhir sekali memberikan nilai dan kualiti yang tiada tandingannya kepada para pelanggan kami. Pada masa yang sama, konsolidasi atau penyatuan sektor ini mengingatkan kita akan kepentingan untuk menjadi lebih efisien, berkesan dan tepat dalam operasi perniagaan dan saluran penyampaian kami. Kami begerak dengan penuh keyakinan dan percaya bahawa prospek jangka panjang kekal kukuh dengan strategi pembangunan kami yang telah terbukti, kerja keras dan ketekunan pihak pengurusan dan pekerja kami, penjenamaan berkualiti dan pemilikan bank tanah yang strategik.

Penghargaan

Bagi pihak Lembaga Pengarah, saya ingin menyampaikan ucapan 'Terima Kasih' kepada semua pemegang kepentingan atas sokongan mereka. Kepada para pemegang saham, kami zahirkan penghargaan tulus ikhlas kerana memberikan kepercayaan kepada Glomac sepanjang tahun kewangan ini. Kami juga ingin menyatakan penghargaan kami kepada para pekerja, pelanggan, bank dan pembiaya, badan berkanun, rakan perniagaan dan rakan kongsi atas sokongan dan sumbangan mereka. Setiap satu daripada mereka ini telah memainkan peranan masing-masing dalam memastikan kejayaan Glomac.

Akhir kata dan juga tidak kurang pentingnya, saya ingin merakamkan penghargaan kepada ahli-ahli Lembaga Pengarah atas nasihat, bimbingan dan input yang tidak ternilai diberikan sepanjang tahun kewangan. Saya berharap mereka akan terus memberi pandangan dan semoga tahun-tahun mendatang menjadi satu lagi tahun kewangan yang lebih berjaya dan bermanfaat untuk semua.

Sekian, terima kasih.

Tan Sri Dato' FD Mansor
Pengerusi Eksekutif Kumpulan



AWARDS AND RECOGNITION







No.	Description	Year	Recipient
1	**Minority Shareholders Watch Group (MSWG) – ASEAN Corporate Governance Awards 2018** Most Improved CG Disclosure	July 2019	Glomac Berhad
2	**APAC South East Asia Business Awards 2019** Best Real Estate Developer Company 2019 – Malaysia	June 2019	Glomac Berhad
3	**Property Insight Prestigious Developer Awards 2019** Best Affordable Township	May 2019	Saujana Perdana, Sungai Buloh
4	**Property Insight Prestigious Developer Award 2019** Best Industry Leadership	May 2019	Datuk Seri FD Iskandar GMD/CEO
5	**Des Prix Infinitus Asean Property Awards 2018/2019** Innovative Developer Award	March 2019	Glomac Berhad
6	**Des Prix Infinitus Asean Property Awards 2018/ 2019** Leadership Excellence Award	March 2019	Datuk Seri FD Iskandar GMD/CEO
7	**Property Insight Prestigious Developer Awards 2018** Best Living Lifestyle Development	June 2018	Lakeside Residences, Puchong
8	**Property Insight Prestigious Developer Awards 2018** Industry Excellence Award	June 2018	Datuk Seri FD Iskandar GMD/CEO
9	**The EdgeProp Malaysia, The Editor's Choice** Malaysia's Exemplary Real Estate Industry Leader 2018	May 2018	Datuk Seri FD Iskandar GMD/CEO







No.	Description	Year	Recipient
10	**Asia Pacific Entrepreneurship Awards** Property Development Industry	August 2017	Datuk Seri FD Iskandar GMD/CEO
11	**The Edge Malaysia** Outstanding Property Entrepreneur	November 2016	Tan Sri Dato' FD Mansor & Datuk Richard Fong Loong Tuck
12	**The Bizz 2016** World Leader Business Person	November 2016	Datuk Seri FD Iskandar GMD/CEO
13	**The Bizz 2016** World Business Leader	November 2016	Datuk Seri FD Iskandar GMD/CEO
14	**Property Insight Prestigious Developer Awards** Top 10 Developer Awards	March 2015	Glomac Berhad
15	**The Global Leadership Awards 2015** Commercial Property Development	March 2015	Glomac Berhad
16	**Asia Pacific Property Awards** Best Mixed Development	May 2015	Glomac Damansara
17	**The Brand Laureate Icon Leadership Awards** Transformational Corporate Leader	November 2014	Datuk Seri FD Iskandar GMD/CEO
18	**The Global Leadership Awards 2014** Commercial Property Development	April 2014	Glomac Berhad

MANAGEMENT DISCUSSION & ANALYSIS

Dear Valued Shareholders,

This Management's Discussion and Analysis (MD&A) elaborates on the financial and operational performance of Glomac Berhad over the 12-month period ended 30 April 2019 (FY19). It also provides guidance on upcoming launches and Management's expectations of the Group's prospects in the current financial year.

As an award-winning property developer, the Glomac brand is synonymous with outstanding services, value and quality. Through dedication and innovation, we are committed to further strengthening our development platform and creating sustainable value for our stakeholders.

Financial Performance

FYE 30 Apr (RM m)	2019	2018	% change
Revenue	273.3	402.4	-32%
Gross profit	82.7	92.0	-10%
Pre-tax profit	37.8	56.4	-33%
PATMI	14.7	31.2	-53%
Net EPS (sen)	1.88	3.93	-52%
Gross margin	30.3%	22.9%	
Pre-tax margin	13.8%	14.0%	

Glomac achieved a modest set of financial results for FY19, merely reflecting the strategic decision to pace new launches in previous years in view of difficult market conditions.

FY19 revenue came in at RM273.3 million, compared to RM402.4 million reported in FY18. The lower revenue recognition in the financial year was attributed to lower construction activities from ongoing projects, and the high base effect from the completion of certain phases of Saujana KLIA in the corresponding FY18.

Our gross profit margin improved to 30.3% resulting from cost savings achieved upon finalization of development cost for certain completed phases, whilst pre-tax profit margin was comparable to FY18 at 13.8%. Consequently, Glomac delivered gross profit of RM82.7 million and profit before tax of RM37.8 million. Net profit attributable to owners stood at RM14.7 million, affected by a higher effective tax rate due to non-recognition of deferred tax on tax losses, underprovision of prior years tax expenses as well as a once-off tax settlement.

Core revenue contribution in FY19 were sustained from our township developments, in particular Saujana Perdana, our affordable township in Bandar Saujana Utama at Sungai Buloh. Amongst one of our highly successful township developments, launches at Saujana Perdana, comprising terrace houses with total Gross Development Value (GDV) of RM435 million, have achieved 78% sales. Saujana Perdana was also recently accorded the BEST AFFORDABLE TOWNSHIP award at the PROPERTY INSIGHT PRESTIGIOUS DEVELOPER AWARDS 2019.

FY19 Revenue Contribution

By Region (RM m)	Revenue	(%)
Klang Valley	248.4	91
Johor	24.9	9
Total	**273.3**	**100**

Glomac's balance sheet remained robust with significant improvement in cash generated from operations and a current ratio of 1.19x. Total cash, fixed deposits and short-term placements cumulated to RM154.6 million as at 30 April 2019. Net gearing stood at a manageable 0.31x of shareholders' funds at the end of the same period, comparable to 0.30x as at 30 April 2018.

The healthy state of our balance sheet provides Glomac with the capital resources as we raise the level of development activities in this current year with new launches suited to current market demand.

Net assets attributable to ordinary equity holders of the parent amounted to RM1,090.70 million, translating to an improved RM1.40 per share as at end-April 2019, compared to RM1.38 per share a year ago.



Dividends

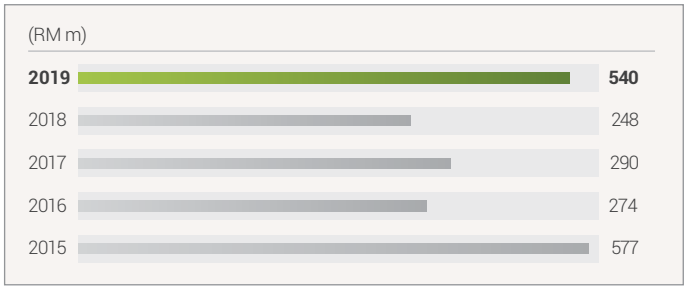
The Board of Directors has proposed a final single tier dividend of 0.8 sen per share in respect of the financial year ended 30 April 2019. This translates to a dividend yield of 2.1% based on Glomac's closing share price of RM0.38 as of 30 April 2019. The proposed final single-tier dividend is subject to Glomac shareholders' approval at the upcoming 35th Annual General Meeting.

Glomac will endeavour to maintain our uninterrupted dividend track record and to reward our loyal shareholders. This proposed dividend payment reflects the moderate financial performance achieved in the year and the need for Glomac to conserve financial resources for working capital. We are confident of delivering a healthier dividend trend when Glomac returns to more sustainable growth platform.

Property Development

Having paced our launches over the past few years, we raised our new launches to RM540 million in FY19 to much success.

Historical Trend in New Launches



New launches in FY19, which were significantly higher than previous FY16 to FY18, comprises a good mixed of high-rise and landed residential developments. A notable key launch was Plaza@Kelana Jaya, which is an integrated freehold development comprising serviced apartments and 3-storey shop offices with a total combined GDV of RM347 million. Strategically located within bustling Petaling Jaya along the Damansara-Puchong Highway (LDP), the project was well-received and chalked up strong sales when we progressively launched it in early FY19.

Launches in the year also include new phases from our township developments, including terrace houses in our award winning Saujana Perdana project, Sri Saujana in Johor as well as Saujana Jaya in Kulai, Johor. We also introduced a retail component to Lakeside Residences, our highly successful integrated residential development in Puchong, comprising shop offices with GDV of RM62 million. This year will see us raising our launch activities in Lakeside Residences with the expected launch of Green Tec Central, comprising high rise residential apartments.

FY2019 Launches

By Project (RM m)	Launch Value	(%)
Lakeside Residences	62	12
Plaza@Kelana Jaya	347	64
Saujana Perdana	58	11
Sri Saujana	33	6
Saujana Jaya	40	7
Total	**540**	**100%**

FY19 new sales jumped 51% to RM323 million from RM214 million achieved in the previous year, despite softer market conditions. Efforts made by our Management Team, in innovating designs and layouts, and introducing new launches that are relevant to buyers in current market environment have yielded positive results. The success of Plaza@Kelana Jaya is a sound reflection of the team's strengths and versatility in understanding market demand. This integrated freehold residential development achieved 60% sales since its launch at the onset of FY19, and accounted for 64% of Glomac's new sales in FY19.

Steady sales at Lakeside Residences, Puchong and across all our ongoing township developments also did well to contribute to the higher sales achieved in the financial year under report.

FY2019 Sales

By Project (RM m)	Sales	(%)
Lakeside Residences	39	12%
Saujana KLIA	10	3%
Bandar Saujana Utama*	14	4%
Glomac Damansara Residences	4	1%
Sri Saujana	16	5%
Saujana Rawang	2	1%
Saujana Jaya	25	8%
Plaza@Kelana Jaya	207	64%
Others**	6	2%
Total	**323**	**100%**

* *incl. Saujana Perdana*
** *incl. Cyberjaya 2, Glomac Centro & Suria Stonor*

Fuelled by improved new sales, unbilled sales as at end-April 2019 rose higher to RM476 million from RM410 million reported as at end-April 2018. We are confident to sustain our sales momentum going forward to further boost our progress billings, and ensure greater earnings visibility in the current year.



Review of Key Property Projects

Launched	:	2018
Launched GDV	:	RM347 million
Take-Up Rate	:	60%
FY2019 sales	:	RM207 million
Unbilled sales	:	RM199 million



PLAZA@KELANA JAYA

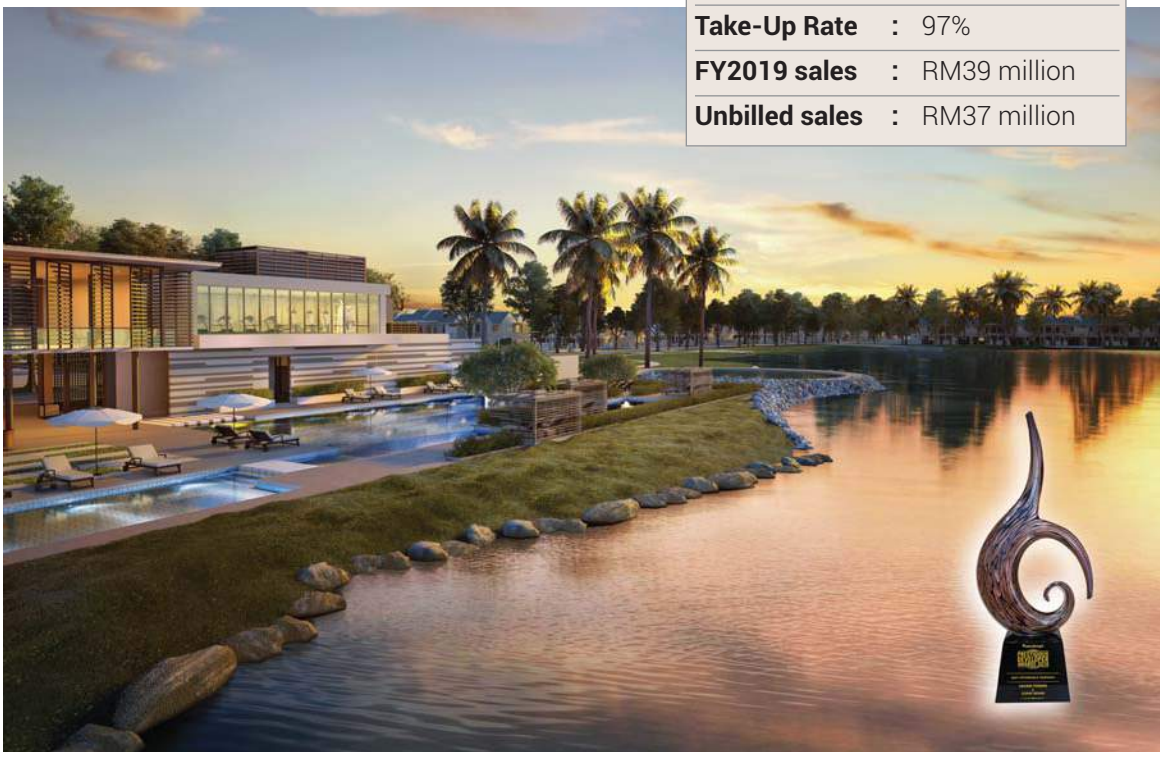
KELANA JAYA

Sited on a 3.2-acre freehold land adjacent to our Plaza Kelana Jaya development and its signature lakeside promenade, Plaza@Kelana Jaya is strategically located within bustling Petaling Jaya along the Damansara-Puchong Highway (LDP). It also enjoys superb connectivity to the Federal Highway, New Pantai Expressway (NPE), New Klang Valley Expressway (NKVE) and Lebuhraya Shah Alam (KESAS).

This development is surrounded by matured neighbourhoods, with proximity to shopping malls such as Paradigm Mall, Giant Hypermarket, Citta Mall as well as universities, colleges and international and government schools.

Plaza@Kelana Jaya is an integrated residential development comprising 696 units of serviced apartments and 16 units of 3-storey shop offices with a total estimated GDV of RM347 million. The serviced apartments come in various designs and layouts, with certain units offering breath-taking golf and lake views, 4-tiered security and a 1.27-acre recreational podium with multi-generation facilities, including a 25-meter infinity swimming pool. The project achieved healthy sales since its debut in mid-2018, delivering overall sales of 60% as at end-April 2019.

Launched	:	2012
Total GDV	:	RM5.3 billion
Launched GDV	:	RM558 million
Take-Up Rate	:	97%
FY2019 sales	:	RM39 million
Unbilled sales	:	RM37 million



LAKESIDE RESIDENCES

PUCHONG

Lakeside Residences is Glomac's highly successful flagship integrated residential project located in Puchong, Selangor. The 200-acre development has an estimated total GDV of RM5.3 billion and is maturing well with a growing vibrant residential community.

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

Previous launches, comprising double storey and 2 ½ storey terrace houses as well as shop offices with a total estimated GDV of RM558 million, were 97% sold as at end-April 2019. Plans are in place to introduce Green Tec Central into the development. The project will consist of four (4) phases covering 15.35 acres within Lakeside Residences. Initial phases of Green Tec Central launching in FY20 comprise of serviced apartments, affordable apartments and a commercial hub with a bicycle station and food & beverage area. New launches in FY20 will have a total estimated GDV of RM269 million.

Launched	:	2015
Total GDV	:	RM1.25 billion
Launched GDV	:	RM515 million
Take-Up Rate	:	99%
FY2019 sales	:	RM10 million
Unbilled sales	:	RM3 million



SAUJANA KLIA

SEPANG

The 231-acre Saujana KLIA is strategically located in Sepang within close proximity to the Federal Administrative Centre Putrajaya, Cyberjaya, Dengkil as well as Nilai. The project is surrounded by world class amenities including Kuala Lumpur International Airport (KLIA & KLIA 2), Sepang International Circuit, KL International Outlet and several universities, colleges and international schools. It is also highly accessible via major highways including Maju Expressway (MEX), Damansara-Puchong Highway (LDP) and the North South Expressway Central Link (ELITE).

With a total estimated GDV of RM1.25 billion, Saujana KLIA is another showcase of Glomac's ability to provide quality housing at affordable prices. The affordable township comprises residential units with spacious layout and modern contemporary designs enveloped in lush greenery. Existing phases of terrace houses and shop offices with a total GDV of RM515 million have been fully sold.

Plans are in place to introduce new phases of double-storey terrace houses and affordable townhouses in FY20, with a total estimated GDV of RM104 million.

Launched	:	1997
GDV	:	RM2.96 billion
Launched GDV	:	RM2.1 billion
Take-Up Rate	:	96%
FY2019 sales	:	RM14 million
Unbilled sales	:	RM161 million



BANDAR SAUJANA UTAMA

SUNGAI BULOH

Glomac's established Bandar Saujana Utama township was launched two decades ago. Located on 1,200 acres in Sungai Buloh the population of this vibrant township has grown to more than 65,000, with mostly young and growing families seeking a healthy environment to live in.

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

With the main township of Bandar Saujana Utama having come to the tail-end of its development, Glomac launched the adjacent Saujana Perdana to further expand its presence in Sungai Buloh. Saujana Perdana, which was accorded the BEST AFFORDABLE TOWNSHIP award at the PROPERTY INSIGHT PRESTIGIOUS DEVELOPER AWARDS 2019, has a total estimated GDV of RM896 million.

Launches at Saujana Perdana have met with resounding success. To-date, more than 1,000 terrace houses have been launched through several phases with an estimated GDV of RM435 million, achieving 78% sales as at end-April 2019.

New phases of double-storey terrace houses and affordable townhouses, with a total estimated GDV of RM154 million, are expected for launch this year to further fuel demand at this new township.

Launched	:	2006
GDV	:	RM1.04 billion
Launched GDV	:	RM756 million
Take-Up Rate	:	94%
FY2019 sales	:	RM2 million
Unbilled sales	:	RM19 million



SAUJANA RAWANG

RAWANG

Residing within a self-contained 345 acres fringed by a pristine forest, Saujana Rawang has emerged as a thoughtfully planned, affordable development offering contemporary homes and a commercial hub amidst a tranquil and idyllic themed setting. The RM1.04 billion affordable township is strategically location within the Northern Growth Corridor, just 10 minutes off the Rawang Interchange from the North-South Expressway.

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

Launched in 2006, Saujana Rawang has become a fast growing township with a steadily rising population. Most of the product launches at the township, with a total estimated GDV of RM756 million are almost all sold.

Launched	:	2018
GDV	:	RM652 million
Launched GDV	:	RM40 million
Take-Up Rate	:	62%
FY2019 sales	:	RM25 million
Unbilled sales	:	RM22 million



SAUJANA JAYA

KULAI JOHOR

Saujana Jaya is Glomac's most recent affordable township development, sited on 174 acres in Kulai Johor with a total estimated GDV of RM652 million. Located approximately 29km from Johor Bahru and 8km from Skudai, the township enjoys easy access from the North-South Expressway (PLUS).

It is surrounded by excellent amenities and public facilities such as IOI Mall, Senai International Airport, Johor Premium Outlet (JPO), Senai Technology Park and Universiti Technology Malaysia. Facilities available at the township would include national and secondary schools, a multipurpose hall, surau, mosque and a community police station.

The initial phase launched in 2018, comprising double-storey terrace houses with an estimated GDV of RM40 million, achieved sales of 62% as at end-April 2019. In FY20, Glomac has plans to unveil new phases in Saujana Jaya, consisting of single and double storey terrace houses with a total estimated GDV of RM55 million.

Launched	:	1999
GDV	:	RM776 million
Launched GDV	:	RM594 million
Take-Up Rate	:	93%
FY2019 sales	:	RM16 million
Unbilled sales	:	RM28 million



SRI SAUJANA, KOTA TINGGI

JOHOR

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

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

Overall launches with a total estimated GDV of RM594 million were 93% sold, with the recent launch of terrace houses in April 2019 with GDV of RM33 million in April 2019 enjoying a healthy response.



GLOMAC DAMANSARA

KUALA LUMPUR

Property, Plant & Equipment Component:

MENARA GLOMAC

Completed: 2012

Book Value: RM44 million

Fair Value: RM76 million

Glomac Damansara is an integrated freehold commercial hub, comprising a corporate tower, office building, shop offices, a twin serviced apartment towers and a retail mall, called Glo Damansara in a prime Kuala Lumpur address. The development sits on a prime 6.8-acre plot on Jalan Damansara, alongside the Taman Tun Dr. Ismail MRT station with easy access via the Sprint, Damansara-Puchong Expressway (LDP), New Klang Valley Expressway (NKVE), Penchala Link as well as inter-town roads within Petaling Jaya.

The mall at Glo Damansara, with a net lettable area of 380,000 sq. ft., positions itself as a premier lifestyle and neighbourhood mall. The mall is connected with a covered link bridge to the Taman Tun Dr Ismail MRT Station which is just a 3-minute walk away. The 6-storey mall has over 200 retail lots with a 4-storey carpark of approximately 800 parking bays.

In 2019, Glo Damansara successfully secured two new anchor tenants, namely Samanea Malaysia and Jaya Grocer, which effectively increased the mall's occupancy to approximately 74%.

Investment Properties Component:

GLO DAMANSARA

Completed: 2016

Book Value: RM318 million

Fair Value: RM318 million

Samanea Malaysia is a premium Home Living Centre offering a wide mix of furniture and furnishing products. Samanea Malaysia, together with its multitude of brands, will be taking up more than 150,000 sq. ft., occupying more than 100 lots in the mall, which includes LSDD Experience Hub enabled by Lazada, which commenced operation on 2 June 2019. This LSDD Experience Hub is the very first O2O (online to offline) experience store in Malaysia. It is a revolutionary concept that uses Lazada's online application to provide consumers with a seamless shopping experience combining the ease of online shopping with the touch and feel of brick and mortar outlets. Samanea Malaysia was officially launched at Glo Damansara on 29 June 2019.

Homegrown supermarket chain, Jaya Grocer and its in-house café, the Bonjour Garden Café, were officially opened in February and March 2019 respectively, occupying approximately 23,000 sq. ft.

The entry of these key tenants is expected to boost Glo Damansara's profile and vibrancy, attracting higher foot traffic to the mall. Other existing tenants include Restoran Extra Super Tanker, Bank Rakyat, WORQ, Cycology and TM Point.



Anticipated or Known Risks

Glomac's core business operations are in property development and construction. Anticipated risks that may have a material impact on our operations, financial performance and capital liquidity would include the overall economic condition, government policies pertaining to the domestic real estate market, domestic interest rate trends and mortgage lending policies of financial institutions, peer competition as well as factors affecting construction costs such as building materials and labour.

Albeit that certain macroeconomic risks may not be fully mitigated, Glomac endeavours to minimise anticipated risks as best as possible. Our strategy to have a diversified property portfolio of landed and high-rise developments in multiple prime locations within the Klang Valley and Johor enables us to cater to different market segments. Glomac continues to build on its brand as a caring and reliable property developer, synonymous with delivering outstanding service, value and quality products to our buyers. We stress on efficiency, innovation and design to further complement our attributes as a developer. This development platform would serve to sustain us at the forefront of the market segments we are in, enabling us to introduce products that meet with current market expectations constantly.

Internally, financial liquidity risks need to be monitored diligently, especially given current challenging market conditions. Glomac has put in place prudent policies and adopting stringent management of our financial condition to mitigate the impact of such financial liquidity risks. Our risk management approach is provided in more detail in the Statement of Risk Management and Internal Control of the Annual Report.

Prospects and Outlook

The domestic residential property market remains challenging. Prevailing issues such as affordability, increased competition within the affordable mid-market residential segment and the need for a more accommodating stance on mortgage financing continue to cloud market sentiments. In such an environment, it is even more crucial for Glomac to emphasise on our operational efficiency and understanding of consumer demands in introducing products into the marketplace that will be well received and that are able sustain our sales momentum.

In that respect, we are confident that we have lined up a strong suite of development products that are well conceptualised and that would appeal to the various segments of the market in terms of value and innovation in designs.

This year we look forward to launch more than RM900 million worth of new properties, introducing a healthy mix of landed and high-rise residential products, catering to the affordable and mid-market segment.

This includes our 121 Residences in PJ-Damansara, neighbouring with the bustling hub of Bandar Utama, and easily accessible via various highways, the existing Mass Rapid Transit line as well as the upcoming Light Rail Transit 3 (LRT3) line. The development comprises of two residential towers of serviced apartments and SoHo units with a total estimated GDV of RM321 million.

Within our highly successful flagship project in Puchong, we have plans to introduce high rise residential components into the development this year. This new project, known as Green Tec Central, comprises serviced apartments, as well as a commercial hub with bicycle station and a food & beverage area.

In FY20, we will also be launching new phases of landed residential products in our township developments such as Saujana Perdana in Bandar Saujana Utama, Saujana KLIA in Sepang, and Saujana Jaya in Kulai Johor. Sales in these townships have been brisk, and we anticipate that these new phases will continue to be well received. Previous launches at Saujana KLIA, which has proximity to Putrajaya and Cyberjaya, are almost all sold, whilst terrace houses launched at Saujana Perdana has achieved a strong take up of 78%.

FY20 Launches

By Project	Project Type	GDV (RM m)
121 Residences	SoHo and Serviced Apartments	321
Lakeside Residences	Apartments & Commercial Hub	269
Saujana Perdana	Terrace Houses & Townhouses	154
Saujana KLIA	Townhouses	104
Saujana Jaya	Terrace Houses	55
Total		**903**

Glomac maintains a cautious approach to our core property development activities near term, but we are confident that we have carved out the right products in established locations that are suitably priced to generate healthy response from buyers.

Our key focus remains in sustaining sales momentum and ensure smooth construction activities on all our ongoing developments. This should translate to improved revenue as construction progress picks up pace, especially for Plaza@Kelana Jaya which was launched in FY19.

We are also pleased that efforts to rejuvenate our mall at Glo Damansara has delivered positive results. This year, we welcomed the entry of new anchor tenants, whom have boosted the occupancy of the mall to 74%, and whom we are confident will improve the vibrancy of the mall going forward. Homegrown Jaya Grocer supermarket, together with its Bonjour Garden Café has been a popular addition to the mall. Samanea Malaysia, a premium Home Living Centre, has amongst its outlets also include the LSDD Experience Hub enabled by Lazada; the very first O2O (online to offline) experience store in Malaysia.

Future GDV

By Product Type (RM m)	GDV	(%)
Landed Residential	1,571	19%
High-rise	4,415	55%
Commercial	2,063	26%
Total	**8,049**	**100%**

Future GDV

By Region (RM m)	GDV	(%)
Klang Valley	7,255	90%
Johor	794	10%
Total	**8,049**	**100%**

The presence of these new prominent anchor tenants at Glo Damansara will raise foot traffic and enhance its tenancy mix, and ultimately improve the financial position of the mall. Going forward, Glomac possesses a strong property portfolio that commands a total available GDV of more than RM8 billion, offering a solid blend of products that are predominantly located within the Klang Valley. With this, we believe Glomac is well placed to accelerate our new launches and further drive sales and revenue with improving market conditions.

Datuk Seri FD Iskandar
Group Managing Director/Chief Executive Officer

CORPORATE GOVERNANCE OVERVIEW STATEMENT

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

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

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

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

Our Corporate Governance Approach

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

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

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

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

Summary of Corporate Governance Practices

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

- Practice 4.2 (Tenure of independent directors);
- Practice 4.5 (Gender diversity on the Board and Senior Management);
- Practice 4.6 (Use of various methods to source for candidatures in relation to directorships);
- Practice 7.2 (disclosure on a named basis the Company's top five senior management's remuneration in bands of RM50,000)
- Practice 11.2 (Adoption of integrated reporting); and
- Practice 12.3 (Use of technology to facilitate remote shareholders participation during general meetings)

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

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

Principle A: Board Leadership and Effectiveness

Roles and Responsibilities of the Board

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

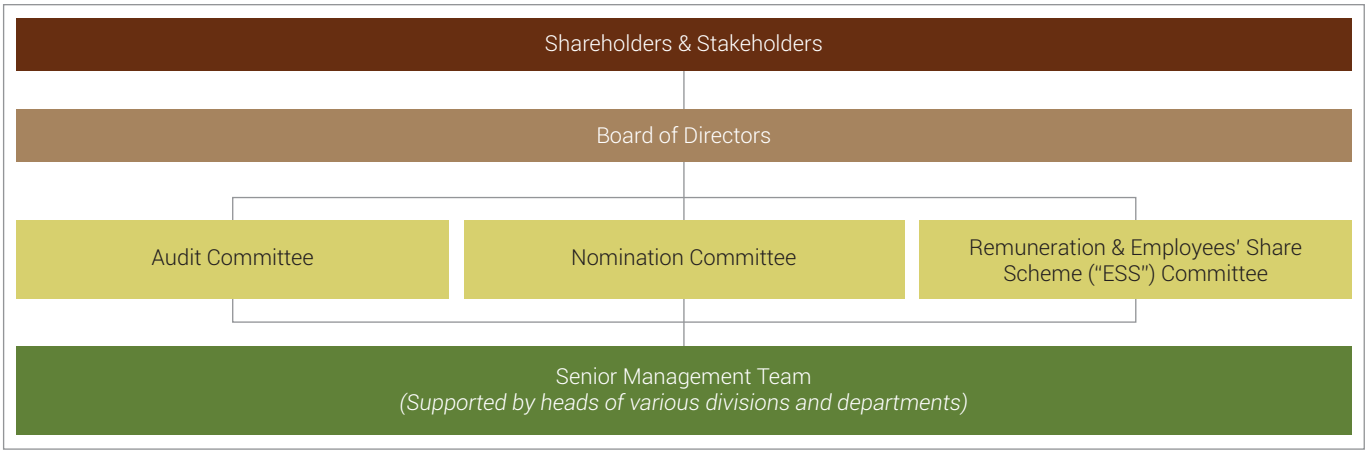


Diagram 1: Group Governance Structure

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

The Board has formalised a Board Charter which serves as a reference and guiding literature for Directors in the discharge of their fiduciary duties. The Board Charter incorporates provisions that provide for the clear demarcation of the respective roles and responsibilities of the Board and Senior Management and includes "Reserved Matters" for the Board. During the financial year under review, the Board Charter and the Terms of Reference of the Board Committees were reviewed and revised to incorporate the changes to the Companies Act, 2016, Bursa Securities' MMLR as well as the MCCG, so as to ensure compliance to mandatory requirements, and where best practices are concerned, to adopt the best practices in the best interest of the Group accordingly.

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

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

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

The meeting attendance of Directors are furnished in ***Diagram 2*** on the following page.

Name	Meeting Attendance
Board Of Directors	
Tan Sri Dato' Mohamed Mansor bin Fateh Din *Group Executive Chairman*	5/5 meetings
Datuk Richard Fong Loong Tuck *Group Executive Vice-Chairman*	5/5 meetings
Datuk Seri Fateh Iskandar bin Tan Sri Dato' Mohamed Mansor *Group Managing Director/ Chief Executive Officer*	5/5 meetings
Dato' Ikhwan Salim bin Dato' Haji Sujak *Senior Independent Director*	5/5 meetings
Datuk Ali bin Abdul Kadir *Independent Non-Executive Director*	5/5 meetings
Shan Choo *Independent Non-Executive Director*	5/5 meetings

Audit Committee		Nomination Committee		Remuneration & ESS Committee	
Chairman		**Chairman**		**Chairman**	
Datuk Ali bin Abdul Kadir	5/5 meetings	Dato' Ikhwan Salim bin Dato' Haji Sujak	3/3 meetings	Dato' Ikhwan Salim bin Dato' Haji Sujak	2/2 meetings
Member		**Member**		**Member**	
Dato' Ikhwan Salim bin Dato' Haji Sujak	5/5 meetings	Datuk Ali bin Abdul Kadir	3/3 meetings	Datuk Ali bin Abdul Kadir	2/2 meetings
Shan Choo	5/5 meetings	Shan Choo	3/3 meetings	Datuk Seri Fateh Iskandar bin Tan Sri Dato' Mohamed Mansor	2/2 meetings
				Shan Choo	2/2 meetings
Roles & responsibilities To oversee the financial reporting process and ensuring that it is in compliance with the legal and regulatory requirements and applicable accounting standards. To assess the adequacy and effectiveness of the Group's internal control framework as well as provide oversight of internal and external auditors.		**Roles & responsibilities** To identify and recommend candidates for directorships and committee memberships to the Board and Board Committees, as well as facilitating the annual assessment of Board effectiveness.		**Roles & responsibilities** To review Directors and Senior Management's remuneration and make recommendations to the Board to facilitate the development of remuneration related policies and procedures.	

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

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

Board Composition

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

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

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

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

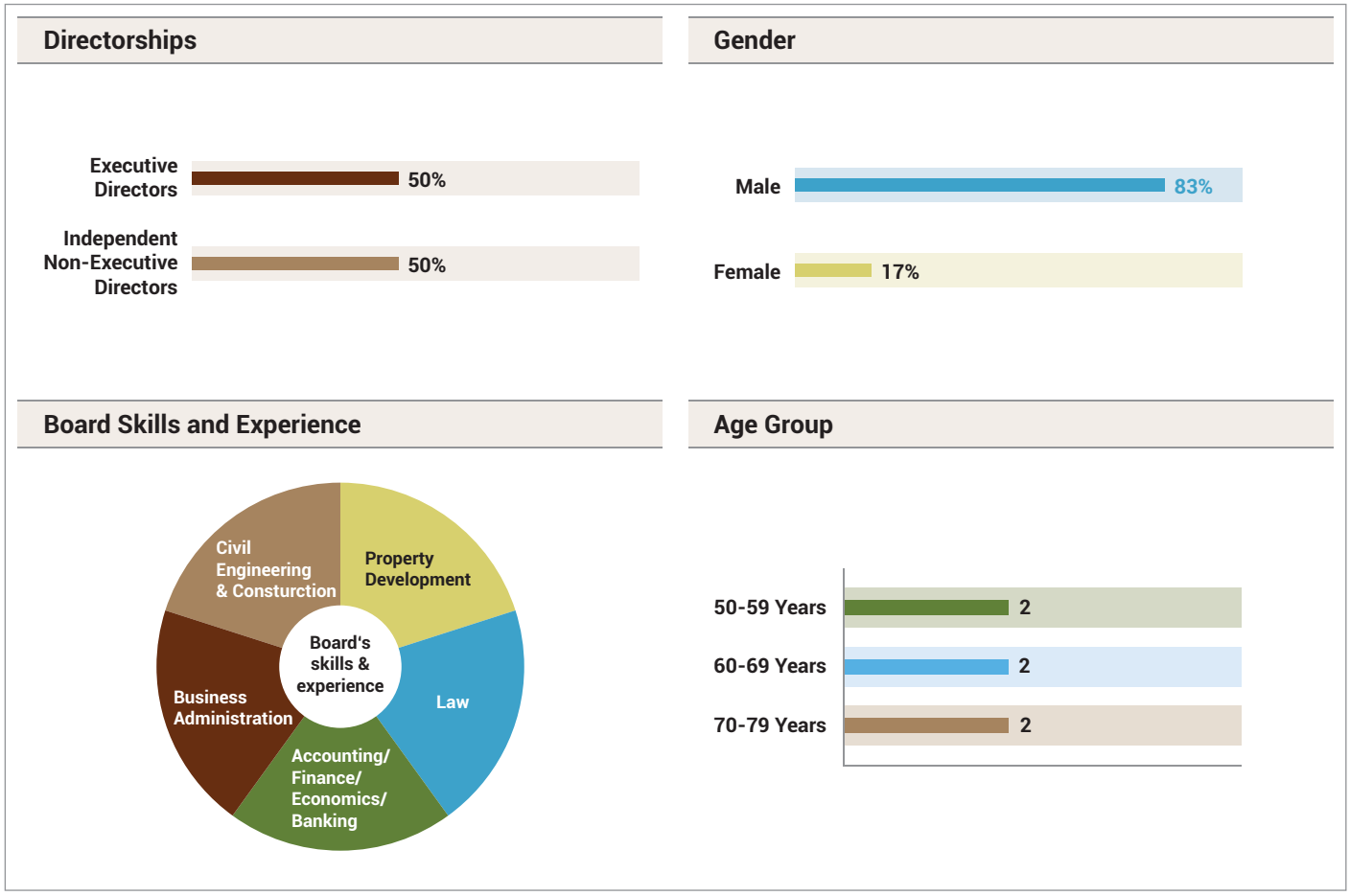


Diagram 3: Board Composition - Directorships, age group, gender, skills & experience

Boardroom Independence

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

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

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

Boardroom Diversity and Independence

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

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

Succession Planning

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

Nomination Committee

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

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

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

For the financial year ended 30 April 2019, the activities carried out by the Nomination Committee were as follows:-

- Performed an assessment on the Board, Board Committees and individual Directors.
- Reviewed and recommended the re-appointment and/or re-election of Directors pursuant to the Companies Act 2016 and the Company's Constitution.
- Assessed the independence of the Company's Independent Non-Executive Directors.
- Recommended the continuance of Independent Non-Executive Directors who had exceeded the 9-year tenure limit.

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

Boardroom Professional Development

All Directors have attended the Mandatory Accreditation Programme as required by Bursa Securities. The Directors are mindful that they should receive appropriate and continuous training by attending seminars and courses to keep themselves abreast on matters relating to their duties and responsibilities as Directors.

During the financial year under review, the Nomination Committee has reviewed the training needs of individual Directors based on the findings arising from Directors' annual performance evaluation. The training programmes attended by Directors are outlined in ***Table 1*** below:

Director	Training programmes	Organiser
Tan Sri Dato' Mohamed Mansor bin Fateh Din	Advocacy Programme by MSWG	Bursa Malaysia Securities Berhad / MSWG
	Glomac Group's In-House Directors' Training - Directors' Responsibilities and Obligations	Glomac Berhad / Deloitte
	Breakfast Talk "Progress Through Integrated Reporting"	Deloitte PLT
	Seminar for Tax Special Voluntary Disclosure Programme	Deloitte PLT
Datuk Richard Fong Loong Tuck	Glomac Group's In-House Directors' Training - Directors' Responsibilities and Obligations	Glomac Berhad / Deloitte
Datuk Seri Fateh Iskandar bin Tan Sri Dato' Mohamed Mansor	Majlis Konsultasi Bajet 2019	Ministry of Finance
	REHDA Annual Delegates Conference 2018	REHDA
	Sustainable Housing Futures Conference, The New Urban Agenda	Lim Kok Wing University
	Glomac Group's In-House Directors' Training - Directors' Responsibilities and Obligations	Glomac Berhad / Deloitte
	KPMG: Special Dialogue with Lembaga Hasil Dalam Negeri	KPMG PLT
	Invest Malaysia Kuala Lumpur Conference 2019	Invest KL, Bursa Malaysia, Malayan Banking Berhad
	Kingsley Strategic Institute: National Housing and Property Focus Summit	Kingsley Strategic Institute
Dato' Ikhwan Salim bin Dato' Haji Sujak	Glomac Group's In-House Directors' Training - Directors' Responsibilities and Obligations	Glomac Berhad / Deloitte

Director	Training programmes	Organiser
Datuk Ali bin Abdul Kadir	Directors' Training on Companies Act 2016, Transfer Pricing Rules and Malaysian Code on Corporate Governance	ENRA Group Berhad
	World Capital Markets Symposium 2018	Securities Commission
	MCCG Compliance Expectations	Privasia Technology Berhad
	1. Internal Audit Transformation 2. Code of Conduct	CitiBank
	Anti-Money Laundering	CitiBank
	Business Foresight Forum 2018: Disruptions and Collaborations – The Rise of Capital Market Businesses	SIDC
	Glomac Group's In-House Directors' Training - Directors' Responsibilities and Obligations	Glomac Berhad / Deloitte
	EPF Global Private Equity 2018	EPF
	Regional Update – Technology Development and Data Centre Relocation	CitiBank
	Manager's Control Assessment Training	CitiBank
	2019 National Budget Highlights	ENRA Group Berhad
	ENRA Group Directors' & Management Conference	ENRA Group Berhad
	Islamic Finance for Board Directors	Citibank / ISRA Consultancy
	In-house Board Training on Institutional Clients Group (ICG) Credit Risk Management Overview, Anit-Money Laundering and Sanctions and Liquidity Risk	Citibank
Shan Choo	Glomac Group's In-House Directors' Training - Directors' Responsibilities and Obligations	Glomac / Deloitte PLT
	Invest Malaysia Kuala Lumpur Conference 2019	Invest KL, Bursa Malaysia, Malayan Banking Berhad
	Breakfast Talk: Implementing the new lease accounting requirements	Deloitte PLT

Table 1: Directors' Professional Development

Board Remuneration

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

In determining the level and component parts of Directors' remuneration, the Remuneration & ESS Committee takes into consideration the demands, complexities and performance of the Group as well as the skills and experience that are required of Directors. The detailed disclosure of Directors remuneration is shown in the ***Table 2*** below:

Directors	Fees & Allowances RM '000 Company	Salaries RM '000 Group	Bonuses RM '000 Group	Statutory Contribution RM '000 Group	Benefits-in-kind RM '000 Group	Total RM '000
Executive Directors						
Tan Sri Dato' Mohamed Mansor bin Fateh Din	10.0	1,235.1	120	148.2	32.2	1,545.5
Datuk Richard Fong Loong Tuck	5.0	1,181.4	113	147.4	32.2	1,479.0
Datuk Seri Fateh Iskandar bin Tan Sri Dato' Mohamed Mansor	6.0	1,181.4	113	249.8	32.2	1,582.4
Non-Executive Directors						
Datuk Ali bin Abdul Kadir	74.5	-	-	-	-	74.5
Dato' Ikhwan Salim bin Dato' Haji Sujak	72.8	-	-	-	-	72.8
Shan Choo	70.8	-	-	-	-	70.8
Total	**239.1**	**3,597.9**	**346**	**545.4**	**96.6**	**4,825.0**

Table 2: Directors' remuneration

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

Principle B: Effective Audit and Risk Management

Audit Committee

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

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

The AC Report, which provides detailed articulation on the composition of the AC, its responsibilities and main activities during the year, is set out on pages 65 to 66 of the Annual Report.

Risk Management and Internal Controls

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

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

The Statement on Risk Management and Internal Control furnished on pages 58 to 64 of the Annual Report provides an overview of the Group's risk management and internal control framework and findings during the financial year under review.

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

Directors' Responsibility in Preparing the Annual Audited Financial Statements

The Directors are required by the Companies Act, 2016 to prepare financial statements which give a true and fair view of the state of affairs of the Group and the Company for each financial year.

In preparing the abovementioned, the Directors have accordingly:-

- Used appropriate accounting policies and applied them consistently;
- Made judgments and estimates that are reasonable and prudent;
- Followed all applicable approved accounting standards;
- Prepared financial statements on an "going concern" basis as the Directors have a reasonable expectation, having made enquiries that the Group and Company have adequate resources to continue operations for the foreseeable future,

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

Communication with Stakeholders

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

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

Conduct of General Meetings

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

The notice of the upcoming AGM, which is scheduled to be held on 23 October 2019, has been made available to shareholders more than 28 days prior to the meeting in order to accord shareholders with sufficient time to review the Group's financial and operational performance as well as the resolutions that are to be tabled during the AGM. The extended notice period is also intended to enable shareholders to make the necessary arrangements to attend the AGM. The venue of the upcoming AGM, which is in a central location within the Klang Valley area, was a conscious choice by the Company so as to ensure that the venue is easy to reach and easily accessible for shareholders.

During the 2018 AGM, in line with the MMLR of Bursa Securities, all resolutions that were tabled for shareholders' approval were decided by poll voting. An electronic poll voting system was put in place for the Company's shareholders to participate in the polling procedure,

Sustainability Reporting

The topic of sustainability has gained notable traction amongst industry players and the wider corporate sector. Taking cue from this, the Board has expended efforts in ensuring that the Company meets the reporting expectation with regards to the Group's sustainability activities and performance. During the financial year under review, the Company herein sets out its sustainability disclosures, which is made pursuant to the enumerations in MMLR, in the Sustainability Report which can be found on page 16 to 29 of this Annual Report.

This CG Overview Statement was approved by the Board on 23 August 2019.

STATEMENT ON RISK MANAGEMENT AND INTERNAL CONTROL

The Board of Directors (the "Board") of Glomac Berhad ("Glomac" or the "Company") is highly committed to maintain a sound system of risk management and internal control in the Company and its subsidiaries (collectively referred to as the "Group"). The Board is pleased to provide the following Statement on Risk Management and Internal Control (the "Statement"), which outlines the nature and scope of risk management and internal control of the Group for the financial year ended 30 April 2019.

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

Responsibility and Accountability

Board

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

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

Management

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

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

During the year under the review, the RMC had met for three times to review the changes in risk profile, identify significant and nuanced risk factors (e.g. legal and reputational risks) as well as deliberate on the actions plans to mitigate the risks.

Risk Management

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

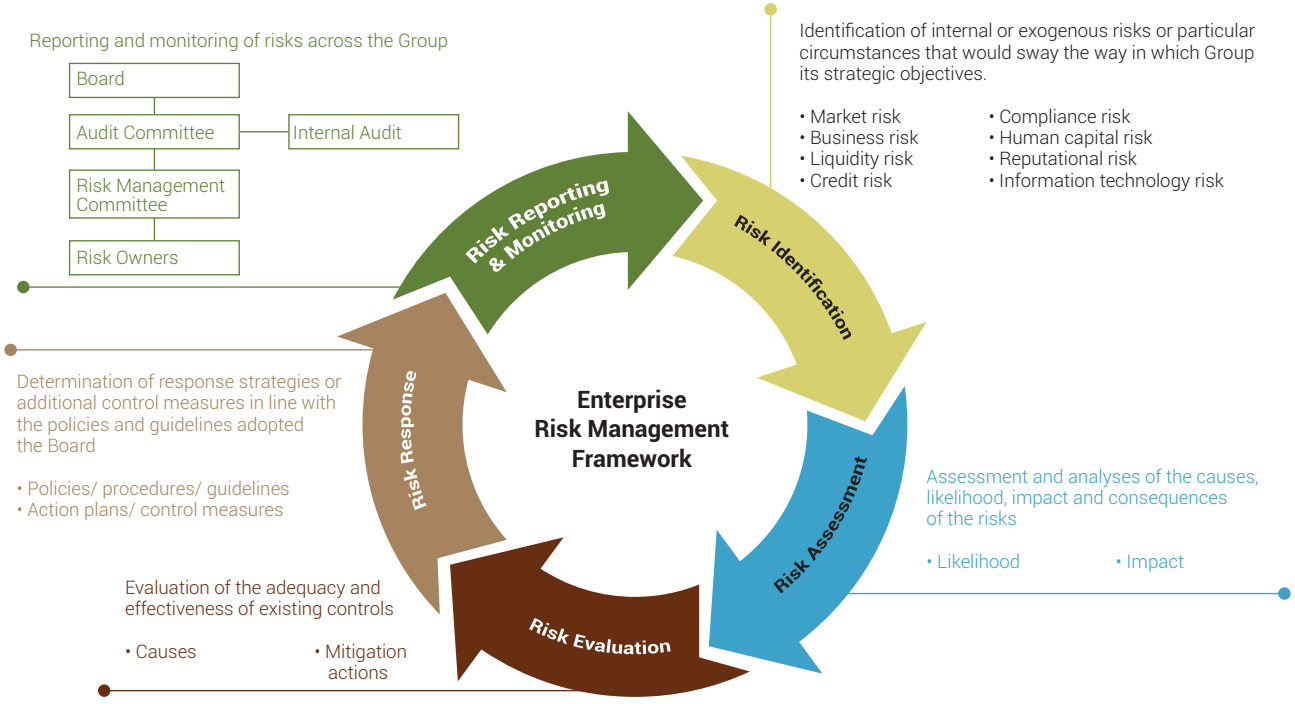


Diagram 1: Enterprise Risk Management Framework

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

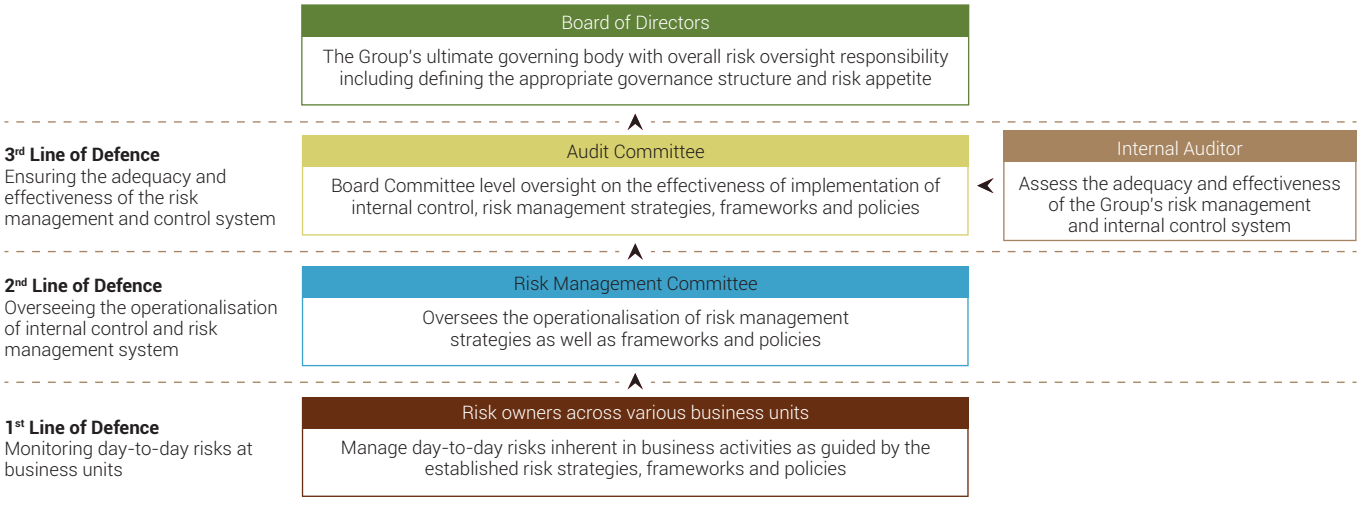


Diagram 2: Risk Management Governance Structure

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

Significant Risk Factors

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

Risk category	Nature of risks	Description	Risk management approach
Strategic risk	Softening demand for properties	The properties sales are projected to soften, driven by weak buyers' sentiments, stricter bank lending and oversupply in selected segment. This has resulted in an overhang in the residential property market, especially at the higher end market, increase in end-financing rejection rate and lower margin of financing.	In order to cushion the impact of softening market demand, the Group has developed its mitigation plans, with a focus on diversification of products and locations.
Strategic risk	Ineffective sales and marketing plans	Ineffective sales and marketing plans can lead to slow take-ups rates, pull back of launches and high balance stock. This is primarily due to inflexible marketing strategies, hiring of non-performing marketing agencies and thus, resulting in low product awareness.	The Group recognises that an agile marketing plan which takes into account the changing consumer sentiment, is a key determinant to sustain the business. The Group has leveraged on an online advertising platform and implemented a social media engagement programme to improve its visibility via alternative media.
Strategic risk	Non-performing consultants/ contractors	In the course of business, the Group relies on third party contractors and consultants in many aspects of its development. As such, the Group's operations may be affected by the non-performance of these contractors.	In view of the Group's reliance on third party contractors/consultants and the impact a non-performing contractor/consultant may bring, the Group has formalised a structured process to continuously assess and monitor the performance of an approved panel of contractors/consultants.
Strategic risk	Poor workmanship quality	The poor quality of workmanship may be affected by inferior materials used by contractors, inadequate supervision by consultants/project personnel and poor project management. Such risk could result in additional cost and time incurred for rectification as well as negative press coverage.	Recognising the deleterious effects of poor workmanship quality, the Group has put in place an independent quality assessment and strengthened its project management capabilities. A defect tracking system has been implemented to provide data on the improvement areas.
Operational risk	Low occupancy rate of mall	Significant downward pressure can potentially be exerted on the occupancy rate of mall due to macroeconomic uncertainties, tepid purchasing power of consumers and cut-throat competition on lease rates.	Premised on the need to revitalise the mall and secure more tenants, the Group has undertaken more crowd pulling fairs, events and activities so as to promote visibility and increase footfalls. The Group will also improve its attentiveness towards tenants' suggestions and concerns.

Internal Control Framework

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

1 Board Committees

The functions and responsibilities of the various committees of the Board of Directors are defined in their respective terms of reference. These include the Audit Committee, the Nomination Committee and the Remuneration and Employees' Shares Scheme Committee.

2 Integrity and ethical values

The Board acknowledges that tone at the top is a prerequisite for an ethical corporate culture that shapes the Company's values and forms the bedrock for sustainable growth of the business. The Board is cognisant that ethical leadership has been made even more imperative with the newly-reposed corporate liability provision vide the Malaysian Anti-Corruption Commission (Amendment) Act 2018 which places the onus on Directors and Management to proactively avert corrupt practices through the establishment of adequate procedures and exercise of due diligence.

Taking into account of the reform measure introduced by the corporate liability provision as well as the accompanying Guidelines on Adequate Procedures as released by National Centre for Governance, Integrity and Anti-Corruption, the Group will continue to reinforce its ethical framework which is currently composed of the following key components:

- Code of Conduct
  The Code of Conduct (the "Code") is a vital and an integral part of Glomac's governance framework as it defines the core principles and ethical standards in conducting business and engagement with all stakeholders besides reinforcing the need for compliance with relevant laws and regulations. All employees of the Group are called upon to adhere to the Code in guiding them to observe high standards of personal and corporate integrity in their dealings with internal and external stakeholders. In addition, the Group has an Employee Handbook that guides the Group's employees in their day-to-day conduct, conducting themselves with integrity and objectivity and not be placed in a position of conflict of interest.

- Whistleblowing Policy and Procedures
  The Group has put in place Whistleblowing Policy and Procedures that enable individuals to raise genuine concerns to designated recipients within the Group on potential breaches of business conduct, non-compliance with legal and regulatory requirements as well as other malpractices without fear of retaliation. Avenues are also available for stakeholders to escalate bona fide concerns directly to the Chairman of Audit Committee, especially if the report pertains to a member of Glomac's Management team. The Whistleblowing Policy and Procedures document is made available on Glomac's website.

- Due diligence parameters for consultants/contractors
  The selection and performance evaluation criteria for enlisting and monitoring consultants/contractors also encompass the dimensions of ethics and integrity in addition to other business considerations. Safeguards against corrupt acts have been imputed in the service contracts with the consultants/contractors to protect the interests of the Group.

3 Limits of authority and responsibility

Clearly defined and documented lines and limits of authority, responsibility and accountability have been established through the relevant terms of references, organisational structures and appropriate authority limits, including matters requiring the Board's approval. For example, the limits of authority clearly spells out the permissible nature of expenses and the corresponding monetary quantum that are vested under the respective purviews of the General Managers, Chief Operating Officer, Management Committee and the Executive Directors jointly.

The corporate structure further enhances the ability of each subsidiary or division, as the case may be, to focus on its assigned core or support functions within the Group. In designing and implementing these policies, structures and systems, the Group is guided by the dictum that no single individual should be accorded with unfettered powers.

4 Planning, monitoring and reporting

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

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

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

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

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

- Performance Monitoring and Reporting
  The Group's Management team monitors and reviews financial and operational results, including monitoring and reporting of performance against the operating plans and annual budgets. The Management team formulates and communicates action plans to address areas of concern, Separate monthly operational reports are disseminated to the Group's Management Team members, with periodical meetings organised with heads of departmentys and core business managers. The Group MD / CEO reports to the Audit Committee and the Board of Directors on a quarterly basis on significant changes in the business and external environment in which the Company operates;

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

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

- Coverage and Safeguarding of Major Assets
  Sufficient insurance coverage is in place to enable major assets to be adequately covered against mishaps, calamities and thefts that may result in material losses to the Group. The insurance coverage is reviewed at regular intervals to ensure its adequacy vis-à-vis the Group's risk appetite. At the same time, physical security measures are taken to safeguard these major assets. Information technology based assets (software and hardware) are upgraded from time to time to mitigate the possibility of security breaches; and

- Commitment to Capacity Building
  The Group, being in a competitive industry, recognises the importance of sustainable investment in improving the skills and competencies of its Management and other employees. This is achieved through facilitating various training programmes, seminars, workshops and continuous learning initiatives. Investments are also channelled for information technology infrastructure with a view of facilitating the impetus towards digitalisation.

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

Internal Audit Function

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

For the financial year ended 30 April 2019, the internal audit function assessed the adequacy and operating effectiveness of internal controls deployed by Management for the following key processes, covering project management and sales and marketing.

Business Process	Key risks
Project Management	• Lapses in monitoring of contractor's performance bond • Non-performing consultants/ contractors • Lapses in monitoring of Site Memos on project sites
Sales and Marketing	• Shortcomings in management of customer enquiries • Shortcomings in carrying out proper pre-qualification and appointment process of external sales agents

The internal audit engagement by KPMG is headed by an Executive Director, namely, Mr. Khaidzir Shahari. He is a professional member of the Institute of Internal Auditors, Malaysia and a Chartered Accountant (Malaysian Institute of Accountants). Mr. Khaidzir has accumulated over 22 years of experience in a wide range of governance advisory, risk management and internal audit work. The internal audit work was carried out with four personnel being deployed. All the personnel deployed by KPMG are free from any relationships or conflicts of interest, which could impair their objectivity and independence during the course of the work. During the financial year ended 30 April 2019, the total cost incurred for internal audit activities amounted to RM75,000, excluding ancillary expenses and taxes (Financial Year Ended 30 April 2018: RM 75,000, excluding ancillary expenses and taxes).

Following the completion of its work, the internal audit function reported directly to the AC on improvement measures pertaining to internal controls, including a follow-up on the status of Management's implementation of recommendations raised in previous reports. Internal audit reports were submitted to the AC, which reviewed the observations with Management, including Management's action plans to address the concerns raised. To illustrate further, it is worth highlighting that the recommendations raised by the internal audit function over the preceding five years have been substantially implemented by Management (i.e. implementation rate of 85%). In addition, the external auditor's Management Letters and Management's responses to the control recommendations on deficiencies noted during financial audits provided added assurance that control procedures on matters of finance and financial reporting were in place, and were being followed.

Statement on Risk Management and Internal Control

Review by the External Auditor

In accordance to paragraph 15.23 of the Main Market Listing Requirements of Bursa Malaysia Securities Berhad, the external auditor, Deloitte PLT has reviewed this Statement for inclusion in this Annual Report of the Group for the financial year ended 30 April 2019.

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

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

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

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

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

This Statement is made in accordance with the resolution of the Board of Directors dated 23 August 2019.

AUDIT COMMITTEE REPORT

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

(A) Members

The Audit Committee of the Company consists of three (3) members, all of whom are Independent Non-Executive Directors. For the financial year ended 30 April 2019, the Audit Committee comprised the following:-

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

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

The functions of the Audit Committee is as set out in the Terms of Reference of the Audit Committee which can be found on the Company's website at www.glomac.com.my.

(B) Meetings

During the financial year ended 30 April 2019, the Committee held five (5) meetings. The details of the attendance of each Committee member are as follows:

Name of Audit Committee Member	Total meetings attended
Datuk Ali bin Abdul Kadir	5/5
Dato' Ikhwan Salim bin Dato' Haji Sujak	5/5
Shan Choo	5/5

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

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

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

During the financial year ended 30 April 2019, the Committee had worked closely with the external auditors, Internal Auditors and Management to monitor, oversee, review and evaluate the effectiveness and adequacy of the Group's risk management and internal control, financial management and reporting.

The Committee had in the discharge of its duties during the financial year ended 30 April 2019, carried out the following:

1. Risk Management and Internal Controls:-

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

2. Financial Reporting

- Reviewed the audited financial statements for financial year ended 30 April 2019.
- Reviewed the unaudited quarterly financial results announcements of the Group prior to the Board of Directors' approval with particular focus on:
  - compliance with financial reporting standards in Malaysia and provisions of the Companies Act, 2016; and
  - the Group's accounting policies and practice.
- Reviewed the Recurrent Related Party Transactions of a revenue or trading nature ("RRPT") entered into by the Company and the Group on a quarterly basis.
- Reviewed the draft proposal to seek shareholders' mandate for the Company and the Group to enter into RRPT.

3. Internal Audit

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

4. External Auditor

- Reviewed the external audit terms of engagement, proposed audit remuneration and audit plan of the Company and of the Group for the financial year ended 30 April 2019.
- Reviewed the significant issues and concerns arising from the audit.
- Considered the feedback regarding problems and reservations arising from the interim and final audits.
- Assessed and be satisfied with the written independent assurance given by the External Auditors.
- Considered and recommended to the Board for approval the audit fees payable to the external auditors.

5. Others

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

(D) Summary of the work of Internal Auditors

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

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

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

The total cost incurred for the internal audit function of the Group in respect of the financial year ended 30 April 2019 amounted to RM75,000.The summary of the works undertaken by the internal auditors during the period under review may be referred to the Statement on Risk Management & Internal Control on page 58 to 64 of the Annual Report.

This Report is made in accordance with a resolution passed at the meeting of Audit Committee held on 23 August 2019.

FINANCIAL STATEMENTS

68	Report of the Directors
74	Independent Auditors' Report
79	Statements of Profit or Loss and Other Comprehensive Income
80	Statements of Financial Position
83	Statements of Changes in Equity
85	Statements of Cash Flows
87	Notes to the Financial Statements
173	Statement by Directors
173	Declaration by the Officer Primarily Responsible for the Financial Management of the Company

REPORT OF THE DIRECTORS

The Directors of **GLOMAC BERHAD** have pleasure in submitting their report and the audited financial statements of the Group and of the Company for the financial year ended 30 April 2019.

PRINCIPAL ACTIVITIES

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

The principal activities of the subsidiary and associated companies are disclosed in Note 40 to the financial statements.

RESULT OF OPERATIONS

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

	The Group RM	The Company RM
Profit before tax	37,802,539	28,318,848
Income tax expense	(23,083,178)	(5,161,711)
Profit for the financial year	14,719,361	23,157,137
Profit attributable to:		
Owners of the Company	14,719,158	23,157,137
Non-controlling interests	203	-
	14,719,361	23,157,137

In the opinion of the Directors, the results of operations of the Group and of the Company during the financial year have not been substantially affected by any item, transaction or event of a material and unusual nature, except for the fair value gain on investment properties of RM8,650,144 of the Group as disclosed in Note 9(a) to the financial statements.

DIVIDENDS

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

	RM
In respect of the financial year ended 30 April 2018 as reported in the Directors' Report of that year:	
Final single-tier dividend of RM0.015 per share on 782,034,645 ordinary shares, paid on 28 December 2018	11,730,519

The Directors propose a final single-tier dividend of RM0.008 per share on 777,917,145 ordinary shares, totalling approximately RM6,223,337 in respect of the current financial year. This dividend is subject to the approval of the shareholders at the forthcoming Annual General Meeting of the Company, and has not been included as a liability in the financial statements. Upon approval by the shareholders, the proposed dividend for 2019 will be paid on 27 December 2019 to all outstanding ordinary shares in issue. The cash dividend payment will be accounted for in equity as an appropriation of retained earnings during the financial year ending 30 April 2020.

RESERVES AND PROVISIONS

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

ISSUE OF SHARES AND DEBENTURES

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

SHARE OPTIONS

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

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

The salient features of the ESS are disclosed in Note 37 to the financial statements.

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

	Number of options to subscribe for ordinary shares						
Grant Date	**Balance at 1.5.2018**	**Granted**	**Exercised**	**Cancelled**	**Lapsed**	**Balance at 30.4.2019**	**Exercise price per share[(i)] (RM)**
2.5.2014	8,760,400	-	-	(352,000)	(8,408,400)	-	0.91
2.1.2015	4,555,100	-	-	(192,500)	-	4,362,600	0.83
4.1.2016	7,154,400	-	-	(411,400)	-	6,743,000	0.72

(i) ESOS exercise price per share after modification

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

	Number of grants in respect of ordinary shares				
Grant Date	**Balance at 1.5.2018**	**Granted**	**Exercised**	**Cancelled**	**Balance at 30.4.2019**
3.1.2017	3,725,700	-	-	(157,300)	3,568,400

TREASURY SHARES

During the financial year, the Company purchased 12,786,500 units of its own shares through purchases on Bursa Malaysia Securities Berhad. The total amount paid for acquisition of the shares was RM5,063,371 and it has been deducted from equity. The share transactions were financed by internally generated funds and the average price paid for the shares was RM0.40 per share. The repurchased shares are held as treasury shares in accordance with Section 127(4)(b) of the Companies Act, 2016.

As at 30 April 2019, the Company held a total of 19,700,800 ordinary shares as treasury shares out of its issued and paid-up share capital of 800,089,370 ordinary shares. Such treasury shares are held at carrying amount of RM10,412,458. Further details are disclosed in Note 28 to the financial statements.

RESTRICTED SHARES GRANT RESERVE

There is no movement in the balance of shares held in trust during the financial year. As of 30 April 2019, the Company has repurchased a total of 14,993,000 of its issued ordinary shares from the open market at an average price of RM0.90 per share. These shares are being held in trust by the Company and recorded as restricted shares grant ("RSG") reserve for the purpose of granting restricted shares to eligible employees in future. The first, second and third tranches of RSG under ESS scheme totalling 12,746,250 shares have been vested and awarded to a selected group of eligible employees as of 30 April 2019. The balance shares held in trust by the Company as at 30 April 2019 is 2,471,425 shares at an average price of RM0.56 per share. Further details are disclosed in Note 28 to the financial statements.

OTHER STATUTORY INFORMATION

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

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

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

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

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

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

(c) which have arisen which would render adherence to the existing method of valuation of assets or liabilities of the Group and of the Company misleading or inappropriate; or

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

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

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

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

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

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

DIRECTORS

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

Tan Sri Dato' Mohamed Mansor bin Fateh Din
Datuk Fong Loong Tuck
Datuk Seri Fateh Iskandar bin Tan Sri Dato' Mohamed Mansor
Dato' Ikhwan Salim bin Dato' Haji Sujak
Datuk Ali bin Abdul Kadir
Choo Shan

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

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

DIRECTORS' INTERESTS

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

Shares in the Company:

	Number of ordinary shares			
	Balance as at 1.5.2018	**Bought**	**Sold**	**Balance as at 30.4.2019**
Registered in the name of Directors				
Tan Sri Dato' Mohamed Mansor bin Fateh Din	161,283,317	-	-	161,283,317
Datuk Fong Loong Tuck	131,424,805	-	(550,000)	130,874,805
Datuk Seri Fateh Iskandar bin Tan Sri Dato' Mohamed Mansor	133,968,784	2,140,800	-	136,109,584
Dato' Ikhwan Salim bin Dato' Haji Sujak	22,880	-	-	22,880
Datuk Ali bin Abdul Kadir	2,013,000	-	-	2,013,000

DIRECTORS' INTERESTS (Cont'd)

Options pursuant to the ESOS of the Company:

	Number of options over ordinary shares				
	Balance as at 1.5.2018	Granted	Exercised	Lapsed	Balance as at 30.4.2019
Registered in the name of Directors					
Tan Sri Dato' Mohamed Mansor bin Fateh Din	1,466,300	-	-	(733,700)	732,600
Datuk Fong Loong Tuck	1,466,300	-	-	(733,700)	732,600
Datuk Seri Fateh Iskandar bin Tan Sri Dato' Mohamed Mansor	1,890,900	-	-	(944,900)	946,000

Shares grant pursuant to the RSG of the Company:

	Number of grants in respect of ordinary shares				
	Balance as at 1.5.2018	Granted	Cancelled	Vested	Balance as at 30.4.2019
Registered in the name of Directors					
Tan Sri Dato' Mohamed Mansor bin Fateh Din	519,200	-	-	-	519,200
Datuk Fong Loong Tuck	519,200	-	-	-	519,200
Datuk Seri Fateh Iskandar bin Tan Sri Dato' Mohamed Mansor	669,900	-	-	-	669,900

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

Shares in the subsidiary companies:

	Number of ordinary shares			
	Balance as at 1.5.2018	Bought	Sold	Balance as at 30.4.2019
Shares in Glomac Bina Sdn. Bhd.				
Registered in the name of Director				
Tan Sri Dato' Mohamed Mansor bin Fateh Din	1,092,000	-	-	1,092,000
Shares in FDA Sdn. Bhd.				
Registered in the name of Director				
Datuk Seri Fateh Iskandar bin Tan Sri Dato' Mohamed Mansor	75,000	-	-	75,000

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

DIRECTORS' BENEFITS

Since the end of the previous financial year, none of the Directors of the Company has received or become entitled to receive any benefit (other than those disclosed as Directors' remuneration in the financial statements) by reason of a contract made by the Company or a related corporation with the Director or with a firm of which the Director is a member, or with a company in which the Director has a substantial financial interest other than any benefit which may be deemed to have arisen by virtue of the transactions as disclosed in Note 36 to the financial statements.

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

INDEMNITY AND INSURANCE FOR DIRECTORS AND OFFICERS

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

AUDITORS' REMUNERATION

The auditors' remuneration for the financial year ended 30 April 2019 is as disclosed in Note 9(a) to the financial statements.

AUDITORS

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

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

_____

TAN SRI DATO' MOHAMED MANSOR BIN FATEH DIN

_____

DATUK SERI FATEH ISKANDAR BIN TAN SRI DATO' MOHAMED MANSOR

Kuala Lumpur
23 August 2019

INDEPENDENT AUDITORS' REPORT

TO THE MEMBERS OF GLOMAC BERHAD
(Incorporated in Malaysia)

Report on Audit of the Financial Statements

Opinion

We have audited the financial statements of **GLOMAC BERHAD**, which comprise the statements of financial position as at 30 April 2019 of the Group and of the Company, and the statements of profit or loss and other comprehensive income, statements of changes in equity and statements of cash flows of the Group and of the Company for the year then ended, and notes to the financial statements, including a summary of significant accounting policies, as set out on pages 79 to 172.

In our opinion, the accompanying financial statements give a true and fair view of the financial position of the Group and of the Company as at 30 April 2019, and of their financial performance and their cash flows for the year then ended in accordance with Malaysian Financial Reporting Standards, International Financial Reporting Standards and the requirements of the Companies Act, 2016 in Malaysia.

Basis for Opinion

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

Independence and Other Ethical Responsibilities

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

Key Audit Matters

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

Revenue recognition on property development

Key audit matter

Revenue from property development during the year as disclosed in Note 5 to the financial statements amounted to RM228 million, which represented 84% of the Group's revenue.

The Group recognises revenue from property development using the cost-based input method, which is measured on the basis of the Group's efforts or inputs to the property development costs incurred to date relative to the total expected property development costs.

Property development projects and expense estimates are reviewed and revised periodically as work progresses and as variation orders are approved.

In determining the total expected property development costs, significant management estimates and judgement is involved, which includes relying on the opinion or service of experts, past experience and continuous monitoring of the budgeting process.

These management estimates and judgements affect the cost-based input method computations and the amount of revenue and profit recognised during the year, as well as assessing the recoverability of the property development projects.

Our audit response

We reviewed management's assessment on the impact of the transition from Financial Reporting Standards to Malaysian Financial Reporting Standards ("MFRS") and ensured the impact has been considered and adjusted retrospectively and all the current year transactions were accounted for in accordance with MFRS 15 *Revenue from Contracts with Customers*.

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

We assessed the reasonableness of management-prepared budgets for property development costs and challenged management assumptions used in the preparation of the respective budgets. We also performed a retrospective review to establish the reliability of management-prepared budgets and considered the implications of any changes in assumptions used in the budgets.

We assessed whether the revenue from property development contracts has been properly recognised based on the cost-based input method by vouching to supporting evidence such as contractors' progress claims and suppliers' invoices to ascertain the actual property development costs incurred and the proportion of the property development units sold attributable to the percentage of development work performed during the year where the outcome of the projects can be reliably estimated.

We checked the mathematical accuracy of the revenue and profit recognised based on the cost-based input method and assessed the recoverability of the property development projects.

Fair value of investment properties

Key audit matter

As at 30 April 2019, the investment property portfolio of the Group carried at fair value mainly consisted of a retail mall valued at RM318 million which is based on independent external valuations.

The valuation process involves significant judgement in determining the appropriate valuation method to be used and in estimating the underlying assumptions to be applied. The valuation is sensitive to the key assumptions applied and significant various unobservable inputs are disclosed in Note 15 to the financial statements.

Our audit response

We performed site visits to verify the existence and conditions of the investment properties.

We assessed the appropriateness of the external valuer's scope of work, and evaluated the independence and competency of the external valuer.

We held discussions with the external valuer to develop an understanding of the valuation method and assumptions used in performing the valuation. We involved our internal valuation specialists to assist us in assessing the appropriateness of the valuation method and assumptions used. We challenged the basis of the assumptions used, which included verifying the property related data inputs applied by the external valuer.

We also assessed the adequacy and appropriateness of the related disclosures in the financial statements.

Net realisable value of completed property units

Key audit matter

As at 30 April 2019, the carrying amount of the completed property units of the Group, which are stated at the lower of cost and net realisable value, amounted to RM133 million and represented 21% of the Group's total current assets. Management applies significant judgement in determining the net realisable value of the completed property units based on recent sales transactions of similar properties or comparable properties in similar or nearby locations net of estimated cost necessary to complete the sale.

Independent Auditors' Report

to the Members of Glomac Berhad
(Incorporated in Malaysia)

Our audit response

We evaluated the Group's policy for inventory provision of completed property units through discussion with management, and considered management's basis for determining the net realisable value.

We tested management's assessment of net realisable value by comparing it to recent transacted prices of similar or comparable completed property units and taking into consideration the estimated selling costs and current market sentiments.

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

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

Information Other than the Financial Statements and Auditors' Report Thereon

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

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

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

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

Responsibilities of the Directors for the Financial Statements

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

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

Auditors' Responsibilities for the Audit of the Financial Statements

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

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

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

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

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

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

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

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

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

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

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

Report on Other Legal and Regulatory Requirements

In accordance with the requirements of the Companies Act, 2016 in Malaysia, we report that the subsidiaries of which we have not acted as auditors, are as disclosed in Note 40 to the financial statements.

Independent Auditors' Report

to the Members of Glomac Berhad
(Incorporated in Malaysia)

Other Matters

1) As stated in Note 2 to the financial statements, the Group and the Company adopted Malaysian Financial Reporting Standards on 1 May 2018 with a transition date of 1 May 2017. These standards were applied retrospectively by the Directors to the comparative information in these financial statements, including the statements of financial position of the Group and of the Company as at 30 April 2018 and 1 May 2017, and the statements of profit or loss and other comprehensive income, statements of changes in equity and statements of cash flows of the Group and of the Company for the year ended 30 April 2018 and related disclosures. We were not engaged to report on the restated comparative information and it is unaudited. Our responsibilities as part of our audit of the financial statements of the Group and of the Company for the year ended 30 April 2019, in these circumstances, included obtaining sufficient appropriate audit evidence that the opening balances as at 1 May 2018 do not contain misstatements that materially affect the financial position as at 30 April 2019 and the financial performance and cash flows for the year then ended.

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

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

LAI CAN YIEW
Partner - 02179/11/2020 J
Chartered Accountant

23 August 2019

STATEMENTS OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME

FOR THE FINANCIAL YEAR ENDED 30 APRIL 2019

	Note	The Group 2019 RM	The Group 2018 RM (Restated)	The Company 2019 RM	The Company 2018 RM
Revenue	5	273,353,038	402,360,928	20,779,620	55,760,000
Cost of sales	6	(190,642,333)	(310,330,314)	(210,244)	-
Gross profit		82,710,705	92,030,614	20,569,376	55,760,000
Investment income	7	5,351,523	8,409,462	33,654,362	29,244,558
Other operating income		11,547,468	27,930,256	861,767	1,045,211
Share of loss of associated companies	17	(341,073)	(751,959)	-	-
Marketing expenses		(6,707,963)	(8,748,962)	-	-
Administrative expenses		(22,054,020)	(31,172,554)	(3,577,433)	(5,812,714)
Other operating expenses		(10,653,565)	(8,446,749)	(2,440,611)	(1,151,000)
Finance costs	8	(22,050,536)	(22,843,884)	(20,748,613)	(18,683,775)
Profit before tax	9	37,802,539	56,406,224	28,318,848	60,402,280
Income tax expense	10	(23,083,178)	(22,875,849)	(5,161,711)	(8,402,354)
Profit for the financial year		14,719,361	33,530,375	23,157,137	51,999,926
Other comprehensive loss:					
Item that may be reclassified subsequently to profit or loss:					
Exchange differences on translation of foreign operations		(23,455)	(134,439)	-	-
Total comprehensive income for the financial year		14,695,906	33,395,936	23,157,137	51,999,926
Profit attributable to:					
Owners of the Company		14,719,158	31,161,962	23,157,137	51,999,926
Non-controlling interests		203	2,368,413	-	-
		14,719,361	33,530,375	23,157,137	51,999,926
Total comprehensive income attributable to:					
Owners of the Company		14,695,703	31,027,523	23,157,137	51,999,926
Non-controlling interests		203	2,368,413	-	-
		14,695,906	33,395,936	23,157,137	51,999,926
Basic earnings per share (sen)	11	1.88	3.93		

The accompanying Notes form an integral part of the financial statements.

STATEMENTS OF FINANCIAL POSITION

AS AT 30 APRIL 2019

	Note	The Group 30.4.2019 RM	30.4.2018 RM (Restated)	1.5.2017 RM (Restated)
ASSETS				
Non-current Assets				
Property, plant and equipment	13	47,425,786	50,829,732	51,002,034
Prepaid lease payments on leasehold land	14	48,542	52,587	56,632
Investment properties	15	375,475,318	349,613,378	349,184,378
Inventories - land held for property development	21	784,907,658	794,700,125	740,029,247
Associated companies	17	29,204,221	30,700,294	33,762,253
Other investments	18	4,000,000	4,000,000	4,000,000
Goodwill on consolidation	19	395,165	395,165	395,165
Deferred tax assets	20	35,797,613	31,935,116	24,932,296
Total Non-current Assets		1,277,254,303	1,262,226,397	1,203,362,005
Current Assets				
Inventories - completed units	21	132,750,466	139,689,678	143,725,670
Inventories - property development costs	21	77,910,594	66,342,548	35,115,968
Contract assets	22	70,642,960	84,766,041	75,339,147
Contract costs	23	5,860,053	327,314	889,360
Trade receivables	24	124,969,798	136,969,588	150,107,754
Other receivables	25	28,904,375	30,928,780	35,422,154
Tax recoverable		26,783,448	21,486,175	18,956,756
Deposits, cash and bank balances	27	154,615,973	176,074,120	307,751,466
Total Current Assets		622,437,667	656,584,244	767,308,275
TOTAL ASSETS		1,899,691,970	1,918,810,641	1,970,670,280

Statements of Financial Position

as at 30 April 2019

	Note	The Group 30.4.2019 RM	30.4.2018 RM (Restated)	1.5.2017 RM (Restated)
EQUITY AND LIABILITIES				
Capital and Reserves				
Issued capital	28	418,631,554	418,631,554	418,631,554
Capital reserve	28	300,000	300,000	300,000
Equity-settled employee benefits reserve	28	4,685,666	6,027,275	6,648,587
Foreign currency translation reserve		714,945	738,400	872,839
Treasury shares	28	(10,412,458)	(5,349,087)	(4,272,596)
Restricted shares grant reserve	28	(1,387,207)	(1,387,207)	(238,430)
Retained earnings	29	678,215,102	673,325,324	652,701,721
Equity attributable to owners of the Company		1,090,747,602	1,092,286,259	1,074,643,675
Non-controlling interests		34,112,365	37,155,342	47,526,929
Total Equity		1,124,859,967	1,129,441,601	1,122,170,604
Non-current Liabilities				
Borrowings	30	248,684,011	301,153,942	239,930,961
Deferred tax liabilities	20	1,677,720	1,399,380	2,283,538
Contract liabilities	22	107,857	-	359,715
Total Non-current Liabilities		250,469,588	302,553,322	242,574,214
Current Liabilities				
Trade payables	31	118,809,295	154,304,210	143,393,674
Other payables and accrued expenses	32	42,867,302	36,301,318	103,915,071
Provisions	32	97,181,251	72,373,284	43,458,738
Contract liabilities	22	4,310,692	4,429,474	12,346,265
Borrowings	30	259,847,839	213,834,078	290,420,340
Tax liabilities		1,346,036	5,573,354	1,546,777
Dividend payable		-	-	10,844,597
Total Current Liabilities		524,362,415	486,815,718	605,925,462
Total Liabilities		774,832,003	789,369,040	848,499,676
TOTAL EQUITY AND LIABILITIES		1,899,691,970	1,918,810,641	1,970,670,280

Statements of Financial Position

as at 30 April 2019

	Note	The Company 30.4.2019 RM	30.4.2018 RM	1.5.2017 RM
ASSETS				
Non-current Assets				
Property, plant and equipment	13	89,052	405,917	738,664
Subsidiary companies	16	543,207,064	540,312,066	541,463,066
Deferred tax assets	20	1,060,947	1,331,128	4,181,708
Total Non-current Assets		544,357,063	542,049,111	546,383,438
Current Assets				
Inventories - completed units	21	1,100,299	1,295,942	1,295,942
Other receivables	25	3,854,597	4,725,353	4,750,116
Amount due from subsidiary companies	26	642,404,419	624,981,945	526,152,696
Deposits, cash and bank balances	27	3,475,102	5,998,352	43,021,808
Total Current Assets		650,834,417	637,001,592	575,220,562
TOTAL ASSETS		1,195,191,480	1,179,050,703	1,121,604,000
EQUITY AND LIABILITIES				
Capital and Reserves				
Issued capital	28	418,631,554	418,631,554	418,631,554
Equity-settled employee benefits reserve	28	4,685,666	6,027,275	6,648,587
Treasury shares	28	(10,412,458)	(5,349,087)	(4,272,596)
Restricted shares grant reserve	28	(1,387,207)	(1,387,207)	(238,430)
Retained earnings	29	368,127,749	355,763,992	314,302,425
Total Equity		779,645,304	773,686,527	735,071,540
Non-current Liabilities				
Borrowings	30	101,400,000	128,387,500	133,550,000
Total Non-current Liabilities		101,400,000	128,387,500	133,550,000
Current Liabilities				
Other payables and accrued expenses	32	3,044,558	2,453,258	1,731,778
Amount due to subsidiary companies	26	112,616,118	94,630,918	91,208,372
Borrowings	30	197,500,000	178,162,500	148,950,000
Tax liabilities		985,500	1,730,000	247,713
Dividend payable		-	-	10,844,597
Total Current Liabilities		314,146,176	276,976,676	252,982,460
Total Liabilities		415,546,176	405,364,176	386,532,460
TOTAL EQUITY AND LIABILITIES		1,195,191,480	1,179,050,703	1,121,604,000

The accompanying Notes form an integral part of the financial statements.

STATEMENTS OF CHANGES IN EQUITY

FOR THE FINANCIAL YEAR ENDED 30 APRIL 2019

	Non-distributable reserves						Distributable reserve			
The Group	**Issued capital RM**	**Capital reserve RM**	**Equity -settled employee benefits reserve RM**	**Foreign currency translation reserve RM**	**Treasury shares RM**	**Restricted shares grant reserve RM**	**Retained earnings RM**	**Attributable to owners of the Company RM**	**Non-controlling interest RM**	**Total equity RM**
As at 1 May 2017	418,631,554	300,000	6,648,587	872,839	(4,272,596)	(238,430)	655,520,393	1,077,462,347	47,526,929	1,124,989,276
Effects on adoption of MFRS 15 (Note 42)	-	-	-	-	-	-	(2,818,672)	(2,818,672)	-	(2,818,672)
As at 1 May 2017 (as restated)	418,631,554	300,000	6,648,587	872,839	(4,272,596)	(238,430)	652,701,721	1,074,643,675	47,526,929	1,122,170,604
Profit for the financial year	-	-	-	-	-	-	31,161,962	31,161,962	2,368,413	33,530,375
Other comprehensive loss for the financial year	-	-	-	(134,439)	-	-	-	(134,439)	-	(134,439)
Total comprehensive (loss)/ income for the financial year	-	-	-	(134,439)	-	-	31,161,962	31,027,523	2,368,413	33,395,936
Dividend to non-controlling shareholders of subsidiary companies	-	-	-	-	-	-	-	-	(12,740,000)	(12,740,000)
Dividend to owners of the Company (Note 12)	-	-	-	-	-	-	(10,802,539)	(10,802,539)	-	(10,802,539)
Effect of vesting of RSG (Note 28)	-	-	(1,912,563)	-	-	1,648,383	264,180	-	-	-
Recognition of share-based payments (Note 28)	-	-	1,291,251	-	-	-	-	1,291,251	-	1,291,251
Repurchase of treasury shares (Note 28)	-	-	-	-	(1,076,491)	-	-	(1,076,491)	-	(1,076,491)
Repurchase of RSG shares (Note 28)	-	-	-	-	-	(2,797,160)	-	(2,797,160)	-	(2,797,160)
As at 30 April 2018 (restated)	418,631,554	300,000	6,027,275	738,400	(5,349,087)	(1,387,207)	673,325,324	1,092,286,259	37,155,342	1,129,441,601
As at 1 May 2018	418,631,554	300,000	6,027,275	738,400	(5,349,087)	(1,387,207)	676,275,286	1,095,236,221	37,155,342	1,132,391,563
Effects on adoption of MFRS 15 (Note 42)	-	-	-	-	-	-	(2,949,962)	(2,949,962)	-	(2,949,962)
As at 1 May 2018 (as restated)	418,631,554	300,000	6,027,275	738,400	(5,349,087)	(1,387,207)	673,325,324	1,092,286,259	37,155,342	1,129,441,601
Profit for the financial year	-	-	-	-	-	-	14,719,158	14,719,158	203	14,719,361
Other comprehensive loss for the financial year	-	-	-	(23,455)	-	-	-	(23,455)	-	(23,455)
Total comprehensive (loss)/ income for the financial year	-	-	-	(23,455)	-	-	14,719,158	14,695,703	203	14,695,906
Dividend to non-controlling shareholders of subsidiary companies	-	-	-	-	-	-	-	-	(3,043,180)	(3,043,180)
Dividend to owners of the Company (Note 12)	-	-	-	-	-	-	(11,730,519)	(11,730,519)	-	(11,730,519)
Effect of expiration of ESOS (Note 28)	-	-	(1,901,139)	-	-	-	1,901,139	-	-	-
Recognition of share-based payments (Note 28)	-	-	559,530	-	-	-	-	559,530	-	559,530
Repurchase of treasury shares (Note 28)	-	-	-	-	(5,063,371)	-	-	(5,063,371)	-	(5,063,371)
As at 30 April 2019	418,631,554	300,000	4,685,666	714,945	(10,412,458)	(1,387,207)	678,215,102	1,090,747,602	34,112,365	1,124,859,967

Statements of Changes in Equity

for the financial year ended 30 April 2019

The Company

	Non-distributable reserves				Distributable reserve	
	Issued capital RM	Equity-settled employee benefits reserve RM	Treasury shares RM	Restricted shares grant reserve RM	Retained earnings RM	Total RM
As at 1 May 2017	418,631,554	6,648,587	(4,272,596)	(238,430)	314,302,425	735,071,540
Total comprehensive income for the financial year	-	-	-	-	51,999,926	51,999,926
Dividends (Note 12)	-	-	-	-	(10,802,539)	(10,802,539)
Effect of vesting of RSG (Note 28)	-	(1,912,563)	-	1,648,383	264,180	-
Recognition of share-based payments (Note 28)	-	1,291,251	-	-	-	1,291,251
Repurchase of treasury shares (Note 28)	-	-	(1,076,491)	-	-	(1,076,491)
Repurchase of RSG shares (Note 28)	-	-	-	(2,797,160)	-	(2,797,160)
As at 30 April 2018	418,631,554	6,027,275	(5,349,087)	(1,387,207)	355,763,992	773,686,527
As at 1 May 2018	418,631,554	6,027,275	(5,349,087)	(1,387,207)	355,763,992	773,686,527
Total comprehensive income for the financial year	-	-	-	-	23,157,137	23,157,137
Dividends (Note 12)	-	-	-	-	(11,730,519)	(11,730,519)
Effect of expiration of ESOS (Note 28)	-	(1,901,139)	-	-	937,139	(964,000)
Recognition of share-based payments (Note 28)	-	559,530	-	-	-	559,530
Repurchase of treasury shares (Note 28)	-	-	(5,063,371)	-	-	(5,063,371)
As at 30 April 2019	418,631,554	4,685,666	(10,412,458)	(1,387,207)	368,127,749	779,645,304

The accompanying Notes form an integral part of the financial statements.

STATEMENTS OF CASH FLOWS

FOR THE FINANCIAL YEAR ENDED 30 APRIL 2019

	Note	The Group 2019 RM	The Group 2018 RM (Restated)	The Company 2019 RM	The Company 2018 RM
CASH FLOWS FROM/(USED IN) OPERATING ACTIVITIES					
Profit before tax		37,802,539	56,406,224	28,318,848	60,402,280
Adjustments for:					
Finance costs		22,050,536	22,843,884	20,748,613	18,683,775
Depreciation of property, plant and equipment		3,686,423	3,801,486	316,845	369,466
Provision for liquidated ascertained damages to purchasers		1,905,967	43,769	-	-
Impairment losses on receivables		1,657,987	626,620	-	-
Bad debts written off		651,106	-	-	-
Recognition of share-based payment		559,530	1,291,251	466,854	1,032,173
Share of loss of associated companies		341,073	751,959	-	-
Amortisation of prepaid lease payments on leasehold land		4,045	4,045	-	-
Loss on disposal of property, plant and equipment		1,879	-	-	-
Property, plant and equipment written off		20	1,129	20	-
Inventories written off		-	1,261,528	-	-
Write down of liquidated ascertained damages not recoverable from contractor		-	85,200	-	-
Impairment loss on investment in subsidiary companies		-	-	105,000	1,151,000
Fair value gain on investment properties		(8,650,144)	(429,000)	-	-
Interest income		(5,351,523)	(8,409,462)	(33,654,362)	(29,244,558)
Reversal of impairment losses on receivables no longer required	24	(332,323)	(285,526)	-	-
Reversal of provision for foreseeable losses on property development projects		-	(15,696,333)	-	-
Reversal of accrued construction costs		-	(9,708,743)	-	-
Dividend income		-	-	(20,049,620)	(55,760,000)
Unrealised foreign exchange gain on amount due to a subsidiary company		-	-	(13,666)	(75,720)
Operating Profit/(Loss) Before Working Capital Changes		54,327,115	52,588,031	(3,761,468)	(3,441,584)
Decrease/(Increase) in:					
Inventories - land held for property development		(89,508,593)	(51,984,770)	-	-
Inventories - completed units		14,650,294	2,774,464	195,643	-
Inventories - property development costs		68,791,743	(2,323,371)	-	-
Contract costs		(5,532,739)	562,045	-	-
Contract assets		14,123,081	(9,426,894)	-	-
Receivables		11,230,013	16,019,100	(568)	279,284
(Decrease)/Increase in:					
Payables		(4,602,943)	(31,759,136)	(734,439)	343,020
Contract Liabilities		(10,925)	(8,276,506)	-	-
Cash Generated From/ (Used In) Operations		63,467,046	(31,827,037)	(4,300,832)	(2,819,280)
Income tax paid		(36,191,926)	(29,265,668)	(5,636,030)	(4,343,218)
Finance costs paid		(29,131,980)	(24,924,963)	(15,213,243)	(14,717,762)
Net Cash Used In Operating Activities		(1,856,860)	(86,017,668)	(25,150,105)	(21,880,260)

Statements of Cash Flows

for the financial year ended 30 April 2019

	Note	The Group 2019 RM	The Group 2018 RM (Restated)	The Company 2019 RM	The Company 2018 RM
CASH FLOWS FROM/(USED IN) INVESTING ACTIVITIES					
Withdrawal/(Placement) of deposits with maturity in excess of 90 days and deposits pledged		8,175,097	(1,327,784)	-	-
Interest received		5,844,784	6,833,798	2,137,724	442,865
Dividend received from investment in associated companies		1,155,000	2,310,000	-	-
Proceeds from disposal of property, plant and equipment		5,100	-	-	-
Dividends received from subsidiary companies		-	-	11,757,717	55,760,000
Additional investment in an existing subsidiary company		-	-	(1,999,998)	-
Purchase of property, plant and equipment	(a)	(289,476)	(1,049,526)	-	(36,719)
Repayment from/ (Advances made to) subsidiary companies		-	-	21,386,067	(70,027,556)
Net Cash From/(Used In) Investing Activities		14,890,505	6,766,488	33,281,510	(13,861,410)
CASH FLOWS (USED IN)/FROM FINANCING ACTIVITIES					
Drawdown/(Repayment) of term loans and bridging loans		5,550,579	4,499,425	(6,250,000)	8,000,000
(Repayment)/Drawdown of hire-purchase and lease payables		(529,589)	157,709	-	-
Increase in amount due to subsidiary companies		-	-	13,789,235	184,444
Dividends paid		(11,730,519)	(21,642,579)	(11,730,519)	(21,642,579)
(Repayment)/Drawdown of revolving credits		(11,477,160)	(20,020,415)	(1,400,000)	16,050,000
Dividends paid to non-controlling shareholders of subsidiary companies		(3,043,180)	(12,740,000)	-	-
Repurchase of shares under Employees' Share Scheme		-	(2,797,160)	-	(2,797,160)
Repurchase of treasury shares		(5,063,371)	(1,076,491)	(5,063,371)	(1,076,491)
Net Cash Used in Financing Activities		(26,293,240)	(53,619,511)	(10,654,655)	(1,281,786)
NET DECREASE IN CASH AND CASH EQUIVALENTS		(13,259,595)	(132,870,691)	(2,523,250)	(37,023,456)
CASH AND CASH EQUIVALENTS AT BEGINNING OF THE FINANCIAL YEAR		146,553,612	279,558,742	5,998,352	43,021,808
Effect of currency translation		(23,455)	(134,439)	-	-
CASH AND CASH EQUIVALENTS AT END OF THE FINANCIAL YEAR	27	133,270,562	146,553,612	3,475,102	5,998,352

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

	The Group 2019 RM	The Group 2018 RM	The Company 2019 RM	The Company 2018 RM
Additions during the financial year (Note 13)	289,476	3,630,313	-	36,719
Less: Reclassification from other receivables	-	(2,580,787)	-	-
Cash outflow	289,476	1,049,526	-	36,719

The accompanying Notes form an integral part of the financial statements.

NOTES TO THE FINANCIAL STATEMENTS

1. GENERAL INFORMATION

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

The Company is principally involved in property development and investment holding. The principal activities of the subsidiary and associated companies are disclosed in Note 40 to the financial statements.

There have been no significant changes in the nature of the activities of the Group and of the Company during the financial year.

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

The financial statements have been approved for issue in accordance with a resolution of the Board of Directors dated 23 August 2019.

2. BASIS OF PREPARATION OF THE FINANCIAL STATEMENTS

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

The financial statements of the Group and of the Company have been prepared under the historical cost convention except as disclosed in the significant accounting policies in Note 3.

The financial statements are presented in Ringgit Malaysia ("RM") unless otherwise stated.

Transitioning to Malaysian Financial Reporting Standards ("MFRS")

For all periods up to and including the financial year ended 30 April 2018, the financial statements were prepared in accordance with the previous framework, Financial Reporting Standards. These financial statements for the financial year ended 30 April 2019 are the first set that the Group and the Company have prepared in accordance with MFRS framework, including MFRS 1 *First-time Adoption of Malaysian Financial Reporting Standards*.

Subject to certain transition elections as disclosed in Note 42, the Group and the Company have consistently applied the same accounting policies in their opening MFRS statements of financial position as at 1 May 2017, being the transition date, and throughout all years presented, as if these policies had always been in effect.

The financial impacts of the transition to MFRS Framework are disclosed in Note 42.

Adoption of new and amended Malaysian Financial Reporting Standards

In the current financial year, the Group and the Company adopted all the new MFRSs, amendments to MFRSs and IC Interpretation issued by the Malaysian Accounting Standards Board ("MASB") that are relevant to its operations and effective for annual financial periods beginning on or after 1 May 2018.

MFRS 9	Financial Instruments (IFRS 9 as issued by IASB in July 2014)
MFRS 15	Revenue from Contracts with Customers and related clarifications
Amendments to MFRS 2	Classification and Measurement of Share-based Payment Transactions
Amendments to MFRS 4	Applying MFRS 9 *Financial Instruments* with MFRS 4 *Insurance Contracts*
Amendments to MFRS 140	Transfer of Investment Property
IC Interpretation 22	Foreign Currency Transactions and Advance Consideration
Annual Improvements to MFRSs 2014-2016 Cycle	

The adoption of these new MFRSs, amendments to MFRSs and IC Interpretations did not result in significant changes in the accounting policies of the Group and has no significant effect on the financial performance or position of the Group, except as disclosed in Note 42.

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

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

The new MFRSs, amendments to MFRSs and IC Interpretation which are in issue but not yet effective and not early adopted by the Group and the Company are listed below:

MFRS 16	Leases[1]
MFRS 17	Insurance Contracts[3]
Amendments to MFRS 9	Prepayment Features with Negative Compensation[1]
Amendments to MFRS 10 and MFRS 128	Sale or Contribution of Assets between an Investor and its Associate or Joint Venture[4]
Amendments to MFRS 119	Plan Amendment, Curtailment or Settlement[1]
Amendments to MFRS 128	Long-term Interests in Associates and Joint Ventures[1]
IC Interpretation 23	Uncertainty over Income Tax Treatments[1]
Amendments to MFRS 3	Definition of a Business[2]
Amendments to MFRS 101 and MFRS 108	Definition of Material[2]
Annual Improvements to MFRSs 2015-2017 Cycle[1]	
Amendments to References to the Conceptual Framework in MFRS Standards[2]	

1 Effective for annual periods beginning on or after 1 January 2019, with earlier application permitted.
2 Effective for annual periods beginning on or after 1 January 2020, with earlier application permitted.
3 Effective for annual periods beginning on or after 1 January 2021, with earlier application permitted.
4 Effective date deferred to a date to be determined and announced, with earlier application permitted.

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

MFRS 16 *Leases*

MFRS 16 introduces a single lessee accounting model and requires a lessee to recognise assets and liabilities, except for short-term leases and leases of low value assets. A lessee is required to recognise a right-of-use ("ROU") asset representing its rights to use the underlying leased asset and a lease liability representing its obligation to make lease payments.

The Standard will affect primarily the accounting for the Group's and the Company's leases previously recognised as operating leases under MFRS 117 *Leases*.

At the date of initial application, all ROU assets will be measured at an amount equal to the lease liabilities measured at present value of the remaining lease payments discounted using the incremental borrowing rate at the date of initial application.

The Group and the Company intends to apply the simplified transition approach and will not restate comparative amounts for the financial year prior to first adoption. Right-of-use assets for property leases will be measured on transition as if the new rules had always been applied. Based on assessment undertaken to-date, the adoption of this standard would impact on the Group's financial position with the recognition of right-of-use assets and lease liabilities.

The Group is currently assessing the impact on the financial statements consequent upon adopting the above standards on the effective dates.

IFRIC Agenda Decision on MFRS 123 *Borrowing Costs*

The IFRS Interpretations Committee ("IFRIC") received a submission about the capitalisation of borrowing costs in relation to the construction of a residential multi-unit real estate development.

Based on the fact pattern described in the submission, the request asked whether the entity has a qualifying asset as defined in IAS 23 Borrowing Costs and, therefore, capitalises any directly attributable costs.

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

Standards, Amendments and IC Interpretations in issue but not yet effective (Cont'd)

IFRIC Agenda Decision on MFRS 123 *Borrowing Costs* (Cont'd)

The IFRIC concluded in March 2019 that, in the fact pattern described in the request:

(i) Any receivable and contract asset that the entity recognises is not a qualifying asset.
(ii) Any inventory (work-in-progress) for unsold units under construction that the entity recognises is also not a qualifying asset because the unsold units are ready for its intended use or sale.

On 20 March 2019, the Malaysian Accounting Standards Board announced that an entity shall apply the change in accounting policy as a result of the IFRIC Agenda Decision to financial statements of annual periods beginning on or after 1 July 2020.

The Group is currently assessing the impact to the financial statements on the change in accounting policy pursuant to the IFRIC Agenda Decision.

3. SIGNIFICANT ACCOUNTING POLICIES

Basis of Accounting

The assets and liabilities carried at fair value are categorised into different levels of fair value hierarchy based on the degree to which the inputs to the fair value measurements are observable and the significance of the inputs to the fair value measurement in its entirety, which are described as follows:

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

The principal accounting policies are set out below.

(a) Revenue Recognition

(i) Revenue from property development

Revenue is recognised when a performance obligation in a contract with a customer is satisfied, i.e. when the "control" of the goods or services underlying the particular performance obligation is transferred to a customer.

A performance obligation is a promise to transfer distinct goods or services (or a series of distinct goods or services that are substantially the same and that have the same pattern of transfer) to the customer that is explicitly stated in the contract and implied in the Group's customary business practices.

Revenue is measured at the amount of consideration to which the Group expects to be entitled in exchange for transferring the promised goods or services to the customers, excluding amounts collected on behalf of third parties such as sales taxes. If the amount of consideration varies due to discounts, rebates, refunds, credits, incentives, liquidated ascertained damages ("LAD") payment or other similar items, the Group estimates the amount of consideration to which it will be entitled based on the expected value or the most likely outcome. If the contract with customer contains more than one performance obligation, the amount of consideration is allocated to each performance obligation based on the relative stand-alone selling prices of the goods or services promised in the contract.

Revenue is recognised to the extent that it is highly probable that a significant reversal in the amount of cumulative revenue recognised will not occur when the uncertainty associated with the variable consideration is subsequently resolved.

3. SIGNIFICANT ACCOUNTING POLICIES (Cont'd)

(a) Revenue Recognition (Cont'd)

(i) Revenue from property development (Cont'd)

The control of the promised goods or services may be transferred over time or at a point in time. The control over the goods or services is transferred over time and revenue is recognised over time if:

(a) the customer simultaneously receives and consumes the benefits provided as the Group performs;
(b) the Group's performance creates or enhances an asset that the customer controls as the asset is created or enhanced; or
(c) the Group's performance does not create an asset with an alternative use and the Group has an enforceable right to payment for performance completed to date.

Revenue for a performance obligation that is not satisfied over time is recognised at the point in time at which the customer obtains control of the promised goods or services.

The Group recognises revenue from property development over time if it creates an asset with no alternative use to the Group and the Group has an enforceable right to payment for performance completed to date. Revenue is recognised over the period of the contract by reference to the progress towards complete satisfaction of that performance obligation.

The progress towards complete satisfaction of the performance obligation, based on cost-based input method is measured based on the Group's efforts or inputs to the satisfaction of the performance obligation (e.g. by reference to the property development costs incurred to date as a percentage of the estimated total costs of development of the contract).

Revenue from sales of completed property units and vacant land is recognised at a point in time, when the control of the properties have been transferred to the purchasers, being when the properties have been completed and delivered to the customers and it is probable that the Group will collect the considerations to which it will be entitled to in exchange for the asset sold.

When property development revenue recognised in profit or loss exceeds billings to purchasers, the balance is shown as contract assets. When billings to purchasers exceed property development revenue recognised in profit or loss, the balance is shown as contract liabilities.

There is not considered to be a significant financing component in property development contracts with customers as the period between the recognition of revenue and the milestone payments is less than one year.

(ii) Revenue from construction contracts

The fair value of revenue, which is based on the fixed price under the agreement have been allocated based on relative stand-alone selling price of the considerations for each of the separate performance obligations.

Revenue from construction contracts is recognised as and when the control of the asset is transferred to the customer and it is probable that the Group will collect the consideration to which it will be entitled in exchange for the asset that will be transferred to the customer.

Control of the asset is transferred over time as the Group's performance creates or enhances an asset that the customer controls as the asset is created or enhanced. Revenue is recognised over the period by reference to the progress towards complete satisfaction of that performance obligation. The Group recognises revenue over time by using the cost-based input method, based on the physical proportion that contract costs incurred for work performed to date bears to the estimated total contract costs, except where this would not be representative of the stage of completion. Variations in contract work, claims and incentive payments are included to the extent that they have been agreed with the customer.

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

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

3. SIGNIFICANT ACCOUNTING POLICIES (Cont'd)

(a) Revenue Recognition (Cont'd)

(ii) Revenue from construction contracts (Cont'd)

When costs incurred on construction contracts plus recognised profits (less recognised losses) exceed progress billings to contract customers, the balance is shown as contract assets. When billings to contract customers exceed costs incurred plus recognised profits (less recognised losses), the balance is shown as contract liabilities.

(iii) Property management fee

Property management fees are recognised over time when such services are rendered.

(iv) Other goods and services

Revenue from other goods and services representing multiple promises included in the contracts with purchasers on sale of properties, which is therefore accounted as separate performance obligations. Transaction price is being allocated to each performance obligation based on the stand-alone selling prices. When these are not directly observable, they are estimated based on expected cost plus margin.

Revenue for rendering of services is recognised on a straight line basis over the tenure of the service period of which the customer consumes the benefit.

Revenue for sale of goods is recognised at a point in time when the goods are delivered or control transferred to the customer.

(v) Dividend income

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

(vi) Rental income

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

(b) Interest income

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

(c) Employee Benefits

(i) Short-term benefits

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

(ii) Defined contribution plan

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

3. SIGNIFICANT ACCOUNTING POLICIES (Cont'd)

(c) Employee Benefits (Cont'd)

(iii) Share-based payments

Equity-settled share-based payments to employees and others providing similar services are measured at the fair value of the equity instruments at the grant date. Details regarding the determination of the fair value of equity-settled share-based transactions are set out in Note 37.

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

The employee share option reserve is transferred to retained earnings upon expiry of the share option.

(d) Foreign currency

(i) Presentation and functional currency

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

(ii) Transactions and balances

In preparing the financial statements of the individual entities, transactions in currencies other than the entity's functional currency (foreign currencies) are recognised at the rates of exchange prevailing at the dates of the transactions.

At the end of each reporting period, monetary items denominated in foreign currencies are retranslated at the rates prevailing at that date. Non-monetary items measured at fair value that are denominated in foreign currencies are retranslated at the rates prevailing at the date when the fair value was measured. Non-monetary items that are measured in terms of historical cost in a foreign currency are not retranslated. Foreign exchange differences arising therefrom and on settlement are recognised in profit or loss.

(iii) Translation of foreign currency financial statements

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

Intercompany loans where settlement is neither planned nor likely to occur in the foreseeable future, are treated as part of the parent's net investment. Translation differences arising therefrom are recognised in other comprehensive income and reclassified from equity to profit or loss upon disposal of the relevant entity.

On the disposal of a foreign operation, all of the accumulated exchange differences in respect of that operation attributable to the Group are reclassified from equity to profit or loss on disposal. Any exchange differences that have previously been attributed to non-controlling interests are derecognised, but not being reclassified to profit or loss.

3. SIGNIFICANT ACCOUNTING POLICIES (Cont'd)

(e) Income Taxes

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

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

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

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

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

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

(f) Subsidiary Companies and Basis of Consolidation

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

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

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

3. SIGNIFICANT ACCOUNTING POLICIES (Cont'd)

(f) Subsidiary Companies and Basis of Consolidation (Cont'd)

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

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

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

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

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

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

Where the Group loses control of a subsidiary company, the profit or loss on disposal is calculated as the difference between (i) the aggregate of the fair value of the consideration received and the fair value of any retained interest and (ii) the previous carrying amount of the assets (including goodwill), and liabilities of the subsidiary company and any non-controlling interests. Amounts previously recognised in other comprehensive income in relation to the subsidiary company are accounted for in the same manner as would be required if the relevant assets or liabilities were disposed of. The fair value of any investment retained in the former subsidiary at the date when control is lost is regarded as the fair value on initial recognition of a financial asset in accordance with MFRS 9 *Financial Instruments* or, when applicable, the cost on initial recognition of an investment in an associate or a joint venture.

(g) Business Combinations

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

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

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

3. SIGNIFICANT ACCOUNTING POLICIES (Cont'd)

(g) Business Combinations (Cont'd)

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

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

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

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

(h) Investments in Subsidiary Companies

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

(i) Investments in Associated Companies

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

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

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

When necessary, the entire carrying amount of the investment in an associate (including goodwill) is tested for impairment in accordance with MFRS 136 *Impairment of Assets* as a single asset by comparing its recoverable amount (higher of value in use and fair value less costs to sell) with its carrying amount. Any impairment loss recognised forms part of the carrying amount of the net investment. Any reversal of that impairment loss is recognised in accordance with MFRS 136 to the extent that the recoverable amount of the investment subsequently increases.

3. SIGNIFICANT ACCOUNTING POLICIES (Cont'd)

(i) Investments in Associated Companies (Cont'd)

The Group discontinues the use of the equity method from the date when the investment ceases to be an associate, or when the investment is classified as held for sale. When the Group retains an interest in the former associate and the retained interest is a financial asset, the Group measures the retained interest at fair value at that date and the fair value is regarded as its fair value on initial recognition in accordance with MFRS 9. The difference between the carrying amount of the associate at the date the equity method was discontinued, and the fair value of any retained interest and any proceeds from disposing of a part interest in the associate is included in the determination of the gain or loss on disposal of the associate. In addition, the Group accounts for all amounts previously recognised in other comprehensive income in relation to that associate on the same basis as would be required if that associate had directly disposed of the related assets or liabilities. Therefore, if a gain or loss previously recognised in other comprehensive income by that associate would be reclassified to profit or loss on the disposal of the related assets or liabilities, the Group reclassifies the gain or loss from equity to profit or loss (as a reclassification adjustment) when the equity method is discontinued.

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

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

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

(j) Goodwill

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

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

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

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

(k) Impairment of Non-Financial Assets Excluding Goodwill

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

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

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

3. SIGNIFICANT ACCOUNTING POLICIES (Cont'd)

(k) Impairment of Non-Financial Assets Excluding Goodwill (Cont'd)

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

(l) Property, Plant and Equipment

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

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

The principal annual rates used are as follows:

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

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

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

(m) Investment Properties

Investment properties carried at fair value

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

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

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

Reclassification to/from investment property

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

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

3. SIGNIFICANT ACCOUNTING POLICIES (Cont'd)

(m) Investment Properties (Cont'd)

Determination of fair value

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

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

(n) Inventories

(i) Land Held for Property Development

Land held for property development consists of land on which no significant development has been undertaken or where development activities are not expected to be completed within the normal operating cycle, and costs attributable to the development activities which are held for future development. Such land is classified as non-current asset and is stated at lower of cost and net realisable value.

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

(ii) Property Development Costs

Property development costs are stated at the lower of cost and net realisable value. The property development cost is subsequently recognised as an expense in profit or loss when the control of the inventory is transferred to the customer.

Property development cost of unsold unit is transferred to completed development unit once the development is completed.

(iii) Completed development units and vacant land for sale

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

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

(o) Borrowing Costs

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

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

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

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

3. SIGNIFICANT ACCOUNTING POLICIES (Cont'd)

(q) Leases

(i) Finance Lease

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

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

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

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

(ii) Operating Lease

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

(r) Prepaid Lease Payments on Leasehold Land

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

(s) Contract assets and contract liabilities

Contract asset is the right to consideration for goods or services transferred to the customers. The Group's contract asset is the excess of cumulative revenue earned over the billings to-date.

Where there is objective evidence of impairment, the amount of impairment losses is determined by comparing the contract asset's carrying amount and the present value of estimated future cash flows to be generated by the contract asset.

Contract asset is reclassified to trade receivables at the point at which invoices have been billed to customers.

Contract liability is the obligation to transfer goods or services to customers for which the Group has received the consideration or has billed the customers. The Group's contract liability is the excess of the billings to-date over the cumulative revenue earned. Contract liabilities are recognised as revenue when the Group performs its obligation under the contracts.

(t) Contract costs

The Group recognise the incremental costs of obtaining a contract with a customer, which are expected to be recovered, as an asset. The incremental costs of obtaining a contract are costs incur to obtain a contract with a customer that it would not have incurred if the contract had not been obtained.

These contract costs are initially measured at cost and amortised on a systematic basis that is consistent with the pattern of revenue recognition to which the asset relates. An impairment loss is recognised in profit and loss when the carrying amount of the contract cost asset exceeds the expected revenue less expected costs that will be incurred.

3. SIGNIFICANT ACCOUNTING POLICIES (Cont'd)

(u) Trade and other receivables

Trade receivables are amounts due from customers for goods sold or services performed in the ordinary course of business. Other receivables generally arise from transactions outside the usual operating activities of the Group and of the Company. If collection is expected in one year or less (or in the normal operating cycle of the business if longer), they are classified as current assets. If not, they are presented as non-current assets.

Trade and other receivables are initially recognised at fair value. The Group and the Company hold the trade and other receivables with the objective to collect the contractual cash flows and therefore measures them subsequently at amortised cost using the effective interest method, less impairment losses. The policy for the recognition and measurement of impairment losses is in accordance with Note 3(aa)(iii).

(v) Provisions

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

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

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

(w) Repurchase of own shares

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

(x) Cash and Cash Equivalents

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

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

(y) Contingent Liabilities

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

(z) Segment Reporting

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

3. SIGNIFICANT ACCOUNTING POLICIES (Cont'd)

(aa) Financial Instruments

Financial instruments are contracts that give rise to both a financial asset of one enterprise and a financial liability or equity instrument of another enterprise.

A financial asset is any asset that is cash, a contractual right to receive cash or another financial asset from another enterprise, a contractual right to exchange financial instruments with another enterprise under conditions that are potentially favourable, or an equity instrument of another enterprise.

A financial liability is any liability that is a contractual obligation to deliver cash or another financial asset to another enterprise, or to exchange financial instruments with another enterprise under conditions that are potentially unfavourable.

Accounting policy applied from 1 May 2018

(i) Recognition and Initial Measurement

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

At initial recognition, the Group and the Company measure a financial asset (unless it is a trade receivable without significant financing component) or a financial liability at its fair value plus or minus, in the case of a financial instrument not at FVTPL, transaction costs that are directly attributable to the acquisition or issuance. Transaction costs of financial assets at FVTPL are recognised immediately in profit or loss.

Trade receivables without a significant financing component are initially measured at transaction price in accordance with MFRS 15.

Regular way of purchase or sale of a financial asset is recognised on the trade date, the date on which the Group and the Company commits to purchase or sell an asset.

(ii) Classification and Subsequent Measurement

Financial Assets

The Group classifies its financial assets in the following measurement categories:

(a) those to be measured at fair value (either through other comprehensive income ("FVTOCI") or through profit or loss("FVTPL")); and

(b) those to be measured at amortised cost

The classification depends on the Group's and the Company's business model for managing the financial assets and its contractual cash flow characteristics.

For assets measured at fair value, gain and losses will be recorded in either profit or loss or other comprehensive income ("OCI").

The Group reclassifies debt instruments when and only when its business model for managing those assets changes.

(a) Financial assets at amortised cost

Financial assets that are held for collection of contractual cash flows and its contractual terms give rise on specified dates to cash flows that are solely payment of principal and interest on the principal amount outstanding are classified as financial assets at amortised cost. Subsequent to initial recognition, these financial assets are measured at amortised cost using the effective interest method, less accumulated impairment.

3. SIGNIFICANT ACCOUNTING POLICIES (Cont'd)

(aa) Financial Instruments (Cont'd)

Accounting policy applied from 1 May 2018 (Cont'd)

(ii) Classification and Subsequent Measurement (Cont'd)

(a) Financial assets at amortised cost (Cont'd)

Interest income from these financial assets is calculated using the effective interest rate method and is recognised in profit or loss.

The effective interest method is a method of calculating the amortised cost of a financial asset and of allocating interest income over the relevant period. The effective interest rate is the rate that exactly discounts estimated future cash receipts through the expected life of the financial asset to the gross carrying amount of a financial asset. For credit-impaired financial assets the effective interest rate shall be applied to the amortised cost of the financial asset in subsequent reporting periods.

(b) Financial assets at fair value through other comprehensive income ("FVTOCI")

This category comprises investment in equity instruments which are not held for trading, and the Group and the Company irrevocably elect to present subsequent changes in fair value of the investments in OCI. The election is made on an investment by-investment basis. On derecognition, gains and losses accumulated in OCI are not reclassified to profit or loss.

Dividend income from these investments is recognised in profit or loss when the right to receive payment of the dividend is established.

The Group and the Company subsequently measured all investments in equity instruments at fair value.

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

Financial assets that do not meet the criteria for amortised cost or FVTOCI are measured at FVTPL. Fair value changes are recognised in profit or loss in the period in which it arises.

(iii) Impairment of financial assets and contract assets

An impairment loss is recognised in profit or loss based on expected credit losses ("ECL") at the end of each reporting period. ECLs are probability-weighted estimates of credit losses. Credit losses are measured at the present value of all cash shortfalls (i.e. the difference between the cash flows due to the Group in accordance with the contract and the cash flows that the Group expects to receive). ECLs are discounted at the effective interest rate of the financial asset.

Lifetime ECL represents the expected credit losses that will result from all possible default events over the expected life of a financial instrument. 12-month ECL represents the portion of lifetime ECL that is expected to result from defaults event on a financial instrument that are possible within 12 months after the end of reporting period.

Reversal of impairment loss to profit or loss, if any, is restricted to not exceeding what the amortised cost would have been had the impairment not been recognised previously.

The Group and the Company apply the simplified approach to measure the impairment of trade receivables, contract assets and lease receivables at lifetime ECL. The ECL are estimated based on the Group's and the Company's historical credit loss experience, adjusted for factors that are specific to the debtors, general economic conditions and an assessment of both the current as well as the forecast direction of conditions at the end of the reporting period, including time value of money where appropriate.

To measure the ECL, trade receivables and contract assets have been grouped based on shared credit risk characteristics and the days past due. The contract assets relate to unbilled work in progress and have substantially the same risk characteristics as the trade receivables. The Group and the Company have therefore concluded that the expected loss rates for trade receivables are a reasonable approximation of the loss rates for the contract assets.

3. SIGNIFICANT ACCOUNTING POLICIES (Cont'd)

(aa) Financial Instruments (Cont'd)

Accounting policy applied from 1 May 2018 (Cont'd)

(iii) Impairment of financial assets and contract assets (Cont'd)

For other financial assets such as other receivables and amount due from intercompany, the Group and the Company recognise lifetime ECL when there has been a significant increase in credit risk since initial recognition. However, if the credit risk on the financial instrument has not increased significantly since initial recognition, the Group and the Company measure the impairment losses for that financial instrument at an amount equal to 12-month ECL.

When determining whether the credit risk of a financial asset has increased significantly since initial recognition and when estimating ECL, the Group and the Company consider reasonable and supportable information that is relevant and available without due cost or effort. This includes both quantitative and qualitative information and analysis, based on the Group's historical experience and informed credit assessment and includes forward-looking information.

At the end of each reporting period, the Group and the Company assess whether the financial assets carried at amortised cost are credit-impaired. A financial asset is "credit-impaired" when one or more events that have a detrimental impact on the estimated future cash flows of the financial asset have occurred, such as debtor who have defaulted on payment, or are in significant financial difficulties, or it is becoming probable that the borrower will enter bankruptcy.

These assets are written off when there is no reasonable expectation of recovery, with case-by-case assessment performed based on indicators such as insolvency or demise. Subsequent recoveries of amounts previously written off are recognised in profit or loss as bad debts recovered.

Deposits and bank balances of the Group and the Company are placed with reputable financial institution with high credit ratings and no history of default. Hence, the Group and the Company do not expect any losses from default or non-performance by the counterparties.

(iv) Derecognition of financial assets

Financial assets are derecognised when the contractual rights to receive cash flows from the financial assets have expired or have been transferred and the Group and the Company have transferred substantially all the risks and rewards of ownership.

On derecognition of a financial asset in its entirety, the difference between the asset's carrying amount and the consideration received and receivable is recognised in profit or loss, except for the derecognition of an investment in equity instruments measured at FVTOCI, the cumulative gain or loss is transferred within equity, not recognised in profit or loss.

Accounting policy applied until 30 April 2018

The Group applied MFRS 9 restrospectively, but has elected not to restate comparative information. As a result, the comparative information provided continues to be accounted for in accordance with the Group's previous accounting policy.

(i) Classification and Subsequent Measurement

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

3. SIGNIFICANT ACCOUNTING POLICIES (Cont'd)

(aa) Financial Instruments (Cont'd)

Accounting policy applied until 30 April 2018 (Cont'd)

(i) Classification and Subsequent Measurement (Cont'd)

(a) AFS financial assets

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

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

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

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

(b) Loans and receivables

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

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

(ii) Impairment of financial assets

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

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

Objective evidence of impairment could include:

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

3. SIGNIFICANT ACCOUNTING POLICIES (Cont'd)

(aa) Financial Instruments (Cont'd)

Accounting policy applied until 30 April 2018 (Cont'd)

(ii) Impairment of financial assets (Cont'd)

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

For financial assets carried at amortised cost, the amount of the impairment loss recognised is the difference between the asset's carrying amount and the present value of estimated future cash flows, discounted at the financial asset's original effective interest rate.

The carrying amount of the financial asset is reduced by the impairment loss directly for all financial assets with the exception of trade receivables, where the carrying amount is reduced through the use of an allowance account. When a trade receivable is considered uncollectible, it is written off against the allowance account. Subsequent recoveries of amounts previously written off are credited against the allowance account. Changes in the carrying amount of the allowance account are recognised in profit or loss.

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

For financial assets measured at amortised cost, if, in a subsequent period, the amount of the impairment loss decreases and the decrease can be related objectively to an event occurring after the impairment was recognised, the previously recognised impairment loss is reversed through profit or loss to the extent that the carrying amount of the investment at the date the impairment is reversed does not exceed what the amortised cost would have been had the impairment not been recognised.

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

(iii) Derecognition of financial assets

Financial assets are derecognised when the contractual rights to receive cash flows from the financial assets have expired or have been transferred and the Group and the Company have transferred substantially all the risks and rewards of ownership.

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

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

(i) Classification as debt or equity

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

3. SIGNIFICANT ACCOUNTING POLICIES (Cont'd)

(aa) Financial Instruments (Cont'd)

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

(ii) Equity instruments

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

Dividends on ordinary shares are recognised in equity in the period in which they are declared.

(iii) Financial liabilities

Financial liabilities of the Group are classified as 'financial liabilities measured at amortised cost'.

(a) Financial liabilities measured at amortised cost

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

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

(b) Derecognition of financial liabilities

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

(c) Financial guarantee contracts

A financial guarantee contract is a contract that requires the issuer to make specified payments to reimburse the holder for a loss it incurs because a specified debtor fails to make payments when due in accordance with the terms of a debt instrument.

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

- *Accounting policy applied from 1 May 2018*
  the amount of the impairment loss determined in accordance with MFRS 9 *Financial Instruments*; and

  Accounting policy applied until 30 April 2018
  the amount of the obligation under the contract, as determined in accordance with FRS 137 *Provisions, Contingent Liabilities and Contingent Assets*; and

- the amount initially recognised less, where appropriate, cumulative amortisation recognised in accordance with the revenue recognition policies set out above.

4. CRITICAL ACCOUNTING JUDGEMENTS AND KEY SOURCES OF ESTIMATION UNCERTAINTY

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

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

Classification between Investment Properties and Property, Plant and Equipment

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

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

(b) Key sources of estimation uncertainty

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

(i) Revenue Recognition on Property Development

Revenue is recognised as and when the control of the asset is transferred to the customers and it is probable that the Group will collect the consideration to which it will be entitled in exchange for the asset that will be transferred to the customer. Depending on the contract terms and the applicable laws governing the contract, control of the asset may transfer over time or at a point in time.

If control of the asset transfers over time, the Group recognises property development revenue in profit or loss over the period of the contract by reference to the progress towards complete satisfaction of that performance obligation, based on cost-based input method, is measured on the basis of the Group's efforts or inputs to the property development incurred to date relative to the total expected property development. Estimated losses are recognised in full when determined. Property development and contract revenue and expenses estimates are reviewed and revised periodically as work progresses and as variation orders are approved.

Significant judgement is required in determining the total expected property development, which includes relying on the opinion or service of experts, past experience and continuous monitoring of the budgeting process. These management estimates and judgements affect the cost-based input method computations and the amount of revenue and profit recognised during the year, as well as assessing the recoverability of the property development projects.

If the Group is unable to make reasonably dependable estimates, the Group would not recognise any profit before a contract is completed, but would recognise a loss as soon as the loss becomes evident.

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

Note 3(a) describes the Group's policy to recognise revenue from sales of properties by reference to the progress towards satisfaction of performance obligations. Property development revenue is recognised in respect of all development units that have been sold.

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

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

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

(i) Revenue Recognition on Property Development (Cont'd)

Any anticipated loss on a property development project is recognised immediately as a foreseeable loss expense. As at 30 April 2019, the amount of provision for foreseeable loss is disclosed in Note 21(b).

Any estimated amount of shortfall relating to affordable housing obligations is recognised as a provision. As at 30 April 2019, the provision for affordable housing obligations is disclosed in Note 32.

(ii) Deferred Tax Assets

Deferred tax assets are recognised for all unused tax losses and unabsorbed capital allowances to the extent that it is probable that future taxable profits will be available against which these losses and capital allowances can be utilised. Significant judgement is required to determine the amount of deferred tax assets that can be recognised, based upon the likely timing and level of future taxable profits together with future tax planning strategies. Further details are included in Note 20.

(iii) Fair Value of Investment Properties

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

(iv) Impairment of Non-Current Assets

The Group reviews the carrying amount of its non-current assets, which include property, plant and equipment, investments in associated companies and other investments classified as amortised cost, to determine whether there is an indication that those assets have suffered an impairment loss. The impairment loss on other investments is disclosed in Note 18.

(v) Net Realisable Value of Inventories

Inventories are stated at the lower of cost and net realisable value. The Group determines net realisable value based on the estimated selling price by reference to valuation performed by independent valuer, or recent sales transactions of similar properties or comparable properties in similar or nearby locations net of estimated cost necessary to complete the sale. The estimation of the selling price in particular is subject to significant inherent uncertainties, in particular the property market. Possible changes in these estimates could result in revisions to the valuation of inventories. Details are disclosed in Note 21.

(vi) Provision for Impairment Loss on Receivables

The Group makes provision for impairment loss for financial assets at amortised cost based on assumptions about risk of default and expected loss rates. The Group use judgement in making these assumptions and selecting the inputs to the impairment calculation, based on the Group's past history, existing market conditions as well as forward looking estimates at the end of each reporting period. Where the expectation is different from the original estimate, such difference will impact the carrying value of the receivables and impairment loss in the period in which such estimate has been changed.

(vii) Provision for Release of Bumiputra Quota

Provision for release of bumiputra quota is recognised for expected bumiputra quota penalties to be imposed by local authorities. Significant judgement is required in determining the amount of provision to be made. The Group evaluates the amount of provision required based on past experience and industry norm. As at 30 April 2019, the amount of provision for release of bumiputra quota is disclosed in Note 32.

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

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

(viii) Provision for Liquidated Ascertained Damages

Provision for liquidated ascertained damages ("LAD") is recognised for expected LAD claims based on the terms of the applicable sale and purchase agreements. Significant judgement is required in determining the amount of provision for LAD to be made and in assessing LAD recoverable from the main contractors. The Group evaluates the amount of provision required based on management's best estimate of the anticipated completion date of the project, past experience and the industry norm. As at 30 April 2019, the amount of provision made for LAD payable to purchasers is disclosed in Note 32.

(ix) Material Litigation

The Group assesses the probable outcome of material litigation, which is contingent upon future event beyond the control of the Group, based on available facts and circumstances and in consultation with its legal counsel. Details of material litigation are disclosed in Note 41.

5. REVENUE

	The Group		The Company	
	2019 RM	2018 RM (Restated)	2019 RM	2018 RM
Revenue from contract with customers:				
Property development	228,479,289	364,378,458	-	-
Sale of completed properties	18,678,753	13,568,265	730,000	-
Property management fee	1,973,324	2,314,533	-	-
Rendering of other services	399,963	1,018,896	-	-
Construction	-	313,598	-	-
	249,531,329	381,593,750	730,000	-
Revenue from other sources:				
Rental income	23,821,709	20,767,178	-	-
Dividends from subsidiary companies (Note 26)	-	-	20,049,620	55,760,000
	23,821,709	20,767,178	20,049,620	55,760,000
	273,353,038	402,360,928	20,779,620	55,760,000

Timing of revenue recognition

Revenue from contract with customers:				
- At a point in time	18,678,753	13,568,265	730,000	-
- Over time	230,852,576	368,025,485	-	-
	249,531,329	381,593,750	730,000	-

The Group's and the Company's revenue are derived in Malaysia.

6. COST OF SALES

	The Group		The Company	
	2019 RM	2018 RM (Restated)	2019 RM	2018 RM
Property development costs [Note 21(b)]	155,005,021	279,660,660	-	-
Rental and related costs	19,040,654	19,003,083	-	-
Costs of completed properties sold [Note 21(c)]	14,650,294	10,081,516	195,643	-
Costs to obtain contracts (Note 23)	1,742,938	1,156,084	14,601	-
Other direct costs	203,426	202,763	-	-
Construction costs	-	226,208	-	-
	190,642,333	310,330,314	210,244	-

7. INVESTMENT INCOME

	The Group		The Company	
	2019 RM	2018 RM	2019 RM	2018 RM
Interest income from:				
Deposits with licensed financial institutions	2,727,646	5,098,424	158,415	436,319
Housing development accounts	1,862,577	2,440,732	-	-
Overdue balances of house purchasers	437,148	608,640	-	-
Amount due from subsidiary companies (Note 26)	-	-	33,495,947	28,808,239
Accretion of interest on trade payables	324,152	261,666	-	-
	5,351,523	8,409,462	33,654,362	29,244,558

The following is an analysis of investment income earned on financial assets and financial liabilities by category.

	The Group		The Company	
	2019 RM	2018 RM	2019 RM	2018 RM
Financial assets measured at amortised cost (including deposits, cash and bank balances)	5,027,371	-	33,654,362	-
Loans and receivables (including deposits, cash and bank balances)	-	8,147,796	-	29,244,558
Financial liabilities measured at amortised cost	324,152	261,666	-	-
	5,351,523	8,409,462	33,654,362	29,244,558

8. FINANCE COSTS

	The Group		The Company	
	2019 RM	2018 RM	2019 RM	2018 RM
Interest expense on:				
Revolving credit and other borrowings	15,781,451	16,776,934	13,589,493	13,137,226
Term loans	11,811,979	11,028,066	2,608,846	2,232,727
Hire-purchase and lease payables	59,719	64,966	-	-
Amount due to subsidiary companies (Note 26)	-	-	4,550,274	3,313,822
Unwinding of discount on trade payables	378,994	1,158,159	-	-
	28,032,143	29,028,125	20,748,613	18,683,775
Less: Finance charges capitalised in:				
Property development costs [Note 21(b)]	(3,000,383)	(3,498,133)	-	-
Land held for property development [Note 21(a)]	(2,981,224)	(2,686,108)	-	-
	22,050,536	22,843,884	20,748,613	18,683,775

9. PROFIT BEFORE TAX

(a) Profit before tax has been arrived at after charging/(crediting):

	The Group		The Company	
	2019 RM	2018 RM	2019 RM	2018 RM
Depreciation of property, plant and equipment (Note 13)	3,686,423	3,801,486	316,845	369,466
Impairment losses on receivables (Note 24)	1,657,987	626,620	-	-
Bad debts written off	651,106	-	-	-
Recognition of share-based payment (Note 28)	559,530	1,291,251	466,854	1,032,173
Auditors' remuneration:				
Statutory audit				
Current	528,900	511,900	100,000	89,000
(Over)/Underprovision in prior years	(600)	6,560	-	-
Other services	39,000	41,000	6,000	6,000
Remuneration of other professional services rendered by affiliates of auditors	156,900	103,143	65,000	22,500
Rental of premises paid to:				
Third parties	302,494	217,949	-	-
Subsidiary company (Note 26)	-	-	798,593	798,775
Amortisation of prepaid lease payments on leasehold land (Note 14)	4,045	4,045	-	-
Loss on disposal of property, plant and equipment	1,879	-	-	-
Property, plant and equipment written off	20	1,129	20	-
Inventories written off [Note 21(c)]	-	1,261,528	-	-
(Reversal)/Expenses for release of bumiputra quota	(280,000)	1,010,366	-	-
Write down of liquidated ascertained damages not recoverable from contractor	-	85,200	-	-
Impairment loss on investment in subsidiary companies	-	-	105,000	1,151,000
Fair value gain on investment properties (Note 15)	(8,650,144)	(429,000)	-	-
Rental income	(651,794)	(872,791)	(45,120)	(45,120)
Reversal of impairment losses on receivables no longer required (Note 24)	(332,323)	(285,526)	-	-
Reversal of provision for foreseeable losses on property development projects [Note 21(b)]	-	(15,696,333)	-	-
Reversal of accrued construction costs (Note 31)	-	(9,708,743)	-	-
Unrealised foreign exchange gain on amount due to a subsidiary company	-	-	(13,666)	(75,720)

9. PROFIT BEFORE TAX (Cont'd)

(b) Staff costs

	The Group		The Company	
	2019 RM	2018 RM	2019 RM	2018 RM
Wages, salaries and bonuses	16,365,266	18,962,056	383,850	463,204
Defined contribution plan	1,964,762	2,387,854	46,825	60,472
Social security contributions	225,101	196,563	3,188	3,390
Others	777,521	912,792	73,429	91,148
	19,332,650	22,459,265	507,292	618,214
Less: Amount capitalised in:				
Property development costs [Note 21(b)]	(3,582,548)	(5,152,831)	-	-
Land held for property development [Note 21(a)]	(258,703)	(236,311)	-	-
	15,491,399	17,070,123	507,292	618,214

(c) Directors' remuneration

	The Group		The Company	
	2019 RM	2018 RM	2019 RM	2018 RM
Directors of the Company				
Executive:				
Salaries	3,597,900	4,020,000	179,895	201,000
Other emoluments	367,000	698,500	21,000	37,250
Defined contribution plan	545,470	657,070	26,313	31,850
Benefits-in-kind	96,600	96,600	96,600	96,600
	4,606,970	5,472,170	323,808	366,700
Non-Executive:				
Fees	180,000	229,677	180,000	229,677
Other emoluments	38,000	38,250	38,000	38,250
Total	4,824,970	5,740,097	541,808	634,627
Directors of the subsidiary companies				
Salaries	517,450	489,400	-	-
Other emoluments	397,904	397,517	-	-
Defined contribution plan	74,692	105,215	-	-
	990,046	992,132	-	-
Total	5,815,016	6,732,229	541,808	634,627

9. PROFIT BEFORE TAX (Cont'd)

(c) Directors' remuneration (Cont'd)

	The Group		The Company	
	2019 RM	2018 RM	2019 RM	2018 RM
Analysis excluding benefits-in-kind:				
Total executive directors' remuneration	4,510,370	5,375,570	227,208	270,100
Total non-executive directors' remuneration	218,000	267,927	218,000	267,927
Total directors' remuneration for directors of subsidiary companies	990,046	992,132	-	-
	5,718,416	6,635,629	445,208	538,027
Less: Amount capitalised in:				
Property development costs [Note 21(b)]	(2,660,596)	(3,341,712)	-	-
Land held for property development [Note 21(a)]	(247,448)	(503,314)	-	-
	2,810,372	2,790,603	445,208	538,027

10. INCOME TAX EXPENSE

	The Group		The Company	
	2019 RM	2018 RM (Restated)	2019 RM	2018 RM
Income tax:				
Current	20,457,447	25,650,335	4,794,000	4,535,000
Underprovision in prior years	6,209,888	5,112,492	97,530	1,016,774
	26,667,335	30,762,827	4,891,530	5,551,774
Deferred tax (Note 20):				
Current	(1,056,757)	(5,157,634)	45,009	38,163
(Under)/Overprovision in prior years	(2,527,400)	(2,729,344)	225,172	2,812,417
	(3,584,157)	(7,886,978)	270,181	2,850,580
	23,083,178	22,875,849	5,161,711	8,402,354

During the financial year ended 30 April 2018, the Malaysian Inland Revenue Board commenced tax investigation on the Company and certain subsidiary companies covering years of assessment 2011 to 2016. The tax investigation has been concluded in the current financial year with total net settlement amounted to RM4,615,668.

10. INCOME TAX EXPENSE (Cont'd)

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

	The Group		The Company	
	2019 RM	2018 RM (Restated)	2019 RM	2018 RM
Profit before tax	37,802,539	56,406,224	28,318,848	60,402,280
Add: Share of loss of associated companies	341,073	751,959	-	-
	38,143,612	57,158,183	28,318,848	60,402,280
Taxation at Malaysian statutory tax rate of 24% (2018: 24%)	9,154,467	13,717,964	6,796,524	14,496,547
Tax effects of income not subject to tax	(162,420)	(944,875)	(4,815,700)	(13,407,022)
Tax effects of expenses not deductible for tax purposes	5,892,730	6,970,572	2,858,185	3,483,638
Deferred tax assets not recognised/ derecognised	4,515,913	749,040	-	-
Underprovision of income tax expense in prior years	6,209,888	5,112,492	97,530	1,016,774
(Under)/Overprovision of deferred tax in prior years	(2,527,400)	(2,729,344)	225,172	2,812,417
Tax expense for the financial year	23,083,178	22,875,849	5,161,711	8,402,354

11. EARNINGS PER SHARE

Basic

Basic earnings per ordinary share of the Group is calculated by dividing the profit attributable to owners of the Company for the financial year by the weighted average number of ordinary shares in issue during the financial year as follows:

The Group	2019	2018 (Restated)
Profit attributable to owners of the Company (RM)	14,719,158	31,161,962
Weighted average number of ordinary shares used for the purposes of basic earnings per share*	784,953,613	793,148,196
Basic earnings per share (sen)	1.88	3.93

* The weighted average number of shares takes into account the weighted average effect of changes in ordinary shares transactions and net of treasury shares and restricted shares.

Diluted

The basic and diluted earnings per share are the same as the Group has no dilutive potential ordinary shares.

12. DIVIDENDS

The Group and The Company	Amount 2019 RM	Amount 2018 RM	Net Dividends per Ordinary Share 2019 Sen	Net Dividends per Ordinary Share 2018 Sen
In respect of financial year ended 30 April 2017:				
- Final single-tier dividend of RM0.015 per share on 720,169,306 ordinary shares, paid on 8 December 2017	-	10,802,539	-	1.5
In respect of financial year ended 30 April 2018:				
- Final single-tier dividend of RM0.015 per share on 782,034,645 ordinary shares, paid on 28 December 2018	11,730,519	-	1.5	-
	11,730,519	10,802,539	1.5	1.5

The Directors propose a final single-tier dividend of RM0.008 per share on 777,917,145 ordinary shares, totalling approximately RM6,223,337 in respect of the current financial year. This dividend is subject to the approval of the shareholders at the forthcoming Annual General Meeting of the Company, and has not been included as a liability in the financial statements. Upon approval by the shareholders, the proposed dividend for 2019 will be paid on 27 December 2019 to all outstanding ordinary shares in issue. The cash dividend payment will be accounted for in equity as an appropriation of retained earnings during the financial year ending 30 April 2020.

13. PROPERTY, PLANT AND EQUIPMENT

The Group	Building and improvements RM	Furniture and fittings RM	Office equipment RM	Computers RM	Motor vehicles RM	Plant and machinery RM	Total RM
Cost							
As at 1 May 2017	62,190,506	3,593,780	2,249,911	2,340,844	5,111,053	4,245,463	79,731,557
Additions	2,709,885	72,992	624,984	65,087	103,365	54,000	3,630,313
Write-offs	-	-	(1,434)	-	-	-	(1,434)
As at 30 April 2018/ 1 May 2018	64,900,391	3,666,772	2,873,461	2,405,931	5,214,418	4,299,463	83,360,436
Additions	110,932	47,199	115,344	3,500	1	12,500	289,476
Disposal	-	(34,520)	(9,404)	-	(339,550)	-	(383,474)
Write-offs	-	(3,480)	(7,177)	-	-	-	(10,657)
As at 30 April 2019	65,011,323	3,675,971	2,972,224	2,409,431	4,874,869	4,311,963	83,255,781

13. PROPERTY, PLANT AND EQUIPMENT (Cont'd)

The Group	Building and improvements RM	Furniture and fittings RM	Office equipment RM	Computers RM	Motor vehicles RM	Plant and machinery RM	Total RM
Accumulated Depreciation							
As at 1 May 2017	13,176,901	2,392,916	2,014,397	1,924,963	3,829,173	2,999,170	26,337,520
Charge for the year [Note 9(a)]	2,356,229	213,135	155,858	159,276	474,210	442,778	3,801,486
Write-offs	-	-	(305)	-	-	-	(305)
As at 30 April 2018/ 1 May 2018	15,533,130	2,606,051	2,169,950	2,084,239	4,303,383	3,441,948	30,138,701
Charge for the year [Note 9(a)]	2,349,174	195,925	208,823	139,031	468,298	325,172	3,686,423
Disposal	-	(34,520)	(2,425)	-	(339,550)	-	(376,495)
Write-offs	-	(3,480)	(7,157)	-	-	-	(10,637)
As at 30 April 2019	17,882,304	2,763,976	2,369,191	2,223,270	4,432,131	3,767,120	33,437,992
Accumulated Impairment Loss							
As at 1 May 2017/ 30 April 2018/ 1 May 2018/ 30 April 2019	2,392,003	-	-	-	-	-	2,392,003
Net Carrying Amount							
As at 1 May 2017	46,621,602	1,200,864	235,514	415,881	1,281,880	1,246,293	51,002,034
As at 30 April 2018	46,975,258	1,060,721	703,511	321,692	911,035	857,515	50,829,732
As at 30 April 2019	44,737,016	911,995	603,033	186,161	442,738	544,843	47,425,786

The Company	Building and improvements RM	Furniture and fittings RM	Office equipment RM	Computers RM	Motor vehicles RM	Total RM
Cost						
As at 1 May 2017	1,713,301	450,878	229,934	558,652	1,826,984	4,779,749
Additions	-	-	-	36,719	-	36,719
As at 30 April 2018/1 May 2018	1,713,301	450,878	229,934	595,371	1,826,984	4,816,468
Write-off	-	-	(7,177)	-	-	(7,177)
As at 30 April 2019	1,713,301	450,878	222,757	595,371	1,826,984	4,809,291

13. PROPERTY, PLANT AND EQUIPMENT (Cont'd)

The Company	Building and improvements RM	Furniture and fittings RM	Office equipment RM	Computers RM	Motor vehicles RM	Total RM
Accumulated Depreciation						
As at 1 May 2017	1,242,141	385,161	177,286	409,517	1,826,980	4,041,085
Charge for the year [Note 9(a)]	255,618	35,789	21,843	56,216	-	369,466
As at 30 April 2018/1 May 2018	1,497,759	420,950	199,129	465,733	1,826,980	4,410,551
Charge for the year [Note 9(a)]	213,314	29,742	16,938	56,851	-	316,845
Write-off	-	-	(7,157)	-	-	(7,157)
As at 30 April 2019	1,711,073	450,692	208,910	522,584	1,826,980	4,720,239
Net Carrying Amount						
As at 1 May 2017	471,160	65,717	52,648	149,135	4	738,664
As at 30 April 2018	215,542	29,928	30,805	129,638	4	405,917
As at 30 April 2019	2,228	186	13,847	72,787	4	89,052

At the end of the reporting period, property, plant and equipment of the Group and of the Company with net carrying amount of RM730,125 and RM4 (30.4.2018: RM1,377,172 and RM4; 1.5.2017: RM1,565,337 and RM4) respectively were acquired under hire-purchase and lease arrangements.

Building and improvements of the Group with a net carrying amount of RM43,941,564 (30.4.2018: RM45,854,822; 1.5.2017: RM45,339,244) have been pledged as security for banking facilities granted to the Group as disclosed in Note 30.

14. PREPAID LEASE PAYMENTS ON LEASEHOLD LAND

The Group	Leasehold Land Unexpired period less than 30 years RM
Cost	
As at 1 May 2017/30 April 2018/1 May 2018/30 April 2019	121,353
Accumulated Amortisation	
As at 1 May 2017	64,721
Amortisation for the year [Note 9(a)]	4,045
As at 30 April 2018/1 May 2018	68,766
Amortisation for the year [Note 9(a)]	4,045
As at 30 April 2019	72,811
Net Book Value	
As at 1 May 2017	56,632
As at 30 April 2018	52,587
As at 30 April 2019	48,542

15. INVESTMENT PROPERTIES

The Group	Freehold land and buildings RM	Leasehold land and buildings RM	Total RM
At fair value:			
As at 1 May 2017	343,117,616	6,066,762	349,184,378
Change in fair value of investment properties [Note 9(a)]	-	429,000	429,000
As at 30 April 2018/1 May 2018	343,117,616	6,495,762	349,613,378
Change in fair value of investment properties [Note 9(a)]	9,099,144	(449,000)	8,650,144
Transfer from inventories [Note 21(c)]	17,211,796	-	17,211,796
As at 30 April 2019	369,428,556	6,046,762	375,475,318

During the financial year ended 30 April 2019, the Group transferred certain residential property units and car parks with a carrying value totalling RM16,050,796 and RM1,161,000 respectively, from inventories to investment properties following a change in plan to hold the said residential property units and car parks to earn rentals and for capital appreciation.

The fair value of the said residential property units and car parks were estimated based on market reference to transacted prices of the same or similar properties.

The property rental income earned by the Group from its investment properties, all of which are leased out under operating leases, amounted to RM8,202,504 (30.4.2018: RM4,726,317; 1.5.2017: RM4,472,760). Direct operating expenses arising on the investment properties amounted to RM11,192,412 (30.4.2018: RM10,187,783; 1.5.2017: RM8,743,409).

Investment properties amounting to RM330,964,420 (30.4.2018: RM318,000,000; 1.5.2017: RM332,510,216) have been pledged as securities for banking facilities granted to the Group as mentioned in Note 30.

Fair value information

The fair value of the Group's investment properties as at 30 April 2019, 30 April 2018 and 1 May 2017 have been arrived at on the basis of the Directors' best estimates, by reference to valuations performed by an independent valuer and market evidence of transacted prices for the same or similar properties. Based on this, the Directors are of the opinion that the carrying amount of the investment properties of the Group approximates their fair value.

Retail mall

The fair value of the retail mall as at 30 April 2019, 30 April 2018 and 1 May 2017 has been arrived at on the basis of a valuation carried out by an independent valuer. The fair value was determined based on the comparison method of valuation, which is regarded by the independent valuer as the more appropriate method of valuation as compared to investment method, owing to a lack of historical data relating to the operations of the retail mall which is in its third years of operations. In estimating the fair value of the property, the highest and the best use of the property is its current planned use.

Other investment properties

The fair value of the other investment properties of the Group as at 30 April 2019, 30 April 2018 and 1 May 2017 have been arrived at based on available past transacted prices of the same properties and in the absence of past transacted prices, on the basis of the Directors' best estimates.

15. INVESTMENT PROPERTIES (Cont'd)

Fair value hierarchy

Details of the Group's investment properties and information about the fair value hierarchy as at 30 April 2019, 30 April 2018 and 1 May 2017 are as follows:

Located in Malaysia:	Level 1 RM	Level 2 RM	Level 3 RM	Total RM
30.4.2019				
Retail mall	-	-	318,000,000	318,000,000
Commercial property units and carparks	-	21,861,978	10,757,500	32,619,478
Residential property units	-	24,855,840	-	24,855,840
	-	46,717,818	328,757,500	375,475,318
30.4.2018				
Retail mall	-	-	318,000,000	318,000,000
Commercial property units and carparks	-	22,310,978	9,302,400	31,613,378
	-	22,310,978	327,302,400	349,613,378
1.5.2017				
Retail mall	-	-	318,000,000	318,000,000
Commercial property units and carparks	-	21,881,978	9,302,400	31,184,378
	-	21,881,978	327,302,400	349,184,378

There was no transfer between Level 1 and 2 during the financial year.

Qualitative information about fair value measurement of the investment properties using significant unobservable inputs (Level 3) as at 30 April 2019, 30 April 2018 and 1 May 2017:

Valuation Technique	Significant Unobservable Inputs	Range	Inter-relationship
30.04.2019			
Comparison method of valuation	Difference in occupancy, size, location, amenities/ surrounding and timing of transaction.	-20% to 5%	Higher differential rate, lower fair value
30.04.2018			
Comparison method of valuation	Difference in occupancy, size, location, amenities/ surrounding and timing of transaction.	-15% to 5%	Higher differential rate, lower fair value
1.5.2017			
Comparison method of valuation	Difference in occupancy, size, location, amenities/ surrounding and timing of transaction.	-15% to 5%	Higher differential rate, lower fair value

16. SUBSIDIARY COMPANIES

The Company	30.4.2019 RM	30.4.2018 RM	1.5.2017 RM
Unquoted shares, at cost	545,979,801	542,979,803	542,979,803
Less: Accumulated impairment losses	(2,772,737)	(2,667,737)	(1,516,737)
	543,207,064	540,312,066	541,463,066

Details of the subsidiary companies are set out in Note 40.

Details of non-wholly owned subsidiary companies that have material non-controlling interests to the Group are as follows:

Name of subsidiary companies	Place of incorporation and principal place of business	Proportion of ownership interest and voting rights held by non-controlling interests			Profit/(Loss) allocated to non-controlling interests			Accumulated non-controlling interests		
		2019	2018	2017	30.4.2019 RM	30.4.2018 RM	1.5.2017 RM	30.4.2019 RM	30.4.2018 RM	1.5.2017 RM
Glomac Bina Sdn. Bhd.	Malaysia	49%	49%	49%	(377,057)	2,066,078	1,843,681	16,508,779	16,885,836	14,819,759
Glomac Al-Batha Mutiara Sdn. Bhd.	Malaysia	49%	49%	49%	36,291	42,034	(1,493,677)	5,267,516	5,231,225	19,889,192
Glomac Power Sdn. Bhd.	Malaysia	14.3%	14.3%	14.3%	(40,628)	(109,207)	260,011	4,641,279	4,845,370	4,954,577
Glomac Al-Batha Sdn. Bhd.	Malaysia	49%	49%	49%	25,633	(7,088)	28,020	83,615	2,017,981	65,068

Summarised financial information in respect of each of the Group's subsidiary companies that have material non-controlling interests is set out below. The summarised financial information below represents amounts before intragroup eliminations.

	30.4.2019 RM	30.4.2018 RM	1.5.2017 RM
Glomac Bina Sdn. Bhd.			
Statement of financial position			
Current assets	64,426,193	68,786,787	68,716,325
Non-current assets	11,787,766	12,655,519	5,286,604
Current liabilities	(42,522,574)	(46,981,416)	(43,598,524)
Non-current liabilities	-	-	(160,000)
Equity attributable to owners of the Company	(17,182,606)	(17,575,054)	(15,424,646)
Non-controlling interests	(16,508,779)	(16,885,836)	(14,819,759)

16. SUBSIDIARY COMPANIES (Cont'd)

Summarised financial information in respect of each of the Group's subsidiary companies that have material non-controlling interests is set out below. The summarised financial information below represents amounts before intragroup eliminations. (Cont'd)

	30.4.2019 RM	30.4.2018 RM	1.5.2017 RM
Statement of profit or loss and other comprehensive income			
Revenue	38,302,350	73,523,561	101,577,123
(Loss)/Profit/Total comprehensive (loss)/income for the financial year	(769,505)	4,216,485	3,762,614
(Loss)/Profit/Total comprehensive (loss)/income attributable to:			
Owners of the Company	(392,448)	2,150,407	1,918,933
Non-controlling interests	(377,057)	2,066,078	1,843,681
	(769,505)	4,216,485	3,762,614
Statement of cash flows			
Net cash (outflow)/inflow from operating activities	(4,737,499)	(7,075,934)	6,447,424
Net cash inflow/(outflow) from investing activities	8,877,148	520,978	(17,980,327)
Net cash outflow from financing activities	(553,636)	(9,995,550)	(973,678)
Net cash inflow/(outflow)	3,586,013	(16,550,506)	(12,506,581)
Glomac Al-Batha Mutiara Sdn. Bhd.			
Statement of financial position			
Current assets	12,823,230	18,890,228	50,913,311
Current liabilities	(2,073,197)	(8,214,259)	(10,323,125)
Equity attributable to owners of the Company	(5,482,517)	(5,444,744)	(20,700,994)
Non-controlling interests	(5,267,516)	(5,231,225)	(19,889,192)
Statement of profit or loss and other comprehensive income			
Revenue	-	-	24,770,604
Profit/(Loss)/Total comprehensive income/(loss) for the financial year	74,063	85,783	(3,048,321)
Profit/(Loss)/Total comprehensive income/(loss) attributable to:			
Owners of the Company	37,772	43,749	(1,554,644)
Non-controlling interests	36,291	42,034	(1,493,677)
	74,063	85,783	(3,048,321)
Statement of cash flows			
Dividends paid to non-controlling interests	-	-	(12,250,000)
Net cash inflow from operating activities	5,831,174	1,147,123	39,838,115
Net cash inflow from investing activities	298,984	924,578	705,843
Net cash outflow from financing activities	(4,060,892)	(25,999,485)	(20,133,356)
Net cash inflow/(outflow)	2,069,266	(23,927,784)	8,160,602

16. SUBSIDIARY COMPANIES (Cont'd)

Summarised financial information in respect of each of the Group's subsidiary companies that have material non-controlling interests is set out below. The summarised financial information below represents amounts before intragroup eliminations. (Cont'd)

	30.4.2019 RM	30.4.2018 RM	1.5.2017 RM
Glomac Al-Batha Sdn. Bhd.			
Statement of financial position			
Current assets	183,142	4,128,230	146,794
Non-current assets	10,200,002	10,200,002	40,200,002
Current liabilities	(12,500)	(9,901)	(14,000)
Equity attributable to owners of the Company	(5,289,028)	(7,302,349)	(20,569,726)
Non-controlling interests	(5,081,616)	(7,015,982)	(19,763,070)
Statement of profit or loss and other comprehensive income			
Revenue	-	-	25,000,000
Profit/(Loss)/Total comprehensive income/(loss) for the financial year	52,312	(14,465)	25,057,183
Profit/(Loss)/Total comprehensive income/(loss) to:			
Owners of the Company	26,679	(7,377)	12,779,163
Non-controlling interests	25,633	(7,088)	12,278,020
	52,312	(14,465)	25,057,183
Statement of cash flows			
Dividends paid to non-controlling interests	(1,960,000)	(12,740,000)	(12,642,211)
Net cash inflow/(outflow) from operating activities	28,573	(47,424)	(78,490)
Net cash inflow/(outflow) from investing activities	4,092,833	(4,000,000)	25,078,095
Net cash (outflow)/inflow from financing activities	(2,040,000)	16,740,000	(13,158,219)
Net cash inflow/(outflow)	121,406	(47,424)	(800,825)
Glomac Power Sdn. Bhd.			
Statement of financial position			
Current assets	3,256,343	3,187,312	886,777
Non-current assets	29,204,081	30,700,154	33,762,113
Current liabilities	(3,929)	(3,758)	(1,500)
Equity attributable to owners of the Company	(27,815,216)	(29,038,338)	(29,692,813)
Non-controlling interests	(4,641,279)	(4,845,370)	(4,954,577)
Statement of profit or loss and other comprehensive income			
Revenue	-	-	-
(Loss)/Profit/Total comprehensive (loss)/income for the financial year	(284,113)	(763,682)	1,818,258

16. SUBSIDIARY COMPANIES (Cont'd)

Summarised financial information in respect of each of the Group's subsidiary companies that have material non-controlling interests is set out below. The summarised financial information below represents amounts before intragroup eliminations. (Cont'd)

	30.4.2019 RM	30.4.2018 RM	1.5.2017 RM
(Loss)/Profit/Total comprehensive (loss)/income to:			
Owners of the Company	(243,485)	(654,475)	1,558,247
Non-controlling interests	(40,628)	(109,207)	260,011
	(284,113)	(763,682)	1,818,258
Statement of cash flows			
Dividends paid to non-controlling interests	(163,300)	-	(172,673)
Net cash outflow from operating activities	(11,331)	(73,343)	-
Net cash inflow from investing activities	1,155,000	2,310,000	-
Net cash outflow from financing activities	(3,369,822)	-	(1,034,827)
Net cash (outflow)/inflow	(2,389,453)	2,236,657	(1,207,500)

17. ASSOCIATED COMPANIES

The Group	30.4.2019 RM	30.4.2018 RM	1.5.2017 RM
Unquoted shares, at cost	2,310,140	2,310,140	2,310,140
Share of post-acquisition reserves	26,894,081	28,390,154	31,452,113
	29,204,221	30,700,294	33,762,253

Summarised financial information in respect of each of the Group's material associated companies is set out below. The summarised financial information below represents amounts in the associated companies' financial statements prepared in accordance with MFRSs.

	30.4.2019 RM	30.4.2018 RM	1.5.2017 RM
PPC Glomac Sdn. Bhd. and its subsidiary company, Irama Teguh Sdn. Bhd.			
Statement of financial position			
Current assets	44,718,256	51,365,961	60,043,991
Non-current assets	48,281,553	44,234,895	44,669,400
Current liabilities	(9,559,579)	(7,877,239)	(8,241,383)
Non-current liabilities	-	(8,890)	(8,829)
Net assets	83,440,230	87,714,727	96,463,179
Statement of profit or loss and other comprehensive income			
Revenue	8,558,733	7,291,387	23,368,142

17. ASSOCIATED COMPANIES (Cont'd)

	30.4.2019 RM	30.4.2018 RM	1.5.2017 RM
(Loss)/Profit/Total comprehensive (loss)/income for the financial year	(974,495)	(2,148,453)	5,212,975
Dividend received from the associated company during the financial year	1,155,000	2,310,000	-

Reconciliation of the above summarised financial information to the carrying amount of the interest in PPC Glomac Sdn. Bhd. and its subsidiary company as recognised in the consolidated financial statements:

	30.4.2019 RM	30.4.2018 RM	1.5.2017 RM
Net assets of the associated company	83,440,230	87,714,727	96,463,179
Proportion of the Group's ownership interest in PPC Glomac Sdn. Bhd.	35%	35%	35%
Carrying amount of the Group's interest in PPC Glomac Sdn. Bhd.	29,204,081	30,700,154	33,762,113

Financial information of associated company that is individually immaterial:

	30.4.2019 RM	30.4.2018 RM	1.5.2017 RM
Carrying amount of the Group's interest in VIP Glomac Pty Ltd	140	140	140

Details of the associated companies are set out in Note 40.

18. OTHER INVESTMENTS

The Group	30.4.2019 RM	30.4.2018 RM	1.5.2017 RM
Fair value through other comprehensive income			
Unquoted shares	4,000,000	-	-
Available-for-sale			
Unquoted shares	-	4,000,000	4,000,000
Amortised cost			
Unquoted subordinated bonds	10,300,000	-	-
Less: Impairment loss	(10,300,000)	-	-
	-	-	-
Held to maturity			
Unquoted subordinated bonds	-	10,300,000	10,300,000
Less: Allowance for diminution in value	-	(10,300,000)	(10,300,000)
	-	-	-
	4,000,000	4,000,000	4,000,000

18. OTHER INVESTMENTS (Cont'd)

The Company	30.4.2019 RM	30.4.2018 RM	1.5.2017 RM
Amortised cost			
Unquoted subordinated bonds	10,300,000	-	-
Less: Impairment loss	(10,300,000)	-	-
	-	-	-
Held to maturity			
Unquoted subordinated bonds	-	10,300,000	10,300,000
Less: Allowance for diminution in value	-	(10,300,000)	(10,300,000)
	-	-	-
	-	-	-

Following the adoption of MFRS 9 *Financial Instruments* during the financial year, the Group made an irrevocable election to classify the Group's equity investment previously classified as available-for-sale to financial assets measured at fair value through other comprehensive income. The Group considers this classification to be more relevant as these instruments are strategic investments of the Group which are not held for trading purposes.

19. GOODWILL ON CONSOLIDATION

The Group	2019 RM	2018 RM
Cost		
At beginning and end of the financial year	1,032,918	1,032,918
Accumulated impairment losses		
At beginning and end of the financial year	(637,753)	(637,753)
Carrying amount		
At beginning and end of the financial year	395,165	395,165

Goodwill acquired in a business combination is allocated, at acquisition, to the cash-generating unit ("CGU") that is expected to benefit from that business combination. Before recognition of any impairment losses, the carrying amount of goodwill had been allocated to the following business segment as independent CGU:

The Group	30.4.2019 RM	30.4.2018 RM	1.5.2017 RM
Property development division	395,165	395,165	395,165

The Group assesses goodwill annually for impairment or more frequently if there are indications that goodwill might be impaired.

The recoverable amount of the CGU is determined from value-in-use calculation which uses cash flow projections derived from the most recent financial budgets approved by management covering a three-year period, and an estimated discount rate of 5.57% (30.4.2018: 5.57%; 1.5.2017: 5.44%) per annum.

19. GOODWILL ON CONSOLIDATION (Cont'd)

There are no reasonably possible change in any of the key assumptions used that would cause the carrying amount of the CGU to materially exceed the recoverable amounts.

At the end of the reporting period, the Group assessed the recoverable amount of goodwill, and determined that no further impairment of goodwill associated with property development division is required. Management expects future cash flows will be generated from this CGU.

20. DEFERRED TAX ASSETS/(LIABILITIES)

The Group	2019 RM	2018 RM (Restated)
At beginning of the financial year	30,535,736	22,648,758
Recognised in profit or loss (Note 10):		
Property, plant and equipment	(38,207)	86,189
Investment properties	(1,860,537)	61,051
Property development costs	7,604,972	11,584,782
Other investments	-	(2,472,000)
Other payables and accrued expenses	(108,700)	(820,100)
Unused tax losses and unabsorbed capital allowances	(1,903,499)	(587,772)
Others	(109,872)	34,828
	3,584,157	7,886,978
At end of the financial year	34,119,893	30,535,736

The Company	2019 RM	2018 RM
At beginning of the financial year	1,331,128	4,181,708
Recognised in profit or loss (Note 10):		
Property, plant and equipment	(44,872)	37,941
Other investments	-	(2,472,000)
Subsidiary companies	-	(364,017)
Amount due to a subsidiary companies	(112,440)	-
Others	(112,869)	(52,504)
	(270,181)	(2,850,580)
At end of the financial year	1,060,947	1,331,128

Certain deferred tax assets and deferred tax liabilities have been offset in accordance with the Group's accounting policy. The following is an analysis of the deferred tax balances (after offset) for statements of financial position purposes:

The Group	30.4.2019 RM	30.4.2018 RM (Restated)	1.5.2017 RM (Restated)
Deferred tax assets	35,797,613	31,935,116	24,932,296
Deferred tax liabilities	(1,677,720)	(1,399,380)	(2,283,538)
	34,119,893	30,535,736	22,648,758

20. DEFERRED TAX ASSETS/(LIABILITIES) (Cont'd)

Certain deferred tax assets and deferred tax liabilities have been offset in accordance with the Group's accounting policy. The following is an analysis of the deferred tax balances (after offset) for statements of financial position purposes: (Cont'd)

The Group	30.4.2019 RM	30.4.2018 RM (Restated)	1.5.2017 RM (Restated)
Deferred tax liabilities (before offsetting)			
Temporary differences arising from:			
Property, plant and equipment	(237,191)	(190,636)	(224,701)
Property development costs	(95,263)	-	-
Investment properties	(3,957,877)	(2,097,340)	(2,158,391)
Others	-	-	(904)
	(4,290,331)	(2,287,976)	(2,383,996)
Offsetting	2,612,611	888,596	100,458
Deferred tax liabilities (after offsetting)	(1,677,720)	(1,399,380)	(2,283,538)
Deferred tax assets (before offsetting)			
Temporary differences arising from:			
Property, plant and equipment	123,889	115,541	63,417
Property development costs	34,337,108	26,636,873	15,052,091
Other investments	-	-	2,472,000
Other payables and accrued expenses	-	108,700	928,800
Others	707,720	817,592	783,668
Unused tax losses and unabsorbed capital allowances	3,241,507	5,145,006	5,732,778
	38,410,224	32,823,712	25,032,754
Offsetting	(2,612,611)	(888,596)	(100,458)
Deferred tax assets (after offsetting)	35,797,613	31,935,116	24,932,296

The Company	30.4.2019 RM	30.4.2018 RM	1.5.2017 RM
Deferred tax assets	1,060,947	1,331,128	4,181,708
Deferred tax liabilities (before offsetting)			
Temporary differences arising from:			
Amount due to a subsidiary company	(112,440)	-	-
	(112,440)	-	-
Offsetting	112,440	-	-
Deferred tax liabilities (after offsetting)	-	-	-

20. DEFERRED TAX ASSETS/(LIABILITIES) (Cont'd)

Certain deferred tax assets and deferred tax liabilities have been offset in accordance with the Group's accounting policy. The following is an analysis of the deferred tax balances (after offset) for statements of financial position purposes: (Cont'd)

The Company	30.4.2019 RM	30.4.2018 RM	1.5.2017 RM
Deferred tax assets (before offsetting)			
Temporary differences arising from:			
Property, plant and equipment	50,528	95,400	57,459
Subsidiary companies	-	-	364,017
Other investments	-	-	2,472,000
Amount due from subsidiary companies	504,563	504,563	504,563
Others	618,296	731,165	783,669
	1,173,387	1,331,128	4,181,708
Offsetting	(112,440)	-	-
Deferred tax assets (after offsetting)	1,060,947	1,331,128	4,181,708

As mentioned in Note 3(e), the tax effects of all taxable temporary differences are recognised. Where deductible temporary differences, unused tax losses and unused tax credits would give rise to net deferred tax asset, the tax effects are generally recognised to the extent that it is probable that future taxable profits will be available against which deductible temporary differences, unused tax losses and unused tax credits can be utilised.

As at 30 April 2019, the estimated amount of deductible temporary differences, unused tax losses and unabsorbed capital allowances pertaining to certain subsidiary companies, for which no deferred tax assets have been recognised in the financial statements due to uncertainty of their realisation, is as follows:

The Group	30.4.2019 RM	30.4.2018 RM	1.5.2017 RM
Temporary differences arising from:			
Property development	8,472,610	8,363,000	9,481,000
Other payables, accrued expenses and provision	1,208,175	1,264,012	10,328,750
Unused tax losses	68,407,965	49,622,582	36,313,843
Unabsorbed capital allowances	399,252	422,104	427,104
	78,488,002	59,671,698	56,550,697

No deferred tax assets were recognised in the financial statements of these subsidiary companies due to uncertainty of their recoverability. The comparative information presented above has been restated to conform with the actual income tax computation submitted to tax authorities. The unabsorbed capital allowances are available indefinitely for offset against future taxable profits of the respective subsidiary companies in the Group.

Under the Malaysia Finance Act 2018 which was gazetted on 27 December 2018, any accumulated unused tax losses brought forward from year of assessment 2018 can be carried forward for another 7 consecutive years of assessment. Upon expiry of the 7 years, the unused tax losses will be disregarded.

20. DEFERRED TAX ASSETS/(LIABILITIES) (Cont'd)

On 10 April 2017, the Income Tax (Exemption) (No. 2) Order 2017 [P.U. (A) 117/2017] was gazetted to enact that the reduction of corporate income tax rate from 24% to rates below based on the percentage of increase in chargeable income as compared to the immediate preceding year of assessment:

Percentage of increase in chargeable income as compared to the immediate preceding year of assessment	Percentage point of reduction on income tax rate	Reduced income tax rate on increase in chargeable income %
Less than 5%	Nil	24
5% - 9.99%	1	23
10% - 14.99%	2	22
15% - 19.99%	3	21
20% and above	4	20

The above changes are effective for years of assessment 2017 and 2018. Following this, the applicable tax rates to be used for the measurement of any applicable deferred tax will be at the expected rates.

21. INVENTORIES

The Group	Note	30.4.2019 RM	30.4.2018 RM (Restated)	1.5.2017 RM (Restated)
Non-current				
Land held for property development	(a)	784,907,658	794,700,125	740,029,247
Current				
Property development costs	(b)	77,910,594	66,342,548	35,115,968
Completed units	(c)	132,750,466	139,689,678	143,725,670
		210,661,060	206,032,226	178,841,638
Total inventories		995,568,718	1,000,732,351	918,870,885
The Company				
Current				
Completed units	(c)	1,100,299	1,295,942	1,295,942

21. INVENTORIES (Cont'd)

(a) Land Held for Property Development

The Group	2019 RM	2018 RM (Restated)
At beginning of the financial year:		
Freehold land - at cost	32,820,088	32,820,088
Leasehold land - at cost	309,889,067	277,129,065
Development expenditure	451,990,970	430,080,094
	794,700,125	740,029,247
Reclassification:		
Leasehold land - at cost	-	19,459,989
Development expenditure	-	(19,459,989)
	-	-
Additions:		
Leasehold land - at cost	2,958,637	25,452,396
Development expenditure	89,531,180	51,841,599
	92,489,817	77,293,995
Transfer to property development costs [Note 21(b)]:		
Freehold land - at cost	(14,635,046)	-
Leasehold land - at cost	(15,235,445)	(12,152,383)
Development expenditure	(72,411,793)	(10,470,734)
	(102,282,284)	(22,623,117)
At end of the financial year	784,907,658	794,700,125

The Group	30.4.2019 RM	30.4.2018 RM (Restated)	1.5.2017 RM (Restated)
Comprising:			
Freehold land - at cost	18,185,042	32,820,088	32,820,088
Leasehold land - at cost	297,612,259	309,889,067	277,129,065
Development expenditure	469,110,357	451,990,970	430,080,094
	784,907,658	794,700,125	740,029,247

Current year charges to development expenditure include the following:

The Group	2019 RM	2018 RM
Finance costs (Note 8)	2,981,224	2,686,108
Staff costs [Note 9(b)]	258,703	236,311
Directors' remuneration [Note 9(c)]	247,448	503,314

21. INVENTORIES (Cont'd)

(a) Land Held for Property Development (Cont'd)

Land held for property development of certain subsidiary companies has been pledged for banking facilities granted to the Group as disclosed in Note 21(b) and Note 30.

In accordance with the Joint Venture Agreement ("JVA") with Permodalan Negeri Selangor Berhad ("PNSB"), Glomac Rawang Sdn. Bhd., a wholly owned subsidiary company, is obliged to pay PNSB entitlement the higher of either RM41,400,000 (2018 and 2017: RM41,400,000) or a sum equal to 30% of the gross profit before tax (as defined in the JVA) to be generated by the development of the parcel of land belonging to PNSB progressively. As at 30 April 2019, 30 April 2018 and 1 May 2017, a total entitlement of RM41,400,000 has been fully paid and included in the land held for property development.

(b) Property Development Costs

The Group	2019 RM	2018 RM (Restated)
At beginning of the financial year:		
Freehold land - at cost	71,440,215	71,440,215
Leasehold land - at cost	376,674,301	341,657,920
Development expenditure	1,843,349,509	1,585,951,016
	2,291,464,025	1,999,049,151
Costs incurred/(reversed) during the year:		
Leasehold land - at cost	3,549,534	26,704,327
Reversal of leasehold land premium	(7,715,809)	-
Development expenditure	92,712,443	252,052,549
	88,546,168	278,756,876
Transfer from land held for property development [Note 21(a)]:		
Freehold land - at cost	14,635,046	-
Leasehold land - at cost	15,235,445	12,152,383
Development expenditure	72,411,793	10,470,734
	102,282,284	22,623,117
Transfer to completed units [note 21(c)]	(24,922,878)	(8,965,119)
Provision for foreseeable losses:		
At beginning of the financial year	(20,600,149)	(39,072,515)
Provision no longer required [Note 9(a)]	-	15,696,333
Transfer to completed units [Note 21(c)]	-	1,658,067
Provision realised during the year	667,493	1,117,966
At end of the financial year	(19,932,656)	(20,600,149)
Costs recognised as an expense in profit or loss:		
Previous year	(2,204,521,328)	(1,924,860,668)
Current year (Note 6)	(155,005,021)	(279,660,660)
Cumulative costs at end of year	(2,359,526,349)	(2,204,521,328)
At end of the financial year	77,910,594	66,342,548

21. INVENTORIES (Cont'd)

(b) Property Development Costs (Cont'd)

The Group	30.4.2019 RM	30.4.2018 RM (Restated)	1.5.2017 RM (Restated)
Comprising:			
Freehold land - at cost	10,796,417	497,957	504,741
Leasehold land - at cost	44,069,362	36,595,852	1,431,711
Development expenditure	23,044,815	29,248,739	33,179,516
	77,910,594	66,342,548	35,115,968

Current year charges to development expenditure include the following:

The Group	2019 RM	2018 RM
Finance costs (Note 8)	3,000,383	3,498,133
Staff costs [Note 9(b)]	3,582,548	5,152,831
Directors' remuneration [Note 9(c)]	2,660,596	3,341,712

Land held for property development and property development costs of certain subsidiary companies amounting to RM768,688,297 (2018: RM663,604,582; 2017: RM638,846,793) are charged for banking facilities granted to the Group as disclosed in Note 30.

In accordance with the Joint Venture Agreement ("JVA") between Leader Domain Sdn. Bhd. ("LDSB") and Glomac Resources Sdn. Bhd., a wholly owned subsidiary company, LDSB is entitled to profit-sharing arising from the property development activity amounting to RM12,225,258 (30.4.2018 and 1.5.2017: RM12,225,258) has been included in the property development costs. As at 30 April 2019, an amount of RM9,770,522 (30.4.2018 and 1.5.2017: RM9,770,522) has been paid and the remaining amount of RM2,454,736 (30.4.2018 and 1.5.2017: RM2,454,736) has been recognised as part of land cost payable in Note 32.

(c) Completed units

	The Group		The Company	
	2019 RM	2018 RM	2019 RM	2018 RM
At beginning of the financial year	139,689,678	143,725,670	1,295,942	1,295,942
Transfer from property development costs [Note 21(b)]:				
Cost of completed units	24,922,878	8,965,119	-	-
Less: Provision for foreseeable losses	-	(1,658,067)	-	-
	24,922,878	7,307,052	-	-
Transfer to investment properties (Note 15)	(17,211,796)	-	-	-
Inventories written off [Note 9(a)]	-	(1,261,528)	-	-
Inventories sold (Note 6)	(14,650,294)	(10,081,516)	(195,643)	-
At end of the financial year	132,750,466	139,689,678	1,100,299	1,295,942

Inventories of the Group amounting to RM Nil (30.4.2018: RM34,228,109; 1.5.2017: RM34,228,109) are pledged to financial institutions as security for bank borrowings of the Group as mentioned in Note 30.

22. CONTRACT ASSETS/(LIABILITIES)

The Group	30.4.2019 RM	30.4.2018 RM (Restated)	1.5.2017 RM (Restated)
Contract assets			
Current			
Property development contracts	70,642,960	84,766,041	75,339,147
Contract liabilities			
Non-current			
Deferred revenue	107,857	-	359,715
Current			
Property development contracts	4,310,692	4,069,759	11,327,369
Deferred revenue	-	359,715	1,018,896
	4,310,692	4,429,474	12,346,265
Represented by:			
Contract assets	70,642,960	84,766,041	75,339,147
Contract liabilities	(4,418,549)	(4,429,474)	(12,705,980)
	66,224,411	80,336,567	62,633,167

The Group	30.4.2019 RM	30.4.2018 RM (Restated)
At beginning of the financial year	80,336,567	62,633,167
Revenue recognised during the year	247,558,005	378,965,619
Progress billings during the year	(265,393,669)	(365,314,690)
Amortisation for consideration payable to customer	3,723,508	4,052,471
At end of the financial year	66,224,411	80,336,567
Revenue recognised that was included in the contract liabilities balance at beginning of the financial year	3,627,919	10,881,264

The transaction price allocated to the performance obligations that are unsatisfied (or partially satisfied) as at 30 April 2019 is RM326,450,630, where the Group expects to recognise it as revenue over the next 4 years.

The Company does not have any unsatisfied performance obligation as at 30 April 2019.

The Group and the Company has applied the practical expedient in MFRS 15 whereby the transaction price allocated to unsatisfied or partially unsatisfied performance obligations as at 30 April 2018 and 1 May 2017 are not disclosed.

There was no impairment losses recognised on contract assets in the reporting period.

23. CONTRACT COSTS

The Group	30.4.2019 RM	30.4.2018 RM (Restated)	1.5.2017 RM (Restated)
Costs to obtain contracts	5,860,053	327,314	889,360

Costs to obtain contracts relate to incremental salesperson and agent commission for obtaining property sales contracts which are expected to be recovered. These costs are subsequently expensed off as cost of sales by reference to the performance completed to date, consistent with the revenue recognition pattern.

During the financial year, the total costs to obtain contracts recognised by the Group and the Company as cost of sales in profit or loss amounting to RM1,742,938 (2018: RM1,156,084) and RM14,601 (2018: RM Nil) respectively.

The Group and the Company applied the practical expedient in para 94 of MFRS 15 and recognise the incremental costs of obtaining contracts as an expense when incurred, if the amortisation period of the assets is one year or less.

There was no impairment loss in relation to the costs capitalised.

24. TRADE RECEIVABLES

The Group	30.4.2019 RM	30.4.2018 RM	1.5.2017 RM
Trade receivables			
Third parties	74,645,406	81,119,093	66,960,900
Stakeholders' sum	53,415,757	57,616,196	84,571,461
	128,061,163	138,735,289	151,532,361
Less: Impairment loss	(3,091,365)	(1,765,701)	(1,424,607)
	124,969,798	136,969,588	150,107,754

The Group's normal trade credit term ranges from 7 to 90 days (30.4.2018 and 1.5.2017: 7 to 90 days). Other credit terms are assessed and approved on a case-by-case basis.

Stakeholders' sum represents retention sums held by solicitors upon handing over of vacant possession to individual purchasers of development properties. These amounts will be paid from 8 to 24 months after the delivery of vacant possession together with interest earned.

Ageing of past due but not impaired receivables

The Group	30.4.2019 RM	30.4.2018 RM	1.5.2017 RM
Past due < 1 month	26,650,800	18,169,907	40,702,201
Past due 1 - 2 months	8,416,949	9,948,325	6,675,729
Past due 2 - 3 months	3,519,828	8,518,105	4,121,209
Past due > 3 months	16,163,153	22,533,679	13,349,262
Total	54,750,730	59,170,016	64,848,401

Trade receivables that are neither past due nor impaired are creditworthy debtors with good payment records with the Group.

24. TRADE RECEIVABLES (Cont'd)

Trade receivables that are past due but not impaired are mainly related to the progress billings to be settled by the purchasers or the purchasers' end financiers. However, these debts are expected to be realised in full without material losses in the ordinary course of business as majority of the customers are with financing facilities obtained from reputable end-financiers. Amount due from tenants are secured with deposits paid by tenants prior to occupancy of premises and rentals paid in advance.

The Group has no significant concentration of credit risk that may arise from exposures to a single debtor or groups of debtors.

In determining the recoverability of a trade receivable, the Group considers any change in the credit quality of the trade receivable from the date credit was initially granted up to the end of the reporting period. The concentration of credit risk is limited due to the customer base being large and unrelated.

The Group recognises impairment losses based on expected credit losses ("ECL") model using the simplified approach, which measures the impairment losses at an amount equal to lifetime ECL.

Movement in the allowance for impairment loss

The Group	2019 RM	2018 RM
Balance at beginning of the financial year	1,765,701	1,424,607
Impairment losses recognised during the year [Note 9(a)]		
- Individually assessed	1,657,987	626,620
Reversal of impairment losses no longer required [Note 9(a)]	(332,323)	(285,526)
Balance at end of the financial year	3,091,365	1,765,701

The impairment losses disclosed in the comparative period was based on the FRS 139 *Financial Instruments* incurred loss model.

Ageing of past due and impaired

The Group	30.4.2019 RM	30.4.2018 RM	1.5.2017 RM
Past due > 3 months	3,091,365	1,765,701	1,424,607

25. OTHER RECEIVABLES

The Group	Note	30.4.2019 RM	30.4.2018 RM (Restated)	1.5.2017 RM (Restated)
Other receivables		6,037,102	6,757,587	15,695,374
Less: Impairment losses		(66,871)	(66,871)	(66,871)
		5,970,231	6,690,716	15,628,503
Refundable deposits		16,284,517	19,135,217	14,776,574
Interest income receivable		2,016,785	2,834,197	1,212,548
Other assets	(a)	3,828,480	1,556,835	2,988,493
Prepaid expenses		804,362	711,815	816,036
		28,904,375	30,928,780	35,422,154

25. OTHER RECEIVABLES (Cont'd)

The Company	Note	30.4.2019 RM	30.4.2018 RM	1.5.2017 RM
Other receivables	(b)	3,771,667	4,660,390	4,695,524
Refundable deposits		61,775	33,455	33,455
Prepaid expenses		21,155	31,508	21,137
		3,854,597	4,725,353	4,750,116

(a) Other assets of the Group are the costs for consideration payable to customers to be accounted for as a reduction of revenue, when the Group recognises revenue for the transfer of the related goods or services to the customer.

(b) Included in the other receivables of the Company are amount recoverable from subsidiary companies amounted to RM2,109,430 (30.4.2018:RM2,980,754; 1.5.2017:RM3,383,318) relates to share options and restricted shares granted by the Company to employees of the subsidiary companies under the Employees' Share Scheme, which are yet to expire. Further information about the share-based payments to employees and equity-settled employee benefits reserve are set out in Note 37 and Note 28 respectively.

26. AMOUNT DUE FROM/(TO) SUBSIDIARY COMPANIES

The Company	30.4.2019 RM	30.4.2018 RM	1.5.2017 RM
Amount due from subsidiary companies	644,506,767	627,084,293	528,255,044
Less: Impairment losses	(2,102,348)	(2,102,348)	(2,102,348)
	642,404,419	624,981,945	526,152,696
Amount due to subsidiary companies	(112,616,118)	(94,630,918)	(91,208,372)
	529,788,301	530,351,027	434,944,324

Amount due from subsidiary companies, which arose mainly from trade transactions, assignment of debts, payment made on behalf and advances granted, bears interest at 5.57% (30.4.2018: 5.57%; 1.5.2017: 5.44%) per annum and is unsecured and repayable on demand.

Amount due to subsidiary companies, which arose mainly from assignment of debts and advances, is unsecured, bears interest at 5.57% (30.4.2018: 5.57%; 1.5.2017: 5.44%) per annum and is repayable on demand.

During the financial year, significant transactions, which are determined on a basis as negotiated between the Company and its subsidiary companies, are as follows:

The Company	2019 RM	2018 RM
Dividend income from subsidiary companies (Note 5)	20,049,620	55,760,000
Interest income from subsidiary companies (Note 7)	33,495,947	28,808,239
Interest expense to subsidiary companies (Note 8)	(4,550,274)	(3,313,822)
Head office allocation income	762,982	908,253
Rental expenses paid to a subsidiary company [Note 9(a)]	(798,593)	(798,775)

27. DEPOSITS, CASH AND CASH EQUIVALENTS

The Group	30.4.2019 RM	30.4.2018 RM	1.5.2017 RM
Cash on hand and at banks	130,276,278	130,937,859	273,435,190
Deposits with licensed banks	24,339,695	45,136,261	33,816,276
Investment in short-term funds	-	-	500,000
Deposits, cash and bank balances	154,615,973	176,074,120	307,751,466
Less: Fixed deposits with maturity in excess of 90 days	(11,511,036)	(19,668,441)	(18,978,814)
Non-cash and cash equivalents - deposits pledged	(9,834,375)	(9,852,067)	(9,213,910)
Cash and cash equivalents	133,270,562	146,553,612	279,558,742

The Company	30.4.2019 RM	30.4.2018 RM	1.5.2017 RM
Cash on hand and at banks	3,475,102	5,998,352	42,521,808
Investment in short-term funds	-	-	500,000
Deposits, cash and bank balances	3,475,102	5,998,352	43,021,808
Less: Non-cash and cash equivalents	-	-	-
Cash and cash equivalents	3,475,102	5,998,352	43,021,808

Included in the Group's cash and bank balances is an amount of RM87,609,495 (30.4.2018: RM86,776,497; 1.5.2017: RM170,726,768) which is held under Housing Development Accounts pursuant to Section 7A of the Housing Development (Control and Licensing) Act, 1966. These accounts consist of monies received from purchasers and are used for the payment of property development expenditure incurred. The surplus monies, if any, will be released to the Group upon the completion of the property development and after all property development expenditure have been fully settled. The Housing Development Accounts with a licensed bank earn interest at 1.76% (30.4.2018: 1.95%; 1.5.2017: 2.06%) per annum.

Deposits of the Group totalling RM9,834,375 (30.4.2018: RM9,852,067; 1.5.2017: RM9,213,910) have been pledged to secure bank guarantee facilities.

The weighted average effective interest rates per annum for deposits held at the end of the reporting period are as follows:

	The Group			The Company		
	2019 %	2018 %	2017 %	2019 %	2018 %	2017 %
Licensed banks	3.3	3.2	3.1	-	-	3.6

The average maturity periods relating to the various deposits held at the end of the reporting period are as follows:

	The Group			The Company		
	2019 Days	2018 Days	2017 Days	2019 Days	2018 Days	2017 Days
Licensed banks	90	90	90	-	-	7

Investment in short-term funds as at 1 May 2017 were placements made in management funds that invest in fixed deposits and short-term money market instruments offered by banks or financial institutions licensed under the Financial Services Act 2013 or the Islamic Financial Services Act 2013 which allowed redemption with notice of 1 business day.

28. SHARE CAPITAL AND RESERVES

	The Group and the Company			
	Number of shares		RM	
	2019	2018	2019	2018
Issued and fully paid				
Ordinary shares				
At beginning of the financial year	800,089,370	727,821,313	418,631,554	418,631,554
Bonus issue	-	72,268,057	-	-
At end of the financial year	800,089,370	800,089,370	418,631,554	418,631,554

In accordance with the transitional provisions of the Companies Act, 2016 ("Act"), which came into operation on 31 January 2017, the amount standing to the credit of the Company's share premium account becomes part of the Company's share capital. This change does not have an impact on the number of shares in issue or the relative entitlement of any of the shareholders. The Company has a period of 24 months from the effective date of the Act to use the existing balance credited in the share premium account in a manner as specified by the Act. Included in issued capital as at 1 May 2017 was an amount of RM54,720,897 transferred from share premium on 31 January 2017, which can be utilised in a manner as specified by the Act during the 24 month-transitional period.

During the financial year ended 30 April 2018, the Company has utilised RM36,134,029 from the share premium for the issuance of new ordinary shares arising from the bonus issue on the basis of 1 bonus share for every 10 existing shares held. The new ordinary shares issued ranked pari-passu with the existing ordinary shares of the Company.

Capital reserve

This reserve represents non-distributable reserve transferred from post-acquisition retained earnings arising from bonus issue of shares of a subsidiary company.

Equity-settled employee benefits reserve

	The Group RM		The Company RM	
	2019	2018	2019	2018
Balance at beginning of the financial year	6,027,275	6,648,587	6,027,275	6,648,587
Recognition of share-based payments:				
Profit before tax [Note 9(a)]	559,530	1,291,251	466,854	1,032,173
Recoverable from subsidiary companies (Note 25)	-	-	92,676	259,078
	559,530	1,291,251	559,530	1,291,251
Effect of expiration of ESOS:				
Retained earnings	(1,901,139)	-	(937,139)	-
Recoverable from subsidiary companies (Note 25)	-	-	(964,000)	-
	(1,901,139)	-	(1,901,139)	-
Effect of vesting of RSG:				
RSG vested	-	(1,912,563)	-	(1,250,922)
Recoverable from subsidiary companies (Note 25)	-	-	-	(661,641)
	-	(1,912,563)	-	(1,912,563)
Balance at end of the financial year	4,685,666	6,027,275	4,685,666	6,027,275

The equity-settled employee benefits reserve relates to share options and restricted shares granted by the Company to employees of the Group under the Employees' Share Scheme. Further information about share-based payments to employees is set out in Note 37.

28. SHARE CAPITAL AND RESERVES (Cont'd)

Treasury shares

The shareholders of the Company, by an ordinary resolution passed at the 34th Annual General Meeting held on 24 October 2018, renewed their approval for the Company's plan to repurchase its own shares up to a maximum of 10% of the total issued and fully paid up share capital listed on the Bursa Malaysia Securities Berhad.

During the financial year, the Company purchased 12,786,500 (30.4.2018: 2,066,300; 1.5.2017: 1,017,500) units of its own shares through purchases on Bursa Malaysia Securities Berhad. The total amount paid for acquisition of the shares was RM5,063,371 (30.4.2018: RM1,076,491; 1.5.2017: RM763,082) and it has been deducted from equity. The share transactions were financed by internally generated funds and the average price paid for the shares was RM0.40 (30.4.2018: RM0.52; 1.5.2017: RM0.75) per share. The repurchased shares are held as treasury shares in accordance with Section 127(4)(b) of the Companies Act, 2016.

As at 30 April 2019, the Company held a total of 19,700,800 (30.4.2018: 6,914,300; 1.5.2017: 4,848,000) ordinary shares as treasury shares out of its issued and paid-up share capital of 800,089,370 ordinary shares. Such treasury shares are held at carrying amount of RM10,412,458 (30.4.2018: RM5,349,087; 1.5.2017: RM4,272,596).

The Company has a right to reissue these shares at a later date. As treasury shares, the rights attached as to voting, dividends and participation in other distribution are suspended.

Restricted shares grant ("RSG") reserve

	The Group and the Company			
	Number of shares		RM	
	2019	2018	2019	2018
Balance at beginning of the financial year	2,471,425	304,000	1,387,207	238,430
Repurchase of RSG shares	-	4,381,000	-	2,797,160
Bonus issue	-	224,675	-	-
	2,471,425	4,909,675	1,387,207	3,035,590
Vesting of RSG	-	(2,438,250)	-	(1,648,383)
Balance at end of the financial year	2,471,425	2,471,425	1,387,207	1,387,207

As at 30 April 2019, the Company has repurchased a total of 14,993,000 of its issued ordinary shares from the open market at an average price of RM0.90 per share. These shares are being held in trust by the Company and recorded as restricted shares grant ("RSG") reserve for the purpose of granting restricted shares to eligible employees in future. The first, second and third tranches of RSG under ESS scheme totalling 12,746,250 shares have been vested and awarded to a selected group of eligible employees as at 30 April 2019. A total of 224,675 shares are being granted under bonus issue during the financial year ended 30 April 2018. The balance shares held in trust by the Company as at 30 April 2019 is 2,471,425 shares at an average price of RM0.56 per share. There is no movement in the balance of shares held in trust during the financial year.

29. RETAINED EARNINGS

At the end of the reporting period, the entire retained earnings of the Company are available for distribution as dividends under the single-tier income tax system.

30. BORROWINGS

The Group	Note	30.4.2019 RM	30.4.2018 RM	1.5.2017 RM
Non-current				
Secured:				
Term loans	(a)	138,836,866	161,815,266	142,883,283
Bridging loans	(a)	8,329,928	20,982,489	-
Revolving credits	(b)	13,779,159	28,779,159	-
Hire-purchase and lease payables	(c)	388,058	827,028	797,678
Unsecured:				
Revolving credits	(b)	87,350,000	88,750,000	96,250,000
		248,684,011	301,153,942	239,930,961
Current				
Secured:				
Term loans	(a)	68,245,364	28,627,917	64,042,964
Bridging loans	(a)	1,564,093	-	-
Revolving credits	(b)	17,099,413	12,176,573	102,226,147
Hire-purchase and lease payables	(c)	438,969	529,588	401,229
Unsecured:				
Revolving credits	(b)	172,500,000	172,500,000	123,750,000
		259,847,839	213,834,078	290,420,340
Total borrowings		508,531,850	514,988,020	530,351,301
The borrowings are repayable as follows:				
Not later than one year		259,847,839	213,834,078	290,420,340
Later than one year but not later than five years		235,224,011	287,107,026	223,084,045
Later than five years		13,460,000	14,046,916	16,846,916
		508,531,850	514,988,020	530,351,301

30. BORROWINGS (Cont'd)

The Company	Note	30.4.2019 RM	30.4.2018 RM	1.5.2017 RM
Non-current				
Secured:				
Term loans	(a)	14,050,000	39,637,500	37,300,000
Unsecured:				
Revolving credits	(b)	87,350,000	88,750,000	96,250,000
		101,400,000	128,387,500	133,550,000
Current				
Secured:				
Term loans	(a)	25,000,000	5,662,500	-
Revolving credits	(b)	-	-	25,200,000
Unsecured:				
Revolving credits	(b)	172,500,000	172,500,000	123,750,000
		197,500,000	178,162,500	148,950,000
Total borrowings		298,900,000	306,550,000	282,500,000
The borrowings are repayable as follows:				
Not later than one year		197,500,000	178,162,500	148,950,000
Later than one year but not later than five years		101,400,000	128,387,500	133,550,000
		298,900,000	306,550,000	282,500,000

The weighted average effective interest rates per annum at the end of the reporting period for borrowings are as follows:

	The Group			The Company		
	30.4.2019 %	30.4.2018 %	1.5.2017 %	30.4.2019 %	30.4.2018 %	1.5.2017 %
Term loans	5.3	5.6	5.4	5.8	5.8	5.6
Bridging loans	5.6	5.6	-	-	-	-
Revolving credits	5.3	5.2	4.9	5.2	5.1	4.8

(a) Term loans and bridging loans

As at 30 April 2019, the Group has term loans and bridging loans issued under Shariah Principles amounting to RM169.4 million (30.4.2018: RM83.4 million; 1.5.2017: RM35.0 million), which were obtained from licensed financial institutions.

The abovementioned term loans and bridging loans are secured by way of the following:

(i) the respective subsidiary companies' stamped facility agreements;

(ii) fixed charges over certain investment properties of subsidiary companies as disclosed in Note 15;

30. BORROWINGS (Cont'd)

(a) Term loans and bridging loans (Cont'd)

The abovementioned term loans and bridging loans are secured by way of the following: (Cont'd)

(iii) first party legal charge over 2 parcels of freehold land of subsidiary companies held for property development as disclosed in Note 21(a) and 21(b);

(iv) first party legal charge over certain parcels of leasehold land of subsidiary companies held for property development as disclosed in Note 21(a) and 21(b);

(v) a fixed and floating charge by way of a debenture on present and future assets of the subsidiary companies;

(vi) assignment of sales proceeds arising from sale of development properties of certain subsidiary companies;

(vii) assignment of all monies in the Housing Development Accounts of certain subsidiary companies, subject to the provisions of the Housing Development Account Regulations 1991;

(viii) assignment of future rental or lease proceeds on development properties of certain subsidiary companies;

(ix) first party legal charge over certain building and improvements of subsidiary companies as disclosed in Note 13; and

(x) legal assignment of a subsidiary company's interest under the Joint Venture Agreement ("JVA") with a third party over a parcel of land held for property development as disclosed in Note 21(a).

As at 30 April 2019, the Company has term loans facilities issued under Shariah Principles amounting to RM5.6 million (30.4.2018: RM Nil; 1.5.2017: RM Nil), which were obtained from licensed financial institutions.

The term loans facilities of the Company are secured by way of the following:

(i) first party legal charge over certain building and improvements of subsidiary companies as disclosed in Note 13;

(ii) fixed charges over certain investment properties of subsidiary companies as disclosed in Note 15; and

(iii) assignment of future rentals generated from certain building and improvements and investment property of subsidiary companies.

(b) Revolving credits

The revolving credits of the Group are secured by way of:

(i) fixed charges over certain investment properties of subsidiary companies as disclosed in Note 15;

(ii) debentures over the assets of a subsidiary company as disclosed in Note 21(c);

(iii) first party legal charge over certain property development projects of certain subsidiary companies as disclosed in Note 21(b); and

(iv) first party legal charge over a parrel of leasehold land of a subsidiary company held for property development as disclosed in Note 21(a).

The revolving credits facilities of the Company were secured by first party legal charge over a parcel of leasehold land of subsidiary company held for property development as disclosed in Note 21(a).

30. BORROWINGS (Cont'd)

(c) Hire-purchase and lease payables

The Group	30.4.2019 RM	30.4.2018 RM	1.5.2017 RM
Minimum lease payments:			
Not later than one year	481,285	603,707	455,405
Later than one year but not later than five years	423,274	904,560	840,903
	904,559	1,508,267	1,296,308
Future finance charges	(77,532)	(151,651)	(97,401)
Present value of hire-purchase and lease liabilities	827,027	1,356,616	1,198,907
Present value of hire-purchase and lease liabilities:			
Not later than one year	438,969	529,588	401,229
Later than one year but not more than two years	315,440	443,019	408,328
Later than two years but not more than five years	72,618	384,009	389,350
	827,027	1,356,616	1,198,907
Analysed as follows:			
Due within 12 months	438,969	529,588	401,229
Due after 12 months	388,058	827,028	797,678
	827,027	1,356,616	1,198,907

The hire-purchase and lease payables of the Group bear interest at rates ranging from 2.7% to 8.1% (30.4.2018: 2.4% to 8.1%; 1.5.2017: 2.5% to 7.6%) per annum. Interest rates are fixed at the inception of the hire-purchase and lease arrangements.

The Group's hire-purchase and lease payables are secured by the financial institutions' charge over the assets under hire-purchases/leases.

31. TRADE PAYABLES

Included in the Group's trade payables are retention sums of RM18,436,622 (30.4.2018: RM30,139,895; 1.5.2017: RM42,545,762) payable to subcontractors.

The normal credit terms granted to the Group range from 1 to 60 days (30.4.2018 and 1.5.2017: 1 to 60 days).

During the financial year ended 30 April 2018, the Group wrote back accrued construction costs relating to the retail mall of RM9,708,743 [Note 9(a)] following the finalisation of costs with contractors upon the expiration of the warranty period during the year.

32. OTHER PAYABLES AND ACCRUED EXPENSES AND PROVISIONS

Other payables and accrued expenses comprise:

The Group	Note	30.4.2019 RM	30.4.2018 RM (Restated)	1.5.2017 RM (Restated)
Other accrued expenses		16,610,305	10,314,053	12,793,995
Deposits received from purchasers and tenants		12,317,051	10,102,001	9,775,459
Other payables	(a)	6,036,098	7,816,691	6,767,684
Rental and government subsidy received in advance		3,982,941	2,668,834	6,635,789
Land cost payable [Note 21(b)]		2,454,736	2,454,736	2,454,736
Accrued interest expense		1,466,171	2,945,003	1,220,308
Accrued land lease extension and conversion premium	(b)	-	-	64,267,100
		42,867,302	36,301,318	103,915,071

The Company	Note	30.4.2019 RM	30.4.2018 RM	1.5.2017 RM
Other accrued expenses		693,200	50,937	39,486
Deposits received from purchasers and tenants		36,250	149,250	76,250
Other payables	(a)	989,368	813,546	775,959
Accrued interest expense		1,325,740	1,439,525	840,083
		3,044,558	2,453,258	1,731,778

Provisions comprise:

The Group	Note	30.4.2019 RM	30.4.2018 RM	1.5.2017 RM
Provision for affordable housing obligations	(c)	82,815,381	54,124,359	24,998,628
Provision for release of bumiputra quota		12,459,903	17,796,007	17,796,007
Provision for liquidated ascertained damages payable to purchasers	(d)	1,905,967	452,918	664,103
		97,181,251	72,373,284	43,458,738

(a) Other payables

Other payables comprise amounts outstanding for ongoing costs and operating expenses payable.

Included in other payables of the Group and the Company is an amount due to KJ Leisure Sdn. Bhd., a company in which certain directors of the Company have interest, of RM185,561 and RM47,562 (30.4.2018: RM185,561 and RM47,562; 1.5.2017: RM158,066 and RM47,562), respectively. The said amount, which mainly arose from payment on behalf, is interest-free, unsecured and repayable on demand.

(b) Accrued land lease extension and conversion premium

During the financial year ended 30 April 2017, a subsidiary company received approval from the Land office to extend the lease period of its leasehold development land and to convert certain parcels of the said development land in accordance with its development plan. The additional premium payable has been accrued for accordingly as at 1 May 2017 and settled in full during the financial year ended 30 April 2018.

32. OTHER PAYABLES AND ACCRUED EXPENSES AND PROVISIONS (Cont'd)

(c) Provision for affordable housing obligations

The Malaysian Institute of Accountants (MIA) issued Financial Reporting Standards Implementation Committee ("FRSIC") Consensus 17 on Development of Affordable Housing on 24 November 2011. It recommends that the estimated amount of shortfall relating to affordable housing obligations be recognised as a provision. The recognition of such provision would result in the recognition of a corresponding asset in the form of common costs in the development of premium housing as included in Note 21(a) on Land Held for Property Development and Note 21(b) on Property Development Costs.

On 7 March 2018, MIA issued an Addendum to FRSIC Consensus 17, clarifying that an entity shall not apply the principles in FRSIC Consensus 17 after the adoption of MFRS 15. Based on the addendum issued, the Group will continue to assess and estimate the provision for affordable housing obligations as and when there is present obligation to construct the affordable housing.

Movement of the provision for affordable housing obligations is as follows:

The Group	2019 RM	2018 RM
At beginning of the financial year	54,124,359	24,998,628
Provision made during the financial year	28,691,022	29,125,731
At end of the financial year	82,815,381	54,124,359

(d) Provision for liquidated ascertained damages ("LAD") payable to purchasers

Provision for liquidated ascertained damages ("LAD") is recognised for expected LAD claims based on the terms of the applicable sale and purchase agreements.

Movement of the provision for LAD is as follows:

The Group	2019 RM	2018 RM
At beginning of the financial year	452,918	664,103
Provision made during the financial year	1,905,967	43,769
Payments made during the financial year	(452,918)	(254,954)
At end of the financial year	1,905,967	452,918

33. RECONCILIATION OF LIABILITIES ARISING FROM FINANCING ACTIVITIES

The table below details changes in the Group and the Company's liabilities arising from financing activities, including both cash and non-cash changes. Liabilities arising from financing activities are those for which cash flows were, or future cash flows will be, classified in the Group's and the Company's statement of cash flows as cash flows from/(used in) financing activities.

	As at 1.5.2018 RM	Cash Flows RM	Non-cash Transactions RM	As at 30.4.2019 RM
The Group				
Hire-purchase and lease payables (Note 30)	1,356,616	(529,589)	-	827,027
Revolving credits (Notes 30)	302,205,732	(11,477,160)	-	290,728,572
Term loans and bridging loans (Notes 30)	211,425,672	5,550,579	-	216,976,251

33. RECONCILIATION OF LIABILITIES ARISING FROM FINANCING ACTIVITIES (Cont'd)

The table below details changes in the Group and the Company's liabilities arising from financing activities, including both cash and non-cash changes. Liabilities arising from financing activities are those for which cash flows were, or future cash flows will be, classified in the Group's and the Company's statement of cash flows as cash flows from/(used in) financing activities. (Cont'd)

	As at 1.5.2018 RM	Cash Flows RM	Non-cash Transactions RM	As at 30.4.2019 RM
The Company				
Amount due to subsidiary companies (Note 26)	94,630,918	13,789,235	4,195,965	112,616,118
Revolving credit (Notes 30)	261,250,000	(1,400,000)	-	259,850,000
Term loans (Notes 30)	45,300,000	(6,250,000)	-	39,050,000

	As at 1.5.2017 RM	Cash Flows RM	Non-cash Transactions RM	As at 30.4.2018 RM
The Group				
Hire-purchase and lease payables (Note 30)	1,198,907	157,709	-	1,356,616
Revolving credits (Note 30)	322,226,147	(20,020,415)	-	302,205,732
Term loans and bridging loans (Note 30)	206,926,247	4,499,425	-	211,425,672
The Company				
Amount due to subsidiary companies (Note 26)	91,208,372	184,444	3,238,102	94,630,918
Revolving credit (Note 30)	245,200,000	16,050,000	-	261,250,000
Term loans (Note 30)	37,300,000	8,000,000	-	45,300,000

34. CORPORATE GUARANTEES

The Company has provided corporate guarantees to certain financial institutions pertaining to the banking facilities utilised by its subsidiary companies as at 30 April 2019.

The total amount of corporate guarantees provided by the Company for the abovementioned facilities amounted to RM542,747,611 (30.4.2018: RM405,350,000; 1.5.2017: RM506,500,000). The financial guarantees have not been recognised since the fair value on initial recognition was not material as the financial guarantees provided by the Company did not contribute towards credit enhancement of the subsidiary companies' borrowings in view of the securities pledged by the subsidiary companies as disclosed in Note 30.

35. CAPITAL COMMITMENTS

As of the end of reporting period, the Group has the following capital commitments:

The Group	30.4.2019 RM	30.4.2018 RM	1.5.2017 RM
Purchase of land held for property development	2,000,000	2,400,000	-

The Company does not have any capital commitment as at 30 April 2019, 30 April 2018 and 1 May 2017.

36. RELATED PARTY TRANSACTIONS

Other than as disclosed elsewhere in the financial statements, the related parties and their relationship with the Company and its subsidiary companies are as follows:

Name of related parties	Relationship
Tan Sri Dato' Mohamed Mansor bin Fateh Din Datuk Fong Loong Tuck Datuk Seri Fateh Iskandar bin Tan Sri Dato' Mohamed Mansor Dato Ikhwan Salim bin Dato' Haji Sujak	Directors of the Company
Fara Inez binti Tan Sri Dato' Mohamed Mansor	Daughter of a Director of the Company
Fateh Idzham bin Datuk Seri Fateh Iskandar Fateh Imran bin Datuk Seri Fateh Iskandar	Son of a Director of the Company
KJ Leisure Sdn. Bhd.	A company in which certain directors of the Company have direct interest
Mind Flux Sdn. Bhd.	A company in which a director of the Company is a director of the company
Berapit Holdings Sdn. Bhd.	A company in which certain directors of the Company have direct interest and are also directors of the company
Efdiai Sdn. Bhd. Stagbridge Sdn. Bhd.	A company in which a director of the Company and his spouse have direct interest and are also directors of the company

Significant transactions undertaken on agreed terms and prices by the Group with their related parties during the financial year are as follows:

The Group	2019		2018	
	Amount of Transaction RM	Outstanding Amount RM	Amount of Transaction RM	Outstanding Amount RM
Sale of properties to a company in which certain directors of the Company have direct interest and are also directors of the company	4,968,643	92,617	-	-
Sale of properties to a directors of the Company	1,063,513	-	-	-
Sale of properties to close members of the family of certain directors of the Company	906,002	-	-	-
Rental income from a company in which a director of the Company is also a director of the company	163,500	163,500	-	-
Rental expenses charged to a company in which certain directors of the Company have direct interest and are also directors of the company	(258,000)	-	(36,000)	(36,000)
Progress billings of properties sold to a company in which certain directors of the Company have direct interest and are also directors of the company	-	-	312,640	-
Liquidated ascertained damages ("LAD") payment for properties sold to a company in which certain directors of the Company have direct interest and are also directors of the company	-	-	(254,954)	-

36. RELATED PARTY TRANSACTIONS (Cont'd)

Compensation of key management personnel

	The Group		The Company	
	2019 RM	2018 RM	2019 RM	2018 RM
Directors				
Salaries and other emoluments	4,918,254	5,643,667	238,895	276,500
Directors' fees	180,000	229,677	180,000	229,677
Benefits-in-kind	96,600	96,600	96,600	96,600
Total short-term employment benefits	5,194,854	5,969,944	515,495	602,777
RSG vested during the year	-	704,674	-	704,674
Post employment benefits:				
Defined contribution plan	620,162	762,285	26,313	31,850
	5,815,016	7,436,903	541,808	1,339,301
Other key management personnel				
Salaries and other emoluments	5,605,827	6,657,044	65,052	107,902
Benefits-in-kind	-	7,200	-	-
Total short-term employment benefits	5,605,827	6,664,244	65,052	107,902
RSG vested during the year	-	1,207,889	-	546,248
Post employment benefits:				
Defined contribution plan	619,083	885,972	6,983	12,804
	6,224,910	8,758,105	72,035	666,954
Total Compensation	12,039,926	16,195,008	613,843	2,006,255

Key management personnel are those persons having authority and responsibility for planning, directing and controlling the activities of the Group and the Company, directly or indirectly.

37. SHARE-BASED PAYMENTS

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

The maximum number of the Company's shares under the ESS should not exceed in aggregate 8% of the issued and paid-up share capital (excluding treasury shares) of the Company at any point of time during the duration of the scheme period. Other principal features of the ESS are as follows:

(i) The employees eligible to participate in the ESS must be employed on a full time basis and on the payroll of any corporation in the Group and has not served a notice of resignation or received a notice of termination and is confirmed in service;

(ii) The entitlement under the ESS for the Executive Directors, including any person connected to the Directors is subject to the approval of the shareholders of the Company in a general meeting;

37. SHARE-BASED PAYMENTS (Cont'd)

The maximum number of the Company's shares under the ESS should not exceed in aggregate 8% of the issued and paid-up share capital (excluding treasury shares) of the Company at any point of time during the duration of the scheme period. Other principal features of the ESS are as follows: (Cont'd)

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

Key features of the ESOS award are as follows:

(a) The maximum number of the Company's new shares pursuant to the ESOS should not exceed 4% of the issued and paid-up share capital (excluding treasury shares) of the Company.

(b) Under the ESOS award, the Company may from time to time within the offer period, offer to eligible employees a certain number of options at the offer date, subject to the acceptance of the participants. The participants will be granted the ESOS options which can then be exercised within a period of up to 5 years to subscribe for fully paid-up ordinary shares in the Company, provided all the conditions are duly and fully satisfied.

(c) The subscription price of the ESOS shall be at the Volume Weighted Average Market Price ("VWAMP") of the Company's shares for the 5 market days immediately preceding the offer date with a potential discount of not more than 10% or any other limit in accordance with any prevailing guidelines issued by Bursa Securities or any other relevant authorities as may be amended from time to time, or at the par value of the shares (or such other par value as may be permitted by the Companies Act), whichever is higher.

Key features of the RSG award are as follows:

(a) The maximum number of the Company existing shares pursuant to RSG should not exceed 4% of the existing issued and paid-up share capital (excluding treasury shares) of the Company.

(b) Under the RSG award, the Company may from time to time within the offer period, invite a selected senior management to enter into an agreement with the Company, whereupon the Company shall agree to award the scheme shares to the participants, subject to fulfilling the relevant service and performance objectives and provided all the performance-related conditions are duly and fully satisfied. The scheme shares as specified in the RSG award will only vest based on a 2 year cliff vesting schedule, provided all the RSG vesting conditions are duly and fully satisfied.

(c) The RSG grant price for each underlying shares will be based on the fair value of the Company's shares with no entitlement to any discount, after taking into account among others, the VWAMP of the Company's shares for the 5 market days immediately preceding the RSG grant date.

(iv) The Company may terminate the ESS at any time during the duration of the scheme subject to:

(a) consent of the Company's shareholders at a general meeting, wherein at least a majority of the shareholders, present and voting, vote in favor of the termination; and

(b) written consent of all scheme participants who have yet to exercise their ESOS options either in part or in whole, and all scheme participants whose RSG Agreements are still subsisting.

Upon termination of the ESS, all unexercised ESOS and/or unvested RSG shall be deemed to have been cancelled and be null and void.

During the financial year ended 30 April 2018, the Company has undertaken a bonus issue on the basis of one (1) bonus share for every ten (10) existing shares held. Following this, the Company revised upward the number of shares granted under its unexpired ESOS and RSG by 10% and revised downward the exercise price of its unexpired ESOS by 10%.

In accordance with the requirements of MFRS 2 *Share-based Payment*, fair valuation at modification date has been performed and the incremental fair value is included in the measurement of the amount recognised for services received over the period from the modification date until the date when the additional equity instruments vest, in addition to the amount based on the grant date fair value of the equity instruments originally granted, which is recognised over the remainder of the original vesting period.

37. SHARE-BASED PAYMENTS (Cont'd)

The number of share options under ESOS outstanding as at 30 April 2019 are as follows:

Option Series	Balance at 1.5.2018	Cancelled	Balance at 30.4.2019	Grant date	Expiry date	Exercise price per share[(i)] RM	Fair value at modification date RM
Grant 2	4,555,100	(192,500)	4,362,600	2.1.2015	4.1.2020	0.83	0.24
Grant 3	7,154,400	(411,400)	6,743,000	4.1.2016	2.1.2021	0.72	0.21

(i) ESOS exercise price per share after modification

The number of shares under RSG outstanding as at 30 April 2019 are as follows:

Series	Balance at 1.5.2018	Cancelled	Balance at 30.4.2019	Grant date	Expiry date	Exercise price RM	Fair value at modification date RM
Grant 4	3,725,700	(157,300)	3,568,400	3.1.2017	2.1.2019[(ii)]	-	0.61

(ii) The Remuneration and Employees' Share Scheme Committee ("R&ESSC") has decided to defer vesting of the Fourth Tranche of the RSG until further notice.

Fair value of ESOS and RSG

Fair value of ESOS and RSG are computed using the Monte Carlo Fair Valuation model. Where relevant, the expected life used in the model has been adjusted based on management's best estimate for the effects of non-transferability, exercise restrictions (including the probability of meeting market conditions attached to the option), and behavioural considerations. Expected volatility for ESOS and RSG is based on the historical annualised 5 years and 2 years volatility measured monthly, respectively.

Summarised information of unexpired share grants as at 30 April 2019:

Inputs into the model	ESOS Grant 2	ESOS Grant 3	RSG Grant 4
Before Modification			
Grant date share price (RM)	0.98	0.87	0.69
Exercise price (RM)	0.91	0.79	-
Expected volatility (%)	26.56	27.36	22.18
Option life (years)	5	5	2
Dividend yield (%)	5.00	4.89	5.80
Risk-free interest rate (%)	3.83	3.46	3.43
After Modification			
Modification date share price (RM)	0.53	0.53	0.53
Exercise price (RM)	0.83	0.72	-
Expected volatility (%)	9.88	18.84	9.88
Option life (years)	1.92	2.92	1.92
Dividend yield (%)	5.15	5.15	5.15
Risk-free interest rate (%)	3.68	3.74	3.68

38. SEGMENTAL INFORMATION

(a) Business Segments

The Group is organised into three areas of businesses:

(i) Property development - the development of land into residential and commercial properties for sale and sale of vacant land

(ii) Construction - the construction of buildings

(ii) Property investment - the investment of land and buildings held for investment potential and rental income in future

Other business segments include investment holding which are not separately reported as the segment's operations are not material to the Group.

The accounting policies of the reportable segments are the same as the Group's accounting policies described in Note 3. Management has determined the operating segments based on the reports viewed by the Chief Executive Officer (the chief operating decision-maker) for the purpose of resources allocation and assessment of segment performance.

Segment results, assets and liabilities include items directly attributable to a segment as well as those that can be allocated on a reasonable basis. Unallocated items comprise corporate income, expenses, assets and liabilities.

(b) Geographical Segments

The Group operates and derives its income in Malaysia. Accordingly, the financial information by geographical segment has not been presented.

2019	Property Development RM	Construction RM	Property Investment RM	Other Operations RM	Eliminations RM	Consolidated RM
REVENUE						
External revenue	247,558,005	-	23,821,709	1,973,324	-	273,353,038
Inter-segment revenue	-	38,302,350	3,467,541	10,623,385	(52,393,276)	-
Total revenue	247,558,005	38,302,350	27,289,250	12,596,709	(52,393,276)	273,353,038
RESULTS						
Segment results	55,848,368	2,774,622	(1,111,574)	3,584	(2,325,622)	55,189,378
Unallocated corporate expenses						(7,020,127)
Operating profit						48,169,251
Fair value gain on investment properties						8,650,144
Impairment losses on receivables						(1,657,987)
Reversal of impairment losses on receivables no longer required						332,323
Bad debts written off						(651,106)
Share of loss of associated companies						(341,073)
Interest income						5,351,523
Finance costs						(22,050,536)
Income tax expense						(23,083,178)
Profit for the financial year						14,719,361

38. SEGMENTAL INFORMATION (Cont'd)

2019	Property Development RM	Construction RM	Property Investment RM	Other Operations RM	Eliminations RM	Consolidated RM
ASSETS						
Segment assets	1,416,357,187	34,772,847	368,886,079	30,441,496	-	1,850,457,609
Investment in associated companies	29,204,081	-	140	-	-	29,204,221
Unallocated corporate assets						20,030,140
Consolidated total assets						1,899,691,970
LIABILITIES						
Segment liabilities	398,531,594	8,236,786	66,454,028	615,495	-	473,837,903
Unallocated corporate liabilities						300,994,100
Consolidated total liabilities						774,832,003
OTHER INFORMATION						
Capital expenditure	191,908	-	35,968	61,600	-	289,476
Non-cash expenses						
Depreciation and amortisation	848,305	76,753	504,090	2,261,320	-	3,690,468
Impairment losses on receivables	-	-	1,657,987	-	-	1,657,987
Bad debts written off	-	-	651,106	-	-	651,106
Property, plant and equipment written off	-	-	-	20	-	20
Loss on disposal of plant and equipment	-	-	1,879	-	-	1,879
Non-cash income						
Fair value gain on investment properties	(8,805,044)	449,000	(294,100)	-	-	(8,650,144)
Reversal of impairment loss on receivables no longer required	-	-	(332,323)	-	-	(332,323)

38. SEGMENTAL INFORMATION (Cont'd)

2018	Property Development RM (Restated)	Construction RM	Property Investment RM	Other Operations RM	Eliminations RM	Consolidated RM (Restated)
REVENUE						
External revenue	378,965,619	313,598	20,767,178	2,314,533	-	402,360,928
Inter-segment revenue	-	73,209,963	3,476,278	11,273,168	(87,959,409)	-
Total revenue	378,965,619	73,523,561	24,243,456	13,587,701	(87,959,409)	402,360,928
RESULTS						
Segment results	56,611,478	4,481,996	(3,385,330)	(75,441)	(4,898,585)	52,734,118
Unallocated corporate expenses						(6,975,589)
Operating profit						45,758,529
Fair value gain on investment properties						429,000
Reversal of provision for foreseeable losses on property development projects						15,696,333
Reversal of accrued construction costs						9,708,743
Share of loss of associated companies						(751,959)
Interest income						8,409,462
Finance costs						(22,843,884)
Income tax expense						(22,875,849)
Profit for the financial year						33,530,375
ASSETS						
Segment assets	1,425,178,509	43,817,726	368,720,901	28,275,413	-	1,865,992,549
Investment in associated companies	30,700,154	-	140	-	-	30,700,294
Unallocated corporate assets						22,117,798
Consolidated total assets						1,918,810,641
LIABILITIES						
Segment liabilities	379,385,272	15,444,314	85,708,297	592,072	-	481,129,955
Unallocated corporate liabilities						308,239,085
Consolidated total liabilities						789,369,040

38. SEGMENTAL INFORMATION (Cont'd)

2018	Property Development RM	Construction RM	Property Investment RM	Other Operations RM	Eliminations RM	Consolidated RM
OTHER INFORMATION						
Capital expenditure	2,899,189	30,750	663,655	36,719	-	3,630,313
Non-cash expenses						
Inventories written off	1,261,528	-	-	-	-	1,261,528
Depreciation and amortisation	861,146	95,835	565,015	2,283,535	-	3,805,531
Impairment losses on receivables	-	-	626,620	-	-	626,620
Property, plant and equipment written off	-	-	1,129	-	-	1,129
Write down of liquidated ascertained damages not recoverable from contractor	85,200	-	-	-	-	85,200
Non-cash income						
Reversal of provision for foreseeable losses on property development projects	(15,696,333)	-	-	-	-	(15,696,333)
Reversal of accrued construction cost	-	-	(9,708,743)	-	-	(9,708,743)
Fair value gain on investment properties	-	(429,000)	-	-	-	(429,000)
Reversal of impairment losses on receivables no longer required	-	-	(285,526)	-	-	(285,526)

2017	Property Development RM (Restated)	Construction RM	Property Investment RM	Other Operations RM	Eliminations RM	Consolidated RM (Restated)
ASSETS						
Segment assets	1,438,979,320	46,393,411	367,648,746	28,179,323	-	1,881,200,800
Investment in associated companies	33,762,113	-	140	-	-	33,762,253
Unallocated corporate assets						55,707,227
Consolidated total assets						1,970,670,280

38. SEGMENTAL INFORMATION (Cont'd)

2017	Property Development RM (Restated)	Construction RM	Property Investment RM	Other Operations RM	Eliminations RM	Consolidated RM (Restated)
LIABILITIES						
Segment liabilities	433,607,837	13,015,788	108,929,056	523,518	-	556,076,199
Unallocated corporate liabilities						292,423,477
Consolidated total liabilities						848,499,676

39. FINANCIAL INSTRUMENTS

(i) Capital risk management

The Group and the Company manage its capital to ensure that it will be able to continue as a going-concern while maximising returns to the shareholders through the optimisation of debt and equity balance. The Group's and the Company's overall strategy remain unchanged from 2018.

The Group and the Company did not engage in any transaction involving financial derivative instruments during the financial year.

The Group's and the Company's risk management committee reviews the capital structure of the Group and the Company on a regular basis. The Group manages its capital structure and makes adjustments to it in the light of changes in economic conditions and the risk characteristic of the underlying assets. No changes were made in the objectives, policies or processes during the financial year ended 30 April 2019.

Gearing ratio

The gearing ratio at end of the reporting period is as follows:

The Group	30.4.2019 RM	30.4.2018 RM (Restated)	1.5.2017 RM (Restated)
Debts	508,531,850	514,988,020	530,351,301
Deposits, cash and bank balances	(154,615,973)	(176,074,120)	(307,751,466)
Net debt	353,915,877	338,913,900	222,599,835
Equity	1,124,859,967	1,129,441,601	1,122,170,604
Net debt to equity ratio	31%	30%	20%

39. FINANCIAL INSTRUMENTS (Cont'd)

(i) Capital risk management (Cont'd)

Gearing ratio (Cont'd)

The gearing ratio at end of the reporting period is as follows: (Cont'd)

The Company	30.4.2019 RM	30.4.2018 RM	1.5.2017 RM
Debts	298,900,000	306,550,000	282,500,000
Deposits, cash and bank balances	(3,475,102)	(5,998,352)	(43,021,808)
Net debt	295,424,898	300,551,648	239,478,192
Equity	779,645,305	773,686,527	735,071,540
Net debt to equity ratio	38%	39%	33%

Debt is defined as long and short-term borrowings, as described in Note 30.

Equity includes all capital and reserves of the Group and the Company that are managed as capital.

Significant Accounting Policies

Details of the significant accounting policies and methods adopted (including the criteria for recognition and the bases of measurement) for each class of financial asset, financial liability and equity instrument are disclosed in Note 3.

Categories of Financial Instruments

The Group	30.4.2019 RM	30.4.2018 RM (Restated)	1.5.2017 RM (Restated)
Financial assets			
Amortised cost			
Trade receivables	124,969,798	-	-
Other receivables	23,460,384	-	-
Deposit, cash and bank balances	154,615,973	-	-
Fair value through other comprehensive income			
Other investments	4,000,000	-	-
Loans and receivables			
Trade receivables	-	136,969,588	150,107,754
Other receivables	-	27,936,946	31,114,669
Deposit, cash and bank balances	-	176,074,120	307,751,466
Available-for-sale			
Other investments	-	4,000,000	4,000,000

39. FINANCIAL INSTRUMENTS (Cont'd)

(i) Capital risk management (Cont'd)

Categories of Financial Instruments (Cont'd)

The Group	30.4.2019 RM	30.4.2018 RM (Restated)	1.5.2017 RM (Restated)
Financial liabilities			
Amortised cost			
Debts:			
Revolving credits	290,728,572	302,205,732	322,226,147
Term loans	207,082,230	190,443,183	206,926,247
Bridging loans	9,894,021	20,982,489	-
Hire-purchase and lease payables	827,027	1,356,616	1,198,907
	508,531,850	514,988,020	530,351,301
Trade payables	118,809,295	154,304,210	143,393,674
Accrued expenses	18,076,476	13,259,056	78,281,403
Other payables	6,036,098	7,816,691	6,767,684
Refundable deposits received	12,317,051	10,102,001	9,775,459
Land cost payable	2,454,736	2,454,736	2,454,736
Dividend payable	-	-	10,844,597
The Company			
Financial assets			
Amortised cost			
Amount due from subsidiary companies	642,404,419	-	-
Other receivables	3,833,442	-	-
Deposit, cash and bank balances	3,475,102	-	-
Loans and receivables			
Amount due from subsidiary companies	-	624,981,945	526,152,696
Other receivables	-	4,693,845	4,728,979
Deposit, cash and bank balances	-	5,998,352	43,021,808
Financial liabilities			
Amortised cost			
Debts:			
Term loans	39,050,000	45,300,000	37,300,000
Revolving credits	259,850,000	261,250,000	245,200,000
	298,900,000	306,550,000	282,500,000
Accrued expenses	2,018,940	1,490,462	879,569
Other payables	989,368	813,546	775,959
Refundable deposits received	36,250	149,250	76,250
Amount due to subsidiary companies	112,616,118	94,630,918	91,208,372
Dividend payable	-	-	10,844,597

39. FINANCIAL INSTRUMENTS (Cont'd)

(ii) Financial Risk Management Objectives

The operations of the Group are subject to a variety of financial risks, including credit risk, interest rate risk, foreign currency risk and liquidity risk.

The Group has formulated a financial risk management framework whose principal objective is to minimise the Group's exposure to risks and/or costs associated with the financing, investing and operating activities of the Group.

Financial risk management is carried out through risk reviews, internal control systems and adherence to Group financial risk management policies. The Board regularly reviews these risks and approves the treasury policies, which cover the management of these risks.

(iii) Credit Risk Management

Credit risk refers to the risk that a counter party will default on its contractual obligation resulting in financial loss to the Group.

The Group is exposed to credit risk mainly from its customer base, including trade receivables. The Group extends credit to its customers based upon careful evaluation of the customer's financial condition and credit history. Trade receivables are monitored on an ongoing basis by the Group's credit control department.

Exposure to credit risk

At the end of the reporting period, the Group's and the Company's maximum exposure to credit risk is the carrying amount of trade and other receivables, contract assets, deposits with licensed bank and cash and bank balances.

The Company's maximum exposure to credit risk also includes amount due from subsidiary companies.

The carrying amount of financial assets recognised in the financial statements, which is net of impairment losses, represents the Group's maximum exposure to credit risk, without taking into account collateral or other credit enhancements held.

(iv) Interest Rate Risk Management

The Group and the Company are exposed to interest rate risk through the impact of rate changes on interest-bearing deposits and borrowings.

The Group's interest bearing assets are primarily bank deposits with licensed banks. The interest rates on these deposits are monitored closely to ensure that they are maintained at favourable rates. The Group considers the risk of significant changes to interest rates on deposits to be unlikely.

The Group's interest rate exposure arises mainly from borrowings. The Group's and the Company's exposure to interest rates on financial liabilities are detailed in the liquidity risk management section of this note.

Interest rate exposure is measured using sensitivity analysis as disclosed below:

Interest rate sensitivity analysis

The sensitivity analysis below has been determined based on the exposure to interest rates for both derivatives and non-derivative instruments at the end of the reporting period. For floating-rate liabilities, the analysis is prepared assuming the amount of the liability outstanding at the end of the reporting period was outstanding for the whole year. A 50 basis point increase or decrease is used when reporting interest rate risk internally to key management personnel and represents management's assessment of the reasonably possible change in interest rates.

If interest rates had been 50 basis points higher/lower and all other variables were held constant, the Group's profit for the financial year ended 30 April 2019 would decrease/increase by RM2,538,524 (2018: RM2,568,157). This is mainly attributable to the Group's exposure to interest rates on its variable-rate borrowings. The Group's sensitivity to interest rates has decreased during the current period mainly due to the decreased in variable rate debt instruments.

39. FINANCIAL INSTRUMENTS (Cont'd)

(v) Foreign Currency Risk Management

Foreign exchange exposures in transactional currencies other than functional currencies of the operating entities are kept to an acceptable level.

The carrying amounts of the Group's and of the Company's foreign currency denominated monetary assets and monetary liabilities at the end of the reporting period are as follows:

The Group	30.4.2019 RM	30.4.2018 RM	1.5.2017 RM
Assets			
Australian Dollar (AUD)	1,374,278	1,751,167	1,925,458
Liabilities			
Australian Dollar (AUD)	42,421	359,802	357,435

The Company	30.4.2019 RM	30.4.2018 RM	1.5.2017 RM
Liabilities			
Australian Dollar (AUD)	774,558	788,224	863,943

Foreign currency sensitivity analysis

The Group and the Company are mainly exposed to the Australian Dollar.

The following table details the Group's and the Company's sensitivity to a 10% increase and decrease in the RM against the relevant foreign currencies. 10% is the sensitivity rate used when reporting foreign currency risk internally to key management personnel and represents management's assessment of the reasonably possible change in foreign exchange rates. The sensitivity analysis includes only outstanding foreign currency denominated monetary items and adjusts their translation at the period end for a 10% change in foreign currency rates. The sensitivity analysis includes external loans as well as loans from/to foreign operations within the Group where the denomination of the loan is in a currency other than the currency of the lender or the borrower.

	The Group Profit or (loss)		The Company Profit or (loss)	
	2019 RM	2018 RM	2019 RM	2018 RM
Impact of AUD	133,186	139,137	(77,456)	(78,822)

The above is attributable to the exposure outstanding on AUD denominated bank balances and payables in the Group and the Company at the end of the reporting period.

In management's opinion, the sensitivity analysis is unrepresentative of the inherent foreign exchange risk because the year-end exposure does not reflect the exposure during the financial year. During the financial year, no other transaction denominated in foreign currency was undertaken by the Group and the Company.

39. FINANCIAL INSTRUMENTS (Cont'd)

(vi) Liquidity Risk Management

Ultimate responsibility for liquidity risk management rests with the Board of Directors, which has established an appropriate liquidity risk management framework for the management of the Group's short, medium and long-term funding and liquidity management requirements. The Group manages liquidity risk by maintaining adequate reserves, banking facilities and reserve borrowing facilities, by continuously monitoring forecast and actual cash flows, and by matching the maturity profiles of financial assets and liabilities.

The following tables detail the Group's and the Company's remaining contractual maturity for its non-derivative financial liabilities with agreed repayment periods. The tables have been drawn up based on the undiscounted cash flows of financial liabilities based on the earliest date on which the Group and the Company can be required to pay. The tables include both interest and principal cash flows. The contractual maturity is based on the earliest date on which the Group and the Company may be required to pay.

Liquidity and interest risk table

	Note	Weighted average effective interest rate per annum %	Less than 1 year RM	1 - 2 years RM	2 - 5 years RM	5+ years RM	Total RM
The Group 30 April 2019							
Non-interest bearing instruments	(a)	-	157,034,269	659,387	-	-	157,693,656
Hire-purchase and finance lease liability		6.04%	481,001	201,726	221,832	-	904,559
Variable-interest rate instruments		5.31%	277,761,047	110,408,642	162,011,181	15,551,240	565,732,110
Financial guarantee	(c)	-	-	-	-	-	-
The Company 30 April 2019							
Non-interest bearing instruments	(b)	-	3,044,558	-	-	-	3,044,558
Variable-interest rate instruments		5.39%	326,835,054	23,936,236	98,512,668	-	449,283,958
Financial guarantee	(c)	-	-	-	-	-	-

	Note	Weighted average effective interest rate per annum %	Less than 1 year RM (Restated)	1 - 2 years RM	2 - 5 years RM	5+ years RM	Total RM (Restated)
The Group 30 April 2018							
Non-interest bearing instruments	(a)	-	182,699,182	3,379,365	1,858,147	-	187,936,694
Hire-purchase and finance lease liability		5.02	603,433	519,423	385,411	-	1,508,267
Variable-interest rate instruments		5.37	228,346,569	107,972,040	224,978,762	18,578,159	579,875,530
Financial guarantee	(c)	-	-	-	-	-	-

39. FINANCIAL INSTRUMENTS (Cont'd)

(vi) Liquidity Risk Management (Cont'd)

Liquidity and interest risk table (Cont'd)

	Note	Weighted average effective interest rate per annum %	Less than 1 year RM (Restated)	1 - 2 years RM	2 - 5 years RM	5+ years RM	Total RM (Restated)
The Company 30 April 2018							
Non-interest bearing instruments	(b)	-	2,453,258	-	-	-	2,453,258
Variable-interest rate instruments		5.29	287,212,798	29,264,676	125,321,778	-	441,799,252
Financial guarantee	(c)	-	-	-	-	-	-
The Group 1 May 2017							
Non-interest bearing instruments	(a)	-	244,053,194	7,391,819	72,540	-	251,517,553
Hire-purchase and finance lease liability		5.06	443,015	436,484	416,809	-	1,296,308
Variable-interest rate instruments		5.28	304,804,335	56,270,853	208,939,709	16,846,917	586,861,814
Financial guarantee	(c)	-	-	-	-	-	-
The Company 1 May 2017							
Non-interest bearing instruments	(b)	-	12,576,375	-	-	-	12,576,375
Variable-interest rate instruments		4.85	252,344,182	17,493,443	142,173,785	-	412,011,410
Financial guarantee	(c)	-	-	-	-	-	-

(a) Non-interest bearing instruments of the Group consists of trade payables, other payables and accrued expenses and dividend payable.
(b) Non-interest bearing instruments of the Company consists of other payables and accrued expenses, amount due to subsidiary companies and dividend payable.
(c) Based on management's assessment, it is not probable that the counterparties to financial guarantee contracts will claim under the contracts. Consequently, the amount included above is nil.

39. FINANCIAL INSTRUMENTS (Cont'd)

Fair Value of Financial Instruments

The Directors consider the carrying amounts of financial assets and financial liabilities recognised at amortised cost in the financial statements approximate their fair values due to the relatively short-term maturity period of the financial instruments or exposure to floating interest rates, except as follows:

The Group	30.4.2019 RM	30.4.2018 RM	1.5.2017 RM
Financial assets			
Fair value through other comprehensive income			
Other investments	4,000,000	-	-
Available-for-sale			
Other investments	-	4,000,000	4,000,000

Fair values of other investments have been arrived at based on estimation using certain valuation techniques such as discounted future cash flows using a rate based on the current market rate of borrowing. These techniques involve uncertainties and are affected by the assumptions used and judgements made regarding the discount rates and estimates of the timing of the future cash flows. Changes in assumptions could affect these estimates and the resulting fair values.

The other investments are classified as Level 3 under fair value hierarchy.

There is no material difference between the fair values and carrying values of these investments at the end of reporting period.

40. SUBSIDIARY AND ASSOCIATED COMPANIES

Name of company	Proportion of ownership interest and voting power held by the Group 2019 %	2018 %	2017 %	Principal Activities
Subsidiary companies				
Incorporated in Malaysia				
Anugerah Armada Sdn. Bhd.#	100	100	100	Property development and investment
Bangi Integrated Corporation Sdn. Bhd.	100	100	100	Investment holding
Berapit Development Sdn. Bhd.#	100	100	100	Dormant
BH Interiors Sdn. Bhd. #	100	100	100	Dormant
Dunia Heights Sdn. Bhd. #	100	100	100	Property development and investment
Elmina Equestrian Centre (Malaysia) Sdn. Bhd. #	100	100	100	Property development and investment
Glomac Alliance Sdn. Bhd.	100	100	100	Property development and investment
Glomac Consolidated Sdn. Bhd. #	100	100	100	Property development and Investment
Glomac City Sdn. Bhd. #	100	100	100	Property development and investment
Glomac Damansara Sdn. Bhd.	100	100	100	Property development and investment
Glomac Enterprise Sdn. Bhd.	100	100	100	Property development and investment holding

40. SUBSIDIARY AND ASSOCIATED COMPANIES (Cont'd)

Name of company	Proportion of ownership interest and voting power held by the Group 2019 %	2018 %	2017 %	Principal Activities
Subsidiary companies (Cont'd)				
Glomac Group Management Services Sdn. Bhd. #	100	100	100	Property development, investment holding and project management
Glomac Jaya Sdn. Bhd.	100	100	100	Property development and investment
Glomac Land Sdn. Bhd. #	100	100	100	Dormant
Glomac Leisure Sdn. Bhd. #	100	100	100	Dormant
Glomac Maju Sdn. Bhd.	100	100	100	Property development and investment
Glomac Nusantara Sdn. Bhd. #	100	100	100	Property investment
Glomac Property Services Sdn. Bhd. #	100	100	100	Property management services
Glomac Rawang Sdn. Bhd.	100	100	100	Property development and investment
Glomac Real Estate Sdn. Bhd. #	100	100	100	Dormant
Glomac Realty Sdn. Bhd. #	100	100	100	Investment holding
Glomac Regal Sdn. Bhd. #	100	100	100	Property development and investment
Glomac Resources Sdn. Bhd.	100	100	100	Property development and investment
Glomac Restaurant Sdn. Bhd.* #	100	100	100	Investment holding
Glomac Segar Sdn. Bhd.	100	100	100	Property development and investment holding
Glomac Sutera Sdn. Bhd. #	100	100	100	Property development and investment
Glomac Vantage Sdn. Bhd. #	100	100	100	Property development and investment
Kelana Centre Point Sdn. Bhd.* #	100	100	100	Property development and investment holding
Kelana Seafood Centre Sdn. Bhd.* #	100	100	100	Dormant
Magic Season Sdn. Bhd. #	100	100	100	Dormant
Magnitud Teknologi Sdn. Bhd. #	100	100	100	Dormant
OUG Square Sdn. Bhd. #	100	100	100	Dormant
Precious Quest Sdn. Bhd.	100	100	100	Property development and investment
Prisma Legacy Sdn. Bhd. *#	100	100	100	Dormant
Prima Sixteen Sdn. Bhd.*#	100	100	100	Dormant
Regency Land Sdn. Bhd.	100	100	100	Property development and investment
Sungai Buloh Country Resort Sdn. Bhd. #	100	100	100	Dormant
Glomac Thailand Sdn. Bhd. #	100	100	100	Dormant
Glomac Power Sdn. Bhd. #	85.7	85.7	85.7	Investment holding
FDA Sdn. Bhd. #	70	70	70	Dormant
Glomac Excel Sdn. Bhd. #	60	60	60	Dormant
Glomac Utama Sdn. Bhd. #	60	60	60	Property investment
Prominent Excel Sdn. Bhd. #	60	60	60	Car park operators and managers
Glomac Al Batha Sdn. Bhd.	51	51	51	Property development and investment holding
Glomac Al Batha Mutiara Sdn. Bhd. *	51	51	51	Property development and investment
Glomac Bina Sdn. Bhd.	51	51	51	Building contractor
Glomac Kristal Sdn. Bhd. #	100	100	100	Property development and investment
FDM Development Sdn. Bhd.	100	100	100	Property development and investment
Berapit Properties Sdn. Bhd. #	100	100	100	Property development and investment
Kelana Property Services Sdn. Bhd. #	100	100	100	Property management services
Berapit Pertiwi Sdn. Bhd. #	100	100	100	Property investment
Kelana Kualiti Sdn. Bhd.	100	100	100	Property development and investment
Glomac Cekap Sdn. Bhd. #	100	100	100	Dormant
Magical Sterling Sdn. Bhd.	100	100	100	Property development and investment
Glo Damansara Sdn. Bhd.	100	100	100	Property investment and mall management

40. SUBSIDIARY AND ASSOCIATED COMPANIES (Cont'd)

Name of company	Proportion of ownership interest and voting power held by the Group 2019 %	2018 %	2017 %	Principal Activities
Incorporated in Australia				
Glomac Australia Pty Ltd #	100	100	100	Investment holding
Associated companies				
Incorporated in Malaysia				
PPC Glomac Sdn. Bhd. (held through Glomac Power Sdn. Bhd.) #	30	30	30	Turnkey contractor and property developer
Irama Teguh Sdn. Bhd. (held through PPC Glomac Sdn. Bhd.) #	30	30	30	Investment holding
Incorporated in Australia				
VIP Glomac Pty Ltd (held through Glomac Australia Pty Ltd) #	45.45	45.45	45.45	Trustee management

* Interest held through subsidiary companies.

\# The financial statements of these companies are examined by auditors other than the auditors of the Company.

41. MATERIAL LITIGATION

On 16 August 2017, a subsidiary company, Glomac Alliance Sdn. Bhd. ("GASB"), received an Amended Writ and Amended Statement of Claim dated 10 August 2017 from a former joint venture ("JV") partner of a property development project ("the Project"). The suit was inter alia based on the JV Agreement dated 17 January 2003, which was subsequently terminated and the underlying Project Land was acquired by GASB from the receiver of the said former JV partner. In the suit dated 10 August 2017, the said former JV partner is claiming for:

(i) A compensation sum of RM107,800,000 for the loss of the Project Land;
(ii) An unspecified amount of loss of expenses of the Project; and
(iii) 22% of gross development value of the Project or a minimum of RM47,000,000, whichever the higher (collectively referred to as "Claim").

In 2011, similar claims were brought up by the said former JV partner in a civil suit whereby it has been struck off by the High Court and the Court of Appeal.

On 19 September 2017, GASB filed an application to strike out the Claim, but on 17 April 2018 the High Court dismissed GASB's striking out application. Thereafter, on 3 May 2018, GASB appealed to the Court of Appeal against the dismissal of GASB's striking out application ("Striking Out Appeal").

On 17 July 2019, the Court of Appeal unanimously allowed GASB's Striking Out Appeal with no order as to costs, thereby resulting in the Claim against GASB being struck out. Accordingly, on 31 July 2019, GASB filed a Notice of Withdrawal of Appeal in respect of the Security for Costs Appeal.

On 15 August 2019, the said former JV partner filed an application for leave to appeal to the Federal Court in respect of the Striking Out Appeal ("Federal Court Motion"). The Federal Court Motion is fixed for case management on 17 September 2019.

41. MATERIAL LITIGATION (Cont'd)

As at to-date, the said former JV partner has been unsuccessful in their attempts at pursuing and/or sustaining a claim against GASB.

No provision for losses has been made in the financial statements of the Group in respect of this claim as it has been struck out earlier by the Court of Appeal, while the Federal Court Motion is currently at the preliminary stage whereby the outcome is not presently determinable.

42. FIRST-TIME ADOPTION OF MFRS FRAMEWORK

As disclosed in Note 2, these are the first financial statements of the Group and of the Company prepared in accordance with MFRS Framework. The accounting policies set out in Note 3 have been applied in preparing the financial statements of the Group and of the Company for the financial year ended 30 April 2019, the comparative information presented in these financial statements for the financial year ended 30 April 2018 and the opening statement of financial position at 1 May 2017 (the Group's date of transition to MFRS Framework).

The Group, in its consolidated financial statements, measured the assets and liabilities of subsidiaries and associates at the same carrying amounts as in the financial statements of these subsidiaries and associates that have adopted the MFRS framework or International Financial Reporting Standards earlier than the Group, after adjusting for consolidated adjustments.

MFRS 9 *Financial Instruments*

MFRS 9 establishes three primary measurement categories for financial assets: amortised cost, FVTPL and FVTOCI. The basis of classification depends on the entity's business model and the cash flow characteristics of the financial asset. For liabilities, the standard retains most of the MFRS 139 *Financial Instruments* requirements.

MFRS 9 introduces the expected credit losses ("ECL") model for impairment which replaces the incurred loss impairment model which only requires recognition of credit losses incurred as at reporting date under MFRS 139.

The Group has elected the exemption in MFRS 1 *First-time Adoption of Malaysian Financial Reporting Standards* which allows the Group not to restate comparative information in the year of initial application of MFRS 9.

The Group has assessed the impact of the adoption of MFRS 9 as disclosed below.

(i) Classification and measurement

The Group's financial instruments previously classified as available-for-sale financial assets are now being classified as FVTOCI. Fair value changes on equity investments at FVTOCI are presented in OCI and are not subsequently transferred to profit or loss. Upon sale of equity investments at FVTOCI, the cumulative gain or loss in OCI is reclassified to retained earnings.

The Group's financial instruments previously classified as held-to-maturity financial assets are now being classified as amortised cost.

The other financial assets held by the Group are debt instruments previously classified as loans and receivables accounted for at amortised cost are now being classified as financial assets at amortised cost under MFRS 9.

There is no impact on the Group's accounting for financial liabilities, as the new requirements only affect the accounting for financial liabilities that are designated at fair value through profit or loss and the Group does not have any such liabilities.

(ii) Impairment

The new impairment model requires the recognition of impairment loss based on ECL rather than only incurred credit losses as is the case under FRS 139. The expected credit loss model is forward-looking and eliminates the need for a trigger event to have occurred before credit losses are recognises.

It applies to financial assets classified as amortised cost, debt instruments measured as FVTOCI, contract assets under MFRS 15 *Revenue from Contracts with Customers*, lease receivables, loan commitments and certain financial guarantee contracts. Based on the assessment performed, the Group concluded that the adoption does not have any significant impact on the financial performance or position of the Group.

The restatement of impairment losses on transition to MFRS 9 as a result of applying the expected credit risk model was immaterial.

42. FIRST-TIME ADOPTION OF MFRS FRAMEWORK (Cont'd)

MFRS 15 *Revenue from Contracts with Customers*

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

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

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

Under MFRS 15, revenue is recognised by reference to each distinct performance obligation in the contracts with customers. Transaction price is allocated to each performance obligation on the basis of the relative standalone selling prices of each distinct good or service promised in the contract. Depending on the substance of the contract, revenue is recognised when (or as) a performance obligation is satisfied, i.e. when 'control' of the goods or services underlying the particular performance obligation is transferred to the customer, which may be at a point in time or over time.

The Group recognises revenue from property development over time if the Group's performance does not create an asset with alternative use to the Group and it has an enforceable right to payment for performance completed to date. Separate performance obligations were identified and revenue recognition was deferred for performance which has not been satisfied.

The key effects from adoption of MFRS 15 are as follows:

(a) Changes to the timing of revenue recognition for property development activities depending on when the separate performance obligations are satisfied;

(b) Reclassification of excess of revenue earned over the billings on property development contracts (i.e. Accrued billings) to contract assets;

(c) Reclassification of excess of billings over revenue earned on property development contracts (i.e. Advance billings) to contract liabilities;

(d) Capitalisation of incremental costs of obtaining customer contracts and subsequently being expensed to cost of sales by reference to the performance completed to date.

The Group has elected to adopt the following practical expedients upon retrospective adoption of MFRS 15:

(a) Completed contracts that began and ended within the same comparative reporting period as well as completed contracts at the beginning of the earliest period presented, are not restated;

(b) For all reporting period presented before the date of initial application, the amount of the transaction price allocated to the remaining performance obligations and an explanation of when the revenue is expected to be recognised are not disclosed.

42. FIRST-TIME ADOPTION OF MFRS FRAMEWORK (Cont'd)

The financial impacts of the adoption of MFRS 15 to the statement of profit or loss and other comprehensive income of the Group are as follows:

Statement of profit or loss and other comprehensive income

The Group	As previously stated under FRSs RM	Effects on adoption of MFRS 15 RM	Restated financial year ended 30.4.2018 RM
Revenue	405,927,377	(3,566,449)	402,360,928
Cost of sales	(308,971,467)	(1,358,847)	(310,330,314)
Gross profit	96,955,910	(4,925,296)	92,030,614
Investment income	8,409,462	-	8,409,462
Other operating income	27,930,256	-	27,930,256
Share of loss of associated companies	(751,959)	-	(751,959)
Marketing expenses	(13,596,688)	4,847,726	(8,748,962)
Administrative expenses	(31,172,554)	-	(31,172,554)
Other operating expenses	(8,649,512)	202,763	(8,446,749)
Finance costs	(22,843,884)	-	(22,843,884)
Profit before tax	56,281,031	125,193	56,406,224
Income tax expense	(22,619,366)	(256,483)	(22,875,849)
Profit for the financial year	33,661,665	(131,290)	33,530,375
Other comprehensive income			
Exchange differences on translation of foreign operations	(134,439)	-	(134,439)
Total comprehensive income for the financial year	33,527,226	(131,290)	33,395,936
Profit attributable to:			
Owners of the Company	31,293,252	(131,290)	31,161,962
Non-controlling interests	2,368,413	-	2,368,413
	33,661,665	(131,290)	33,530,375
Total comprehensive income attributable to:			
Owners of the Company	31,158,813	(131,290)	31,027,523
Non-controlling interests	2,368,413	-	2,368,413
	33,527,226	(131,290)	33,395,936

42. FIRST-TIME ADOPTION OF MFRS FRAMEWORK (Cont'd)

The financial impacts of the transition from FRSs to MFRS Framework and adoption of MFRS 15 to the statement of financial position of the Group are as follows:

Statement of financial position

The Group	As previously stated under FRSs RM	Effects of transition to MFRS RM	Effects on adoption of MFRS 15 RM	Restated as at 30.4.2018 RM
ASSETS				
Non-current Assets				
Property, plant and equipment	50,829,732	-	-	50,829,732
Prepaid lease payments on leasehold land	52,587	-	-	52,587
Investment properties	349,613,378	-	-	349,613,378
Inventories - land held for property development	-	794,700,125	-	794,700,125
Land held for property development	794,700,125	(794,700,125)	-	-
Associated companies	30,700,294	-	-	30,700,294
Other investments	4,000,000	-	-	4,000,000
Goodwill on consolidation	395,165	-	-	395,165
Deferred tax assets	31,301,491	-	633,625	31,935,116
Total Non-current Assets	1,261,592,772	-	633,625	1,262,226,397
Current Assets				
Inventories - completed units	139,689,678	-	-	139,689,678
Inventories - property development costs	-	66,342,548	-	66,342,548
Property development costs	66,342,548	(66,342,548)	-	-
Contract costs	-	-	327,314	327,314
Contract assets	-	-	84,766,041	84,766,041
Accrued billings	84,815,509	-	(84,815,509)	-
Trade receivables	136,969,588	-	-	136,969,588
Other receivables	29,371,945	-	1,556,835	30,928,780
Tax recoverable	21,486,175	-	-	21,486,175
Deposits, cash and bank balances	176,074,120	-	-	176,074,120
Total Current Assets	654,749,563	-	1,834,681	656,584,244
TOTAL ASSETS	1,916,342,335	-	2,468,306	1,918,810,641

42. FIRST-TIME ADOPTION OF MFRS FRAMEWORK (Cont'd)

The financial impacts of the transition from FRSs to MFRS Framework and adoption of MFRS 15 to the statement of financial position of the Group are as follows: (Cont'd)

Statement of financial position (Cont'd)

The Group	As previously stated under FRSs RM	Effects on adoption of MFRS 15 RM	Restated as at 30.4.2018 RM
EQUITY AND LIABILITIES			
Capital and Reserves			
Issued capital	418,631,554	-	418,631,554
Capital reserve	300,000	-	300,000
Equity-settled employee benefits reserve	6,027,275	-	6,027,275
Foreign currency translation reserve	738,400	-	738,400
Treasury shares	(5,349,087)	-	(5,349,087)
Restricted shares grant reserve	(1,387,207)	-	(1,387,207)
Retained earnings	676,275,286	(2,949,962)	673,325,324
Equity attributable to owners of the Company	1,095,236,221	(2,949,962)	1,092,286,259
Non-controlling interests	37,155,342	-	37,155,342
Total Equity	1,132,391,563	(2,949,962)	1,129,441,601
Non-current Liabilities			
Borrowings	301,153,942	-	301,153,942
Deferred tax liabilities	1,399,380	-	1,399,380
Total Non-current Liabilities	302,553,322	-	302,553,322
Current Liabilities			
Trade payables (Note 43)	154,304,210	-	154,304,210
Other payables and accrued expenses (Note 43)	31,242,765	5,058,553	36,301,318
Provisions	72,373,284	-	72,373,284
Contract liabilities	-	4,429,474	4,429,474
Advance billings	4,069,759	(4,069,759)	-
Borrowings	213,834,078	-	213,834,078
Tax liabilities	5,573,354	-	5,573,354
Total Current Liabilities	481,397,450	5,418,268	486,815,718
Total Liabilities	783,950,772	5,418,268	789,369,040
TOTAL EQUITY AND LIABILITIES	1,916,342,335	2,468,306	1,918,810,641

42. FIRST-TIME ADOPTION OF MFRS FRAMEWORK (Cont'd)

The financial impacts of the transition from FRSs to MFRS Framework and adoption of MFRS 15 to the statement of financial position of the Group are as follows: (Cont'd)

Statement of financial position (Cont'd)

The Group	As previously stated under FRSs RM	Effects of transition to MFRS RM	Effects on adoption of MFRS 15 RM	Restated as at 1.5.2017 RM
ASSETS				
Non-current Assets				
Property, plant and equipment	51,002,034	-	-	51,002,034
Prepaid lease payments on leasehold land	56,632	-	-	56,632
Investment properties	349,184,378	-	-	349,184,378
Inventories - land held for property development	-	740,029,247	-	740,029,247
Land held for property development	740,029,247	(740,029,247)	-	-
Associated companies	33,762,253	-	-	33,762,253
Other investments	4,000,000	-	-	4,000,000
Goodwill on consolidation	395,165	-	-	395,165
Deferred tax assets	24,042,189	-	890,107	24,932,296
Total Non-current Assets	1,202,471,898	-	890,107	1,203,362,005
Current Assets				
Inventories - completed units	143,725,670	-	-	143,725,670
Inventories - property development costs	-	35,115,968	-	35,115,968
Property development costs	35,115,968	(35,115,968)	-	-
Contract costs	-	-	889,360	889,360
Contract assets	-	-	75,339,147	75,339,147
Accrued billings	75,264,429	-	(75,264,429)	-
Trade receivables	150,107,754	-	-	150,107,754
Other receivables	32,433,661	-	2,988,493	35,422,154
Tax recoverable	18,956,756	-	-	18,956,756
Deposits, cash and bank balances	307,751,466	-	-	307,751,466
Total Current Assets	763,355,704	-	3,952,571	767,308,275
TOTAL ASSETS	1,965,827,602	-	4,842,678	1,970,670,280

42. FIRST-TIME ADOPTION OF MFRS FRAMEWORK (Cont'd)

The financial impacts of the transition from FRSs to MFRS Framework and adoption of MFRS 15 to the statement of financial position of the Group are as follows: (Cont'd)

Statement of financial position (Cont'd)

The Group	As previously stated under FRSs RM	Effects on adoption of MFRS 15 RM	Restated as at 1.5.2017 RM
EQUITY AND LIABILITIES			
Capital and Reserves			
Issued capital	418,631,554	-	418,631,554
Capital reserve	300,000	-	300,000
Equity-settled employee benefits reserve	6,648,587	-	6,648,587
Foreign currency translation reserve	872,839	-	872,839
Treasury shares	(4,272,596)	-	(4,272,596)
Restricted shares grant reserve	(238,430)	-	(238,430)
Retained earnings	655,520,393	(2,818,672)	652,701,721
Equity attributable to owners of the Company	1,077,462,347	(2,818,672)	1,074,643,675
Non-controlling interests	47,526,929	-	47,526,929
Total Equity	1,124,989,276	(2,818,672)	1,122,170,604
Non-current Liabilities			
Borrowings	239,930,961	-	239,930,961
Deferred tax liabilities	2,283,538	-	2,283,538
Contract liabilities	-	359,715	359,715
Total Non-current Liabilities	242,214,499	359,715	242,574,214
Current Liabilities			
Trade payables (Note 43)	143,393,674	-	143,393,674
Other payables and accrued expenses (Note 43)	97,632,333	6,282,738	103,915,071
Provisions	43,458,738	-	43,458,738
Contract liabilities	-	12,346,265	12,346,265
Advance billings	11,327,368	(11,327,368)	-
Borrowings	290,420,340	-	290,420,340
Tax liabilities	1,546,777	-	1,546,777
Dividend payable	10,844,597	-	10,844,597
Total Current Liabilities	598,623,827	7,301,635	605,925,462
Total Liabilities	840,838,326	7,661,350	848,499,676
TOTAL EQUITY AND LIABILITIES	1,965,827,602	4,842,678	1,970,670,280

42. FIRST-TIME ADOPTION OF MFRS FRAMEWORK (Cont'd)

The financial impacts of the adoption of MFRS 15 to the statement of changes in equity of the Group are as follows:

The Group	30.4.2018 RM	1.5.2017 RM
Retained earnings		
As previously stated	676,275,286	655,520,393
Effect on adoption of MFRS 15	(2,949,962)	(2,818,672)
As restated	673,325,324	652,701,721

There are no material differences in the statements of cash flows of the Group arising from the transition from FRSs to MFRS Framework.

The transition from FRSs to MFRS Framework does not have any impact to the statement of profit or loss and other comprehensive income, statement of financial position, statement of changes in equity and statement of cash flow of the Company.

43. COMPARATIVE FIGURES

Certain comparative figures in relation to accrual of project finalisation cost have been reclassified to conform with current year presentation:

Statement of financial position

The Group	As previously stated RM	Reclassification RM	As reclassified as at 30.4.2018 RM
Trade payables	137,122,995	17,181,215	154,304,210
Other payables and accrued expenses	48,423,980	(17,181,215)	31,242,765

The Group	As previously stated RM	Reclassification RM	As reclassified as at 1.5.2017 RM
Trade payables	126,212,459	17,181,215	143,393,674
Other payables and accrued expenses	114,813,548	(17,181,215)	97,632,333

STATEMENT BY DIRECTORS

The Directors of **GLOMAC BERHAD** state that, in their opinion, the accompanying financial statements are drawn up in accordance with Malaysian Financial Reporting Standards, International Financial Reporting Standards and the requirements of the Companies Act, 2016 in Malaysia so as to give a true and fair view of the financial position of the Group and of the Company as at 30 April 2019 and of the financial performance and the cash flows of the Group and of the Company for the financial year ended on that date.

Signed in accordance with
a resolution of the Directors,

_____
TAN SRI DATO' MOHAMED MANSOR BIN FATEH DIN

_____
DATUK SERI FATEH ISKANDAR BIN TAN SRI DATO' MOHAMED MANSOR

Kuala Lumpur
23 August 2019

DECLARATION

BY THE OFFICER PRIMARILY RESPONSIBLE FOR THE FINANCIAL MANAGEMENT OF THE COMPANY

I, **ONG SHAW CHING**, the Officer primarily responsible for the financial management of **GLOMAC BERHAD**, do solemnly and sincerely declare that the accompanying financial statements are, in my opinion, correct and I make this solemn declaration conscientiously believing the same to be true, and by virtue of the provisions of the Statutory Declarations Act, 1960.

_____
ONG SHAW CHING
(MIA membership no. 7819)

Subscribed and solemnly declared by the abovenamed **ONG SHAW CHING** at **KUALA LUMPUR** this 23rd day of August, 2019.

Before me,

_____
COMMISSIONER FOR OATHS

ADDITIONAL COMPLIANCE STATEMENT

1. Utilisation of Profit

There were no corporate proposals to raise funds during the financial year ended 30 April 2019.

2. Fees for Services Rendered by The External Auditors

The detail of particulars in relation to the audit and non-audit services rendered to the listed issuer or its subsidiaries for the financial year ended 30 April 2019 can be referred to page 111 of this Annual Report.

3. Material Contracts

There were no material contracts entered into by the Company and its subsidiaries involving Directors' and Major Shareholders' interests either subsisting at the end of the financial year ended 30 April 2019 or entered into since the end of the previous financial year.

4. Employees' Share Scheme ("ESS")

The Company's ESS comprises two schemes i.e. Employees' Share Option Scheme ("ESOS") and Performance-based Restricted Share Grant ("RSG"). The ESS was implemented on 31 March 2014 and will be in force for a maximum period of 7 years from the effective date. The percentage of maximum allocation of RSG and ESOS to the eligible employees including Directors and Senior Management are 4.00% and 4.00%, respectively.

During the financial year, the Company did not grant any RSG shares to its eligible employees nor were any ESOS options granted to the employees of the Group. As at 30 April 2019, the total RSG and ESOS outstanding are 3,568,400 and 11,105,600, respectively.

During the financial year, the actual percentage granted to the Directors and Senior Management in terms of RSG and ESOS are as follows:-

i) ESOS

Directors	Nil
Senior Management	Nil

ii) RSG

Directors	Nil
Senior Management	Nil

Since the commencement of the ESS, the actual percentage granted to the Directors and Senior Management in terms of RSG and ESOS are as follows:

iii) ESOS

Directors	0.30%
Senior Management	0.73%

iv) RSG

Directors	1.10%
Senior Management	0.90%

The Company does not offer the schemes to its Non-Executive Directors.

Further details on the options granted to the Directors pursuant to the ESS are set out on page 72 of this Annual Report.

5. Recurrent Related Party Transactions

At the Annual General Meeting held on 23 October 2018, the Company had obtained a general mandate from the shareholders to renew the Group's authority to enter into recurrent related party transactions of a revenue or trading nature.

The details of recurrent related party transactions conducted during the financial year ended 30 April 2019 pursuant to the shareholders' mandate are disclosed as follows:

Company/ Group	Nature of transaction	Transacting party	Related parties	Amount transacted during the financial year (RM)
Our Group	Award of contracts and/or projects for construction works	Glomac Bina Sdn Bhd [(A)]	• Tan Sri Dato' Mohamed Mansor bin Fateh Din • Interested Directors and Interested Major Shareholders [(B)]	32,758,789.26
Our Group	Sale of properties by our Group in the ordinary course of business	Directors and Major Shareholders of Glomac and its subsidiaries and Persons Connected to them	Directors and Major Shareholders of Glomac and its subsidiaries and Persons Connected to them	6,938,157.40

(A) *Glomac Bina Sdn Bhd is a 51% subsidiary company of Glomac wherein Tan Sri Dato' Mohamed Mansor bin Fateh Din has a direct interest of 1,092,000 shares.*

(B) *Interested Directors and/or Interested Major Shareholders are Tan Sri Dato' Mohamed Mansor bin Fateh Din, Datuk Fong Loong Tuck and Datuk Seri Fateh Iskandar bin Tan Sri Dato' Mohamed Mansor, collectively. They are interested via 1,428,000 and 175,000 shares in Glomac Bina Sdn Bhd and FDA Sdn Bhd, respectively.*

LIST OF TOP 10 PROPERTIES AND DEVELOPMENT PROPERTIES

AS AT 30 APRIL 2019

No.	Location	Description of Asset / Existing Use	Tenure	Age of Buildings (Years)	Size	Net Book Value as at 30 April 2019 (RM'000)	Date of Acquisition /Date of Valuation*
1	Glo Damansara No. 699 Jalan Damansara 60000 Kuala Lumpur	Retail Mall / Tenanted	Freehold	4	380,000 sq. ft.	318,000	30 April 2019*
2	HS(D) 112510, PT2063 Mukim Petaling (Puchong)	Land approved for mixed development / Vacant	99 years leasehold, expiring 15.06.2088	N/A	114.45 acres	263,061	21 January 2011
3	HS (D) 5472 & 5473 Lot P.T. 9147 & 9148 Mukim of Ijok, District of Kuala Selangor (Saujana Perdana)	Land held for mixed residential and commercial / Vacant	99 years leasehold, expiring 30.07.2100	N/A	129.2 acres	148,855	17 February 2012
4	HS (D) 4766 & 4767 Lot 6983 & 6984 Mukim Dengkil Daerah Sepang (Saujana KLIA)	Land held for mixed residential and commercial development / Development in progress	99 years leasehold, expiring 30.12.2058	N/A	124.3 acres	119,162	5 November 2012 / 1 June 2012
5	Lot 28044, Batu 27, Kelapa Sawit 81030 Kulaijaya, Johor (Saujana Jaya)	Land approved for mixed residential and commercial development / Vacant	99 years leasehold, expiring 25.06.2115	N/A	168.1 acres	57,812	8 August 2017
6	Suria Stonor - Glomac Regal Sdn Bhd - Berapit Pertiwi Sdn Bhd Geran 40006 Lot 58 & Geran 33299 Lot 122, Section 63, in the Town and District of Kuala Lumpur.	Luxurious Condominium / Completed units	Freehold	 11 11	 30,466 49,587 sq. ft.	 24,856 32,089	 30 April 2019* 22 October 2010
7	Menara Glomac Glomac Damansara, Jalan Damansara, 60000 Kuala Lumpur.	Office Building / Tenanted	Freehold	7	97,166 sq. ft.	43,942	1 January 2012

List of Top 10 Properties and Development Properties

as at 30 April 2019

No.	Location	Description of Asset / Existing Use	Tenure	Age of Buildings (Years)	Size	Net Book Value as at 30 April 2019 (RM'000)	Date of Acquisition /Date of Valuation*
8	HS (D) 2628 - 2632 and HS (D) 3189 Lot P.T. 2143 -2147 and P.T 2708 Mukim of Ijok, District of Kuala Selangor (Saujana Utama V)	Land held for mixed residential and commercial development / Vacant	99 years leasehold, expiring 24.03.2095	N/A	62.5 acres	41,520	14 March 2014
9	HS(D) 135937, Lot PT 2, Pekan Kayu Ara, Daerah Petaling, Negeri Selangor. (121 Residences)	Land approved for commercial development / Vacant	99 years leasehold, expiring 05.04.2099	N/A	3.1 acres	32,264	13 November 2009
10	Lot 2265 & 888, Geran No. 18689 & 20146, Mukim of Kota Tinggi, District of Kota Tinggi (Sri Saujana)	Land approved for mixed housing development / Development in progress	Freehold	N/A	79.2 acres	30,568	25 September 1995

ANALYSIS OF SHAREHOLDINGS

AS AT 31 JULY 2019

Total Issued Capital : 778,872,670

Class of Shares : Ordinary shares

Voting Rights : One vote per ordinary share

A. Distribution of Shareholdings (less treasury shares)

Size of Holdings	No of Shareholders	% of Shareholders	No. of Shares	% of Shares
Less than 100	195	3.20	5,399	-
100 – 1,000 shares	357	5.86	147,340	0.02
1,001 – 10,000 shares	3,520	57.77	14,002,188	1.80
10,001 – 100,000 shares	1,743	28.61	46,025,470	5.90
100,001 to less than 5% of issued shares	275	4.51	333,257,162	42.79
5% and above of issued shares	3	0.05	385,435,111	49.49
Total	**6,093**	**100.00**	**778,872,670**	**100.00**

B. List of Thirty (30) Largest Shareholders

No	Name	No of Shares	*% of Shareholdings
1	Mohamed Mansor bin Fateh Din	161,283,317	20.71
2	Cimsec Nominees (Tempatan) Sdn Bhd - CIMB Bank for Fateh Iskandar bin Mohamed Mansor (PB)	144,091,484	18.50
3	Urusharta Jamaah Sdn Bhd	80,060,310	10.28
4	Fong Loong Tuck	30,055,757	3.86
5	Citigroup Nominees Tempatan Sdn Bhd - Employees Provident Fund Board	27,410,350	3.52
6	CGS-CIMB Nominees (Tempatan) Sdn Bhd - Pleadged Securities Account for Fong Loong Tuck (MM0886)	26,772,088	3.44
7	RHB Capital Nominees (Tempatan) Sdn Bhd - Pledged Securities Account for Fong Loong Tuck (CEB)	22,000,000	2.82
8	Cimsec Nominees (Tempatan) Sdn Bhd - CIMB Bank for Fong Loong Tuck (PBCL-0G0588)	20,000,000	2.57
9	Alliancegroup Nominees Tempatan Sdn Bhd - Pledged Securities Account for Fong Loong Tuck (8037502)	19,580,000	2.51
10	Amanahraya Trustees Berhad - Public Smallcap Fund	18,059,910	2.32
11	DB (Malaysia) Nominee (Asing) Sdn Bhd - Deutsche Bank AG Singapore for Yeoman 3-Rights Value Asia Fund (PTSL)	11,825,000	1.52
12	Citigroup Nominees (Tempatan) Sdn Bhd - Pledged Securities Account for Fong Loong Tuck (473234)	11,138,600	1.43

Analysis of Shareholdings

as at 31 July 2019

B. List of Thirty (30) Largest Shareholders (Cont'd)

No	Name	No of Shares	*% of Shareholdings
13	HLB Nominees (Tempatan) Sdn Bhd - Pledged Securities Account for Mah Siew Seong	5,334,290	0.68
14	HSBC Nominees Tempatan Sdn Bhd - HSBC (M) Trustee Bhd for Manulife Investment Dividend Fund (5311-401)	4,951,170	0.64
15	HSBC Nominees (Tempatan) Sdn Bhd - HSBC (M) Trustee Bhd for Manulife Investment Al-Faid (4389)	4,500,180	0.58
16	Citigroup Nominees (Asing) Sdn Bhd - CBNY for Dimensional Emerging Markets Value Fund	4,409,390	0.57
17	Lim Pei Tiam @ Liam Ahat Kiat	3,909,921	0.50
18	Fara Eliza Binti Mohamed Mansor	3,806,000	0.49
19	Chuah Theong Yee	3,580,830	0.46
20	Fara Inez Binti Mohamed Mansor	3,520,000	0.45
21	DB (Malaysia) Nominee Asing Sdn Bhd - SSBT Fund SD4N for Government of the Province of Alberta	3,332,890	0.43
22	Carrie Fong Kah Wai	3,300,000	0.42
23	Amanahraya Trustees Berhad - Public Strategic Smallcap Fund	3,272,060	0.42
24	Citigroup Nominees (Asing) Sdn Bhd - CBNY for Emerging Market Core Equity Portfolio DFA Investment Dimensions Group Inc	2,896,640	0.37
25	Amsec Nominees (Asing) Sdn Bhd - KGI Securities (Singapore) Pte Ltd for Lee Chee Seng (80227)	2,851,200	0.37
26	Citigroup Nominees (Asing) Sdn Bhd - CBNY for DFA Emerging Markets Small Cap Series	2,743,160	0.35
27	Abu Talib bin Othman	2,867,410	0.35
28	Pacific Trustees Berhad - Exempt AN for Glomac Bhd (RSG)	2,471,425	0.32
29	HSBC Nominees (Asing) Sdn BHd - Exempt AN for Credit Suisse (HK BR-TST-ASING)	2,200,000	0.28
30	Affin Hwang Nominees (Asing) Sdn Bhd - DBS Vickers Secs (S) Pte Ltd for Lim Mee Hwa	2,200,000	0.28
	TOTAL	**634,423,382**	**81.44**

Note:

* *percentage calculated excluding treasury shares*

Analysis of Shareholdings

as at 31 July 2019

C. Substantial Shareholders (as per Register of Substantial Shareholders)

	Name of Substantial Shareholders	Direct	*% of Shareholding	Indirect	*% of Shareholding
1.	Tan Sri Dato' Mohamed Mansor bin Fateh Din	161,283,317	20.71	144,091,484#	18.50
2.	Datuk Seri Fateh Iskandar bin Tan Sri Dato' Mohamed Mansor	144,091,484#	18.50	161,283,317	20.71
3.	Datuk Fong Loong Tuck	130,874,805#	16.80	-	-
4.	Urusharta Jamaah Sdn Bhd	80,060,310	10.28	-	-

D. Directors' Shareholdings (as per Register of Directors)

	Name of Directors	Direct	*% of Shareholding	Indirect	*% of Shareholding
1.	Tan Sri Dato' Mohamed Mansor bin Fateh Din	161,283,317	20.71	144,091,484#	18.50
2.	Datuk Seri Fateh Iskandar bin Tan Sri Dato' Mohamed Mansor	144,091,484#	18.50	161,283,317	20.71
3.	Datuk Fong Loong Tuck	130,874,805#	16.80	-	-
4.	Dato' Ikhwan Salim bin Dato' Haji Sujak	22,880	-	-	-
5.	Datuk Ali bin Abdul Kadir	2,013,000#	0.26	-	-
6.	Shan Choo	-	-	-	-

Notes:
* *percentage calculated excluding treasury shares*
\# *including shares held by nominee companies*

NOTICE OF 35TH ANNUAL GENERAL MEETING

NOTICE IS HEREBY GIVEN THAT the Thirty-Fifth (35th) Annual General Meeting ("35thAGM") of Glomac Berhad ("Glomac" or "Company") will be held at Dewan Perdana, Bukit Kiara Equestrian & Country Resort, Jalan Bukit Kiara, Off Jalan Damansara, 60000 Kuala Lumpur, on Wednesday, 23 October 2019 at 11.00 a.m. for the following purposes:

AGENDA

AS ORDINARY BUSINESS

1. To receive the Audited Financial Statements for the financial year ended 30 April 2019 together with the Reports of the Directors and Auditors thereon. **(Please refer to Note A)**

2. To approve a final single tier dividend of 0.8 sen per ordinary share in respect of the financial year ended 30 April 2019. **Ordinary Resolution 1**

3. To approve the payment of Directors' Remuneration of an amount not exceeding RM500,000 from 24 October 2019 until the date of the next Annual General Meeting of the Company to be held in the year 2020. **Ordinary Resolution 2**

4. To re-elect the following Directors who retire in accordance with Article 84 of the Company's Constitution, and being eligible offer themselves for re-election:

   (i) Datuk Richard Fong Loong Tuck; and **Ordinary Resolution 3**

   (ii) Dato' Ikhwan Salim bin Dato' Haji Sujak. **Ordinary Resolution 4**

5. To re-appoint Messrs Deloitte PLT (AF 0080) as the Auditors of the Company until the conclusion of the next Annual General Meeting and to authorise the Directors to fix their remuneration. **Ordinary Resolution 5**

AS SPECIAL BUSINESS

To consider, if thought fit, to pass the following ordinary resolutions with or without modifications:

6. **Proposed Continuance in Office of Independent Non-Executive Directors in line with Practice 4.2 of Malaysian Code on Corporate Governance**

   "THAT Dato' Ikhwan Salim bin Dato' Haji Sujak, who has served the Board as an Independent Non-Executive Director for a cumulative term of more than twelve (12) years, be and is hereby retained as an Independent Non-Executive Director of the Company." **Ordinary Resolution 6**

7. "THAT Datuk Ali bin Abdul Kadir, who has served the Board as an Independent Non-Executive Director for a cumulative terms of more than nine (9) years, be and is hereby retained as an Independent Non-Executive Director of the Company." **Ordinary Resolution 7**

8. **Proposed Issuance of Shares pursuant to the Companies Act, 2016.** **Ordinary Resolution 8**

   "THAT, subject always to Section 75 of the Companies Act, 2016, Constitution of the Company and the approvals from Bursa Malaysia Securities Berhad ("Bursa Securities") and the relevant regulatory authorities, where necessary, the Directors of the Company be and are hereby authorised, pursuant to the Companies Act, 2016, to issue and allot shares in the Company, at any time and upon such terms and conditions and for such purposes as the Directors, may in their discretion deem fit and expedient in the interest of the Company, provided that the aggregate number of shares to be issued and allotted pursuant to this resolution does not exceed 10% of the issued and paid-up share capital of the Company for the time being AND THAT the Directors be and are also empowered to obtain the approval for the listing and quotation of the additional shares so issued on Bursa Securities AND FURTHER THAT such authority shall continue to be in force until the conclusion of the next Annual General Meeting of the Company."

9. **Proposed Renewal of Authority for Share Buy-Back.** **Ordinary Resolution 9**

"THAT, subject to the compliance of Section 127 of the Companies Act, 2016, Constitution of the Company, Main Market Listing Requirements of Bursa Securities and all other applicable laws, guidelines, rules and regulations for the time being in force or as may be amended from time to time, and the approvals from all relevant authorities, the Company be and is hereby authorised to exercise a buy-back of its ordinary shares as determined by the Directors from time to time through Bursa Securities upon such terms and conditions as the Directors at their discretion deem fit and expedient in the interest of the Company ("Proposed Share Buy-Back") provided that:

(i) the maximum number of ordinary shares which may be purchased or held by the Company shall be equivalent to 10% of the issued and paid-up share capital of the Company at the point of purchase;

(ii) the maximum amount of funds to be allocated by the Company for the purpose of purchasing its shares shall not exceed the retained profits account of the Company at the time of the purchase(s);

(iii) the authority conferred by this resolution will commence immediately upon passing of this ordinary resolution and will continue to be in force until:

(a) the conclusion of the next Annual General Meeting of the Company at which time it will lapse, unless the authority is renewed by a resolution passed at a general meeting, either unconditionally or subject to conditions; or

(b) the expiration of the period within which the next Annual General Meeting after that date is required by law to be held; or

(c) revoked or varied by ordinary resolution passed by the shareholders in general meeting,

whichever occurs first, but not so as to prejudice the completion of purchase(s) by the Company before the aforesaid expiry date and, in any event, in accordance with the provisions of the Main Market Listing Requirements of Bursa Securities and any prevailing laws, rules, regulations, orders, guidelines and requirements issued by any relevant authorities; and

(iv) upon completion of the purchase(s) of its shares by the Company, the Directors be and are hereby authorised to:

(a) cancel the shares so purchased; and/or
(b) retain the shares so purchased as treasury shares; and/or
(c) transfer the shares so purchased for purposes of an employees' share scheme and/or as purchase consideration; and/or
(d) distribute the treasury shares as dividends to the existing shareholders; and/or
(e) resell the treasury shares on the market of Bursa Malaysia Securities Berhad in accordance with the Main Market Listing Requirements; and/or
(f) deal with the shares so purchased and/or treasury shares in any other manner as prescribed by the applicable rules, regulations and orders made pursuant to the Companies Act, 2016, Main Market Listing Requirements and any other relevant authority for the time being in force,

AND THAT the Directors be and are hereby authorised to do all such acts, deeds and things as they may consider expedient or necessary in the best interest of the Company to give full effect to the Proposed Share Buy-Back with full powers to assent to any condition, modification, variations and/or amendment as may be imposed by the relevant authorities and to do all such steps, acts and things as the Directors may deem fit and expedient in the best interest of the Company."

10. **Proposed Renewal of Existing Shareholders' Mandate for Recurrent Related Party Transactions of a Revenue or Trading Nature** **Ordinary Resolution 10**

"THAT, the mandate granted by the shareholders of the Company on 24 Otober 2018, authorising the Company and its subsidiaries and associated companies to enter into the categories of recurrent related party transactions of a revenue or trading nature ("Proposed Shareholders' Mandate"), the details of which are set out in Part A of the Company's Circular to Shareholders dated 30 August 2019 which are necessary for its day-to-day operations, be and is hereby renewed provided that:

(i) the transactions are in the ordinary course of business and are on normal commercial terms which are not more favourable to the related parties than those generally available to the public and are not to the detriment of the minority shareholders of the Company; and

(ii) disclosure is made in the Annual Report of the aggregate value of transactions conducted pursuant to the shareholders' mandate based on the type of transactions, names of the related parties and their relationship,

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

(i) the conclusion of the next Annual General Meeting following the general meeting at which such mandate was passed, at which time it will lapse, unless the authority is renewed by a resolution passed at the meeting;

(ii) the expiration of the period within which the next Annual General Meeting of the Company is required to be held pursuant to Section 340(2) of the Companies Act, 2016 (but shall not extend to such extension as may be allowed pursuant to Section 340(4) of the Companies Act, 2016); or

(iii) revoked or varied by resolution passed by shareholders in general meeting,

whichever is the earlier.

AND FURTHER THAT the Directors be and are hereby authorised to complete and do all such acts and things as they may consider expedient in the best interest of the Company to give full effect to the transactions described by this Ordinary Resolution."

11. **Proposed Adoption of the Company's new Constitution ("Proposed Adoption")** **Special Resolution**

"THAT approval be and is hereby given to revoke the existing Constitution of the Company with immediate effect and in place thereof, adopt the proposed new Constitution of the Company as set out in Part C of the Circular to Shareholders dated 30 August 2019 accompanying the Company's Annual Report for the financial year ended 30 April 2019 AND THAT the Directors and Secretary of the Company be and are hereby authorised to assent to any modifications, variations and/or amendments as may be required by the relevant authorities and to do all things and take all such steps as may be considered necessary to give full effect to the Proposed Adoption."

ANY OTHER BUSINESS

12. To transact any other business of the Company of which due notice has been received.

Notice of 35th Annual General Meeting

NOTICE OF DIVIDEND ENTITLEMENT AND PAYMENT

NOTICE IS ALSO HEREBY GIVEN THAT subject to the approval of Shareholders at the 35th Annual General Meeting to be held on 23 October 2019, a final single-tier dividend of 0.8 sen per ordinary share for the financial year ended 30 April 2019 will be paid on 27 December 2019 to Depositors whose names appear in the Record of Depositors on 17 December 2019.

A Depositor shall qualify for entitlement to the dividend only in respect of:

(a) Shares deposited into the Depositors' Securities Account before 4.00 pm on 17 December 2019 in respect of ordinary transfers; and

(b) Shares bought on Bursa Securities on a cum entitlement basis according to the Rules of the Bursa Securities.

By Order of the Board

ONG SHAW CHING (MIA 7819)
IZREEN FARA BINTI ISMAIL (MAICSA 7056436)
CHUA SIEW CHUAN (MAICSA 0777689)
CHIN MUN YEE (MAICSA 7019243)
Company Secretaries

Kuala Lumpur
30 August 2019

Notes:

A. This Agenda item is meant for discussion only as under the provisions of Section 340(1)(a) of the Companies Act, 2016, the audited financial statements do not require a formal approval of the shareholders and will not be put forward for voting.

B. For the purpose of determining a member who shall be entitled to attend this 35th AGM, the Company shall be requesting Bursa Malaysia Depository Sdn Bhd in accordance with the provisions under Article 42 of the Company's Constitution and Section 34(1) of the Securities Industry (Central Depositories) Act 1991 to issue a General Meeting Record of Depositors ("ROD") as at 17 October 2019. Only a depositor whose name appears on the ROD as at 17 October 2019 shall be entitled to attend the 35th AGM or appoint proxies to attend and vote on his/her behalf.

C. A Member entitled to attend and vote at this Annual General Meeting is entitled to appoint a Proxy to attend and vote instead of him. A Proxy appointed to attend and vote at this Meeting shall have the same rights as a Member to speak at this Meeting. A Proxy need not be a member of the Company.

Explanatory Notes

1. **Resolution 2**

   Pursuant to Section 230(1) of the Companies Act 2016, the fees and benefits payable to the Directors of the Company will have to be approved by the Company's shareholders at a general meeting. Resolution 2 is proposed to seek the shareholders' approval for the payment of Remuneration of Non-Executive Directors of an amount not exceeding RM500,000 from 24 October 2019 until the date of next Annual General Meeting of the Company to be held in the year 2020. The details of the directors' remuneration for the financial year ended 30 April 2019 can be referred to page 56 of this Annual Report.

   The amount of Directors' fees payable includes directors' fees payable to Non-Executive Directors as member of Board and Board Committees and Directors' benefits payable to Non-Executive Directors comprise of meeting allowances.

2. **Resolutions 6 and 7**

   Resolutions 6 and 7 are proposed to retain Dato' Ikhwan Salim bin Dato' Haji Sujak and Datuk Ali bin Abdul Kadir as Independent Non-Executive Directors of the Company in accordance to the requirements of Paragraph 3.04 of the Main Market Listing Requirements of Bursa Malaysia Securities Berhad and in line with Practice 4.2 of the Malaysian Code on Corporate Governance.

The Nomination Committee and the Board have assessed the independence of both Dato' Ikhwan Salim bin Dato' Haji Sujak and Datuk Ali bin Abdul Kadir, and are satisfied that both directors has complied with the independence criteria stated under the definition of Independent Director as defined in the Main Market Listing Requirements of Bursa Malaysia Securities Berhad and they are both able to provide proper check and balance thus continue to bring an element of objectivity to the Board of Directors.

3. **Resolution 8**

The proposed Resolution 8, if passed, will empower the Directors of the Company, to issue and allot shares in the Company up to and not exceeding in total 10% of the issued and paid-up share capital of the Company for the time being for such purposes as they consider would be in the best interests of the Company. This authority will expire at the next Annual General Meeting of the Company, unless revoked or varied at a general meeting.

4. **Resolution 9**

The proposed Resolution 9, if passed, will empower the Directors to exercise a buy-back of the Company's ordinary shares up to 10% of the issued and paid-up share capital by utilising the funds allocated which shall not exceed the retained profits of the Company. This authority will, unless revoked or varied at a general meeting, expire at the conclusion of the next Annual General Meeting of the Company. The details of the proposal are set out in Part B of the Circular to Shareholders dated 30 August 2019 which is despatched together with the Company's abridged version of the Annual Report 2019.

5. **Resolution 10**

The proposed Resolution 10, if passed, will enable the Company and/or its subsidiaries and associated companies to enter into recurrent related party transactions of a revenue or trading in nature with related parties which are necessary for the Group's day-to-day operations and are in the ordinary course of business and are on normal commercial terms which are not more favourable to the related parties than those generally available to the public and are not to the detriment of the minority shareholders of the Company. The details of the proposal are set out in Part A of the Circular to Shareholders dated 30 August 2019 which is despatched together with the Company's abridged version of the Annual Report 2019.

6. **Special Resolution**

The proposed Special Resolution, if passed, will bring the Company's Constitution in line with the enforcement of the Companies Act 2016, which came into force on 31 January 2017 and the updated provisions of the Main Market Listing Requirements of Bursa Securities. The Proposed Adoption is set out in the Part C of the Circular to Shareholders dated 30 August 2019 which is despatched together with the Company's abridged version of the Annual Report 2019.

Statement accompanying Notice of 35th Annual General Meeting

1. Resolution 6

The profile of Dato' Ikhwan Salim bin Dato' Haji Sujak who is standing for continuation in office as an Independent Director of the Company to fulfil the requirements of Paragraph 3.04 of the Main Market Listing Rules of Bursa Malaysia Securities Berhad and in line with Practice 4.2 of the Malaysian Code on Corporate Governance is set out on page 10 of this Annual Report. The details of his shareholding in the Company or its subsidiaries (if any) are set out in the Directors' Report on page 71 of this Annual Report.

2. Resolution 7

The profile of Datuk Ali bin Abdul Kadir who is standing for continuation in office as an Independent Director of the Company to fulfil the requirements of Paragraph 3.04 of the Main Market Listing Rules of Bursa Malaysia Securities Berhad and in line with Practice 4.2 of the Malaysian Code on Corporate Governance is set out on page 11 of this Annual Report. The details of his shareholding in the Company or its subsidiaries (if any) are set out in the Directors' Report on page 71 of this Annual Report.

3. Resolution 8

This mandate is a renewal to the general mandate pursuant to Section 75 of the Companies Act, 2016, which was approved by the shareholders at the 34th Annual General Meeting held on 24 October 2018. As at the date of this notice, no new shares were issued pursuant to the general mandate approved by the shareholders at the 34th Annual General Meeting.

The renewed mandate will also enable the Directors to take advantage of any strategic opportunity which involves the issue / placing of shares for investments, acquisitions or to raise funds for investments and/or working capital.

ADMINISTRATIVE DETAILS

35th ANNUAL GENERAL MEETING OF GLOMAC BERHAD

Date : Wednesday, 23 October 2019

Time : 11.00 a.m.

Place : Dewan Perdana, Bukit Kiara Equestrian & Country Resort, Jalan Bukit Kiara, Off Jalan Damansara, 60000 Kuala Lumpur

Registration

1. Registration will start at 9:30 a.m. at the 1st floor Dewan Perdana foyer, Sport Complex of Bukit Kiara Equestrian & Country Resort and will end at a time as directed by the Chairman of the Meeting.

2. Please produce your original MyKad or valid Passport at the registration counter for verification purposes. You are not allowed to register on behalf of another person even with the original MyKad / Passport of that other person.

3. Upon verification and registration, you will be given the following:-

   (a) Wristband
   (b) One (1) meal voucher

   No door gifts shall be provided to shareholders and/or proxyholders attending this year's Annual General Meeting.

   Please take note that each Member or Proxy who is present shall be entitled to One (1) meal voucher only upon registration, irrespective of the number of Members he/she represents (e.g,. in the event a Member and/or Proxy represents himself and/or two or more Members, he/she shall be entitled to only One (1) meal voucher).

4. The identification wristband must be worn throughout the 35th Annual General Meeting (35th AGM), as no person will be allowed to enter the Meeting venue without the identification wristband. There will be no replacement in the event that the identification wristband and/or meal vouchers are lost, stolen or misplaced.

5. Please take note that the registration counter only handles verification and registration of Members and Proxyholders. You may proceed to the Help Desk for any clarification or queries.

General Meeting Record of Depositors

1. For the purpose of determining a member who shall be entitled to attend this 35th AGM, the Company shall be requesting Bursa Malaysia Depository Sdn Bhd in accordance with the provisions under the Company's Constitution and Section 34(1) of the Securities Industry (Central Depositories) Act 1991 to issue a General Meeting Record of Depositors ("ROD") as at 17 October 2019. Only a depositor whose name appears on the ROD as at 17 October 2019 shall be entitled to attend the 35th AGM or appoint proxies to attend and vote on his/her behalf.

Administrative Details

Proxy

1. Only members registered in the Record of Depositors as at 17 October 2019 are entitled to attend and vote at the 35th AGM or appoint a proxy or proxies to attend and vote on their behalf.

2. A proxy may but need not be a Member of the Company.

3. A member shall be entitled to appoint not more than two (2) proxies at each meeting to attend and vote at the same meeting and where a member appoints more than one (1) proxy the appointment shall be invalid unless the proportions of the shareholdings to be represented by each proxy is specified.

4. Where a member is an authorised nominee as defined under the Securities Industry (Central Depositories) Act, 1991 it may appoint at least one proxy in respect of each Securities Account it holds with ordinary shares of the Company standing to the credit of the said Securities Account.

5. The instrument appointing a proxy shall be in writing under the hand of the appointor or his attorney duly appointed or if such appointor is a corporation, either under its Common Seal or under the hand of an officer or attorney duly appointed under a power of attorney.

6. The instrument appointing a proxy must be deposited at the Company's Registered Office at Level 15, Menara Glomac, Glomac Damansara, Jalan Damansara, 60000 Kuala Lumpur not less than forty-eight (48) hours before the time appointed for holding the 35th AGM or any adjournment thereof.

Personal Data Privacy

1. By submitting the duly executed proxy form, the member and his/her proxy consent to the Company (and/or its agents/service providers) collecting, using and disclosing the personal data therein in accordance with the Personal Data Protection Act 2010 for the purpose of this 35th AGM and any adjournment thereof.

Voting Procedures

1. Pursuant to Para 8.29 of the Main Market Listing Requirements of Bursa Securities, voting on the resolutions tabled at the 35th AGM will be conducted by Poll. A Poll Administrator and Scrutineer will be appointed to conduct the polling process and to verify the results accordingly.

THIS PAGE HAS BEEN INTENTIONALLY LEFT BLANK

PROXY FORM

GLOMAC BERHAD
(COMPANY NO. 110532-M)
(Incorporated in Malaysia)

No of shares		**CDS Account No**	
Contact No		**Email address**	

I/We _____ (NRIC / Passport No. _____ of _____ being a member(s) of GLOMAC BERHAD ("the Company") hereby appoint (1) _____ (NRIC No.: _____) of _____ (*) and/or failing him/her, (2)_____ (NRIC No.: _____) of _____

or THE CHAIRMAN OF THE MEETING, as my/our proxy(ies), to vote for me/us on my/our behalf at the 35th Annual General Meeting of the Company to be held at Dewan Perdana, Bukit Kiara Equestrian & Country Resort, Jalan Bukit Kiara, Off Jalan Damansara, 60000 Kuala Lumpur on Wednesday, 23 October 2019 at 11.00 a.m. or at any adjournment thereof.

The proportion of *our proxies are as follows (this paragraph should be completed ONLY when two proxies are appointed):

First Proxy (1)	%	**Second Proxy (2)**	%

*My/Our Proxy(ies) is/are to vote as indicated below:

		For	**Against**
Resolution 1	To approve a final single-tier dividend of 0.8 sen per ordinary share for the financial year ended 30 April 2019		
Resolution 2	To approve the payment of Directors' Remuneration from 1 May 2019 until the date of the next Annual General Meeting to be held in 2020		
Resolution 3	To re-elect Datuk Richard Fong Loong Tuck who retires in accordance with Article 84 of the Company's Constitution		
Resolution 4	To re-elect Dato' Ikhwan Salim Bin Dato' Haji Sujak who retires in accordance with Article 84 of the Company's Constitution		
Resolution 5	To re-appoint Messrs Deloitte PLT as auditors and to authorise the Directors to fix their remuneration		
Resolution 6	To retain Dato' Ikhwan Salim bin Dato' Haji Sujak as an Independent Director		
Resolution 7	To retain Datuk Ali bin Abdul Kadir as an Independent Director		
Resolution 8	Proposed Issuance of Shares pursuant to Section 75 of the Companies Act, 2016		
Resolution 9	Proposed Renewal of Authority for Share Buy-Back		
Resolution 10	Proposed Renewal of Shareholders' Mandate for Recurrent Related Party Transaction of a Revenue or Trading Nature		
Special Resolution	Proposed Adoption of the Company's new Constitution		

Please indicate with an 'X' in the appropriate box against each resolution on how you wish your votes to be casted. If no instruction is given, the proxy will vote or abstain from voting at his/her discretion.

Signed (and sealed) this _____ day of _____ 2019 Signature/Seal _____

Notes:
1. Only members registered in the Record of Depositors as at 17 October 2019 ("General Meeting Record of Depositors") are entitled to attend and vote at the 35th AGM.
2. A member entitled to attend and vote as this Meeting is entitled to appoint any person as his proxy. A proxy appointed to attend and vote at the Meeting shall have the same right as the member but need not be a member of the Company.
3. A member shall be entitled to appoint a maximum of two (2) proxies at each meeting, to attend and vote at the same meeting and where a member appoints two (2) proxies, the appointment shall be invalid unless the proportions of the shareholdings to be represented by each proxy is specified.
4. Where a member is an authorised nominee as defined under the Securities Industry (Central Depositories) Act, 1991 it may appoint at least one (1) proxy in respect of each Securities Account it holds with ordinary shares of the Company standing to the credit of the said Securities Account.
5. The instrument appointing a proxy shall be in writing under the hand of the appointor or his attorney duly appointed or if such appointor is a corporation, either under its Common Seal or under the hand of an officer or attorney duly appointed under a power of attorney.
6. The instrument appointing a proxy must be deposited at the Company's Registered Office at Level 15, Menara Glomac, Glomac Damansara, Jalan Damansara, 60000 Kuala Lumpur not less than forty-eight (48) hours before the time appointed for holding the Meeting or any adjournment thereof.
7. By submitting the duly executed proxy form, the Member and his/her proxy(ies) consent to the Company (and/or its agents/service providers) collecting, using and disclosing the personal data therein in accordance with the Personal Data Protection Act 2010, for the purposes of the 35th Annual General Meeting, and any adjournment thereof.

Affix Stamp

The Company Secretary

Glomac Berhad (110532-M)
Level 15, Menara Glomac
Glomac Damansara
Jalan Damansara
60000 Kuala Lumpur

www.glomac.com.my

GLOMAC BERHAD 110532-M

Level 15, Menara Glomac
Glomac Damansara
Jalan Damansara
60000 Kuala Lumpur

Tel : +603 7723 9000
Fax : +603 7729 7000