



Creating Values, Realising Dreams

PERBADANAN PR1MA MALAYSIA

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The contents of all illustrations in this report are based on the artist's impression. Information contained here are subject to change without notice as that may be required by the relevant authorities, developers' architects or appointed agents and cannot form part of any offers or contracts. The names of development projects are subject to approval from the relevant authorities.

Creating Values, Realising Dreams

The PRIMA housing programme was initiated to provide high quality homes for the middle income group in urban and suburban areas. It was designed to cater to the diverse needs and different household incomes, so that owning one's dream home is much easier for Malaysians.

The front cover depicts the middle income group enjoying the facilities and beautiful ambience in a PRIMA home. The die-cut of the front cover depicts the various stages of the construction process.



PRIMA @ Matang



PRIMA @ Tapah



PRIMA @ Jalan Jubilee



PRIMA @ Kajang



Opening the way towards home ownership





We provide various services to help homebuyers purchase their dream home.

**Providing
innovative
and
quality
homes**





PRIMA @ Sungai Petani 2

We plan, develop and build high quality homes for the middle-income group in major towns and other potential areas.

Promoting sustainable community development





PRIMA @ Alam Damai

We nurture integrated, dynamic and progressive communities by providing the opportunity for asset and socio-economic developments.

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ABOUT PR1MA

THE PRIMA PROGRAMME

The Perumahan Rakyat 1Malaysia (PR1MA) Programme was initiated to provide comfortable and wholesome community life in the new millennium. It was specially designed for Malaysians in the middle-income group bracket who want fairly priced homes at strategic locations.

PR1MA Homes are priced between RM100,000 and RM400,000 per unit, which is on average 20% cheaper than the market price. By offering this price bracket, PR1MA hopes the middle-income group in Malaysia can afford to own their dream homes without incurring too much of a financial burden.

This ground-breaking housing programme showcases the 'urban well-being' principle, where PR1MA does not just build the physical structure of the houses but also provides community-centred homes that could expand to become a complete township in terms of socio-economic structure.

The PR1MA programme was specially designed for the middle-income group in Malaysia which is defined as those with a household monthly income between RM2,500 and RM15,000. Those who are 21 years and above are eligible to apply for PR1MA Homes individually.

PR1MA Homes are present in strategic locations in major towns. PR1MA strives to cater to the different needs of homebuyers by building homes of different types and sizes. Where appropriate, the housing projects will have basic community amenities such as surau, kindergarten, recreational park, clinic, sundry shop, and multipurpose hall. PR1MA Homes are also built near public transportation facilities to enable them to get around with ease.

It is clear that PR1MA is not just a developer. It goes further than brick and mortar. PR1MA also builds integrated communities.

PR1MA'S FUNCTIONS AND RESPONSIBILITIES



Building quality homes and shaping integrated communities for the middle-income group.



Supervising, planning and managing the design, construction and maintenance aspects of PR1MA Homes and community.



Determining the sales price, allocating PR1MA Homes through audited balloting and collaborating with financial institutions to give homebuyers access to attractive financing schemes.



ABOUT PERBADANAN PRIMA MALAYSIA

Perbadanan PRIMA Malaysia (PRIMA) was established on 1 January 2013 under the PRIMA Act 2012 to plan, construct and offer fairly priced, high-quality homes suitable for the modern lifestyle concept for middle-income Malaysians.

Guided by the mandate to provide 500,000 units of homes, PRIMA's main aim is to develop wholesome and comfortable community-centred homes in urban and suburban locations as well as strategic new townships that have big potential.

To achieve that objective, PRIMA practices effective development as the core of its development projects, anchored on the latest innovations, intelligent collaborations supported by solid information communication among the work force, strategic partners, interested parties and PRIMA home owners.

Each PRIMA development step takes into account the residents' basic needs, the chosen location and its future developments, based on the relevant town development research and analysis.

Until 31 March 2017, a total of 136,609 units of PRIMA homes are in various stages of construction.



Identify current needs to monitor, control and manage the supply and demand quality for PRIMA Homes and facilities.



Safeguard the PRIMA brand by fixing the development and execution standards, and/or enforcing the said standards.



Drive the smart partnership between the government and private sectors to realise the given mandate more efficiently.



ALHAMDULILLAH, IN THE UNRELENTINGLY TURBULENT GLOBAL ECONOMIC CONDITIONS, OUR NATION'S ECONOMIC PROSPECTS REMAIN RESILIENT. AMONG THE POINTS MENTIONED IN THE INTERNATIONAL MONETARY FUND (IMF)'S ANNUAL CONSULTANCY REPORT ON MALAYSIA ON 15 MARCH 2017 WAS THE STRENGTHENING OF THE NATION'S PRODUCTION BASE AND SUSTAINABLE EXPORT.

CHAIRMAN'S MESSAGE

CARRYING THE RAKYAT'S HOPES, BEARING THE NATION'S ASPIRATIONS

We in PRIMA, fully support all the government initiatives to widen and expand the nation's economy as we increase our efforts to achieve our goals. The housing industry is among the most important section of the national socio-economic structure. Gradually and with one small step at a time, the role of PRIMA in this important sector is unveiled and its contributions are slowly being felt.

PRIMA was established to open up the door of opportunity for the middle-income group (M40) to own their dream homes that fit their lifestyle and living standards.

The functions of PRIMA may seem easy to spell out but are laden with trust and responsibilities, and they encompass the following:

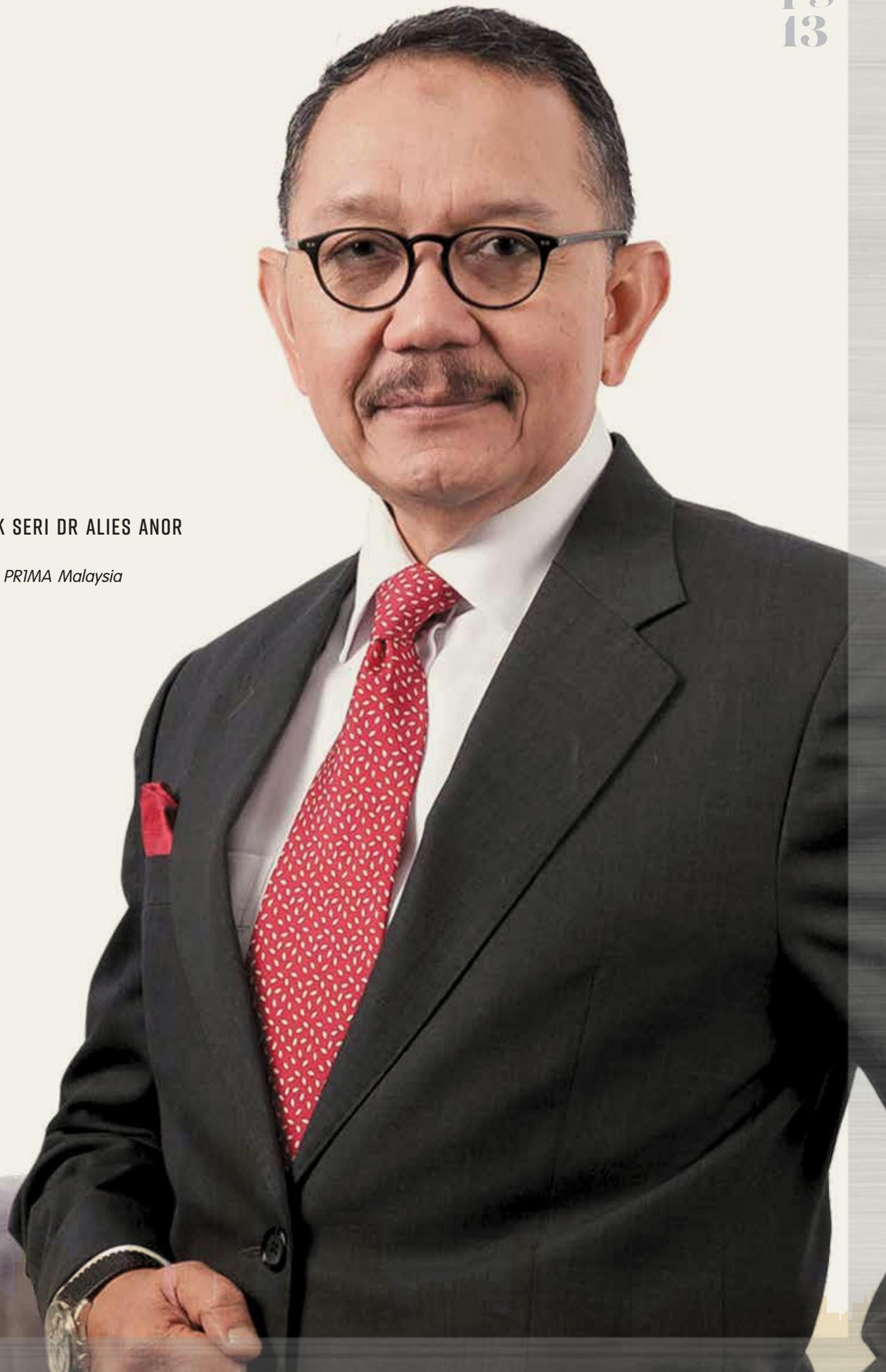
- a) A house is not just an asset for wealth creation, but it is also a catalyst to spur the thinking towards property investments, resulting in positive socio-economic impact and better prospects for the future well-being of the rakyat.
- b) Creating the ideal environment to enable the nation's youths to forge ahead in their academic and career pursuits as well as strengthening the family and community institutions.
- c) Improving the capacity of the housing industry not just by increasing the number and quality of entrepreneurs in it but also boosting the capabilities of developers, consultants and suppliers.





**YBHG TAN SRI DATUK SERI DR ALIES ANOR
BIN ABDUL**

Chairman, Perbadanan PRIMA Malaysia





PRIMA @ Cyberjaya Lakefront

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SUCH A SHIFT IS NOT IMPOSSIBLE. IN FACT, SINCE ITS INCEPTION PR1MA HAD PROVIDED THE NECESSARY SPACE FOR MOBILITY BY ENABLING THOSE WHO ALREADY OWN A HOUSE TO BUY PR1MA'S PRODUCTS. PREVIOUSLY, IT WAS VERY DIFFICULT FOR LOW-COST HOME OWNERS TO OWN A BETTER HOUSE AS IT USUALLY MEANS BUYING A VERY EXPENSIVE PROPERTY. THIS WAS DUE TO THE LIMITED NUMBERS OF MEDIUM TYPE OF HOUSES AS DEVELOPERS WERE MORE INCLINED TO BUILD LUXURY HOMES.



PR1MA @ Bukit Jalil

Moving Forward

HOMES AND ASPIRATIONS

Housing has increasingly become among the main issues in general elections everywhere. In the United Kingdom's general election on 8 June, all three main political parties, Conservative, Labour and Liberal Democrats had pitched their respective housing agenda. In this aspect, our nation is a step ahead as PR1MA is not just in the planning stage but already in operation and actively fulfilling the needs of the M40 segment. However, PR1MA shall continue to explain the roles of our national aspirations, especially about our targets and objectives. Various agencies under the ministries, state governments and even local governments such as the Kuala Lumpur City Council have been building low-cost houses for decades. This is important to ensure a more encompassing spread of house ownership.

It is the mutual hope of the nation and rakyat that those who started off by owning low-cost houses can climb up the socio-economic ladder, thus enabling them to move to a better home in the future. This process needs to be induced so that it can really take place, especially for large families as they will need bigger and more comfortable houses.

This is the commitment of the Barisan Nasional government that led to the establishment of PR1MA.

Such a shift is not impossible. In fact, since its inception PR1MA had provided the necessary space for mobility by enabling those who already own a house to buy PR1MA's homes. Previously, it was very difficult for low-cost home owners to own a better house as it usually means buying a very expensive property. This was due to the limited number of medium type of houses as developers were more inclined to build luxury homes.

Such attitude adopted by developers had slowly marginalised PR1MA's target group that is the M40 whose household income fall between RM2,500 to RM15,000 a month. They were trapped as they are not eligible to buy low-cost houses but they cannot afford to buy market homes. This is where PR1MA comes in to fulfil their needs by completing and filling the gap in the chain of supply and demand in the housing sector.

GAINING A PLACE IN THE RAKYAT'S HEART

In carrying out the mandate that we are entrusted with, PRIMA is aware that it is important to take into account the feedback from the target group and give their opinion due consideration. As such, we are sensitive to what is happening around us and take note of current developments including the price factor. PRIMA feels that the debate about the definition and price constitution of affordable homes cannot be easily settled. The understanding of the matter often differs from person to person and influenced by certain considerations that sometimes are not universal.

Nevertheless, the stark reality is that PRIMA homes are proven to be cheaper than comparable products in the market without having to compromise on quality. It is based on these facts that PRIMA feels confident that its presence in the market will force developers to rethink their marketing strategy and products prices.

Alhamdulillah, although we faced various constraints, we are able to offer PRIMA's products at prices that are on average 20 percent less than the market price. As of 31 March 2017, 136,609 units of PRIMA Homes are in various stages of construction.

My colleagues, the Members of Corporation (MOC), and I have approved the development of 265,033 units of homes. This is way above the annual figures of between 60,000 to 80,000 units built by private developers. Actually, the figures proposed by the private companies to PRIMA are much higher compared to what we had approved. As of December 2016, PRIMA received 1,327 project proposals involving 1,095,455 homes. All in all, this development showed that the nation's economy is robust and strong. It also means that we received many ideas and design proposals, proving that the industry has strong confidence in PRIMA.

The price, quality and facilities of PRIMA homes are not just printed words in our website and sales brochures but every family and individual can now see the products for themselves. In carrying out its responsibilities, initially PRIMA focused on identifying demands, locations and the number of houses that need to be built. We were able to handle that phase successfully and now is the time for PRIMA to approach the home buyers to make sure their problems can be solved. For that purpose, PRIMA had launched a series of PRIMA Open Day (POD) and will increase the number of sales galleries in locations that we had identified.

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AS THE SCOPE AND POTENTIAL OF PRIMA ARE HUGE, I WOULD LIKE TO CALL UPON ALL MALAYSIAN CITIZENS TO BE TOGETHER WITH US IN MAKING THIS TRANSFORMATION EFFORT A SUCCESS.



PRIMA @ Alam Damai

THREE MAJOR CHANGES

Among the big decisions that we had taken between January 2016 and March 2017 was to shorten the moratorium period from 10 to five years. The decision was made after taking into account the rakyat's views. This is in line with the wealth creation philosophy and the factor of returns for individual investments in the real estate sector. On the concerns raised by some quarters that the change will encourage speculations, let me assure them that we, the MOC and our colleagues in the management led by Dato' Abdul Mutalib Alias will always think and discuss ways and steps to ensure the rakyat's interests will be preserved.

The next step that we had taken was to introduce the PRIMA Flexible Financing Scheme or SPEF after realising that in 2016, an estimated 60 percent of buyers have had to cancel their intention to own a home due to difficulties in getting financing from financial institutions. SPEF is a collaboration with the Employees Provident Fund (EPF), Bank Negara and four local banks to enable PRIMA home buyers get bigger loans with repayment amounts that are not burdensome.

PRIMA also decided to widen the household income eligibility bracket to RM15,000 a month. This is because we discovered that more and more people from the middle-income group could not afford to buy houses being offered in the market as the prices are beyond their means.

CLOSING

With the steps that we had taken, PRIMA began to emerge as a growth catalyst for medium-scale companies in the housing sector. Some 298 developers, 622 contractors, 761 consultants and 543 suppliers, not to mention those who provide various support services are now registered as PRIMA vendors. In addition, there are also 255 law firms offering their services through PRIMA.

These figures are very encouraging as PRIMA is still in the early stages of its existence. As the number of houses being completed increases, the economic activities based on PRIMA products will also have bigger potential. If we just look at the Gross Development Value (GDV) of PRIMA Homes that are now under construction, it is clear that PRIMA will be a catalyst of growth in the future.

PRIMA is right in the thick of the nation's main sector. The housing sector plays a big role in shaping the nation's economic growth. An example of this is PRIMA's role in helping population dispersal as it has developments all over the nation. The population trend jumped up in the West Coast areas with the advent of high-speed train services. The presence of PRIMA projects along the KTM railway line such as the one in Tapah, will help speed up the growth of towns outside of Kuala Lumpur and the Klang Valley. In the Klang Valley, PRIMA is involved with the Transit Oriented Development (TOD) near LRT stations. It is clear that PRIMA will be at the forefront of changes that will take place as we are not a profit-oriented organisation.

As PRIMA has huge potential in helping the housing sector grow and thus transforming the nation, I would like to call upon all Malaysians to be together with us in making this transformation effort a success.

Lastly, I would like to thank and congratulate the PRIMA management team for their relentless efforts and efficient administration and management of this organisation.

Innovation

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DATO' ABDUL MUTALIB BIN ALIAS
Chief Executive Officer



THE 2016 ANNUAL REPORT WILL DEPICT AND PROMOTE PR1MA'S PRODUCTS THAT WILL NOT JUST BE VIEWED BUT ENJOYED BY THE RAKYAT. THIS IS THE REALITY OF PR1MA'S EXISTENCE THAT IS ANCHORED BY OUR COMMITMENT TO PROVIDE QUALITY HOMES.

CHIEF EXECUTIVE OFFICER'S REPORT

ETCHING PR1MA'S CONTRIBUTIONS

Here we would like to explain the context of PR1MA's existence in the nation's development and the benefits it will bring to the daily life of Malaysians. PR1MA is not a stranger in your neighbourhood. This is because the PR1MA community is not a separate entity from the existing communities around it. As such, the merging of PR1MA communities throughout the nation with the existing communities around them will form the largest community group. Indeed, the impact of the PR1MA community will be felt nationwide.

Since PR1MA started operation in March 2013, we admit that in our heart of hearts, we were worried about the heavy responsibility of realising the home ownership dreams of the M40 target group. You can see the reflection on this, among others on the financing aspect, in the Annual Report 2016.

We accept that PR1MA needs to be more efficient and be as fast as possible in building quality homes that befitting the dreams of the rakyat. On that note, Annual Report 2016 will detail out the increase of building technology implementation and our efforts to enhance the skills and capabilities of every component in the housing industry.

These are the main themes of the Annual Report 2016. This annually-published document is indeed something that we highly treasure. It is our intention for this document to be referred to and used at all levels, from the government and industry, right down to our target group, the M40.

Our helmsman, the YBhg. Tan Sri Chairman of PR1MA had illustrated the big picture, therefore now it is my turn to give the updates and details of our operations, complete with the latest developments.

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THIS SHARING CONCEPT WILL GIVE THE BEST RETURNS FOR EVERYONE. I WOULD LIKE TO REITERATE THAT AMONG PRIMA'S MAIN AMBITIONS IS TO DAMPEN THE INCREASE OF HOUSE PRICES. WE WILL SEE THE RESULTS LATER ON. MORE PRODUCTS FOR THE MIDDLE-INCOME GROUP WILL DRIVE DEVELOPERS TO RETHINK THEIR HOUSE-PRICING STRATEGY.

Sustaining Life

INITIAL CHALLENGES AND CONSTRAINTS

PRIMA did not budge from the gargantuan target of constructing 500,000 housing units. This has been trusted upon us and it is within the scope of our responsibility. When PRIMA was created, the initial suggestion was to get huge land banks from government agencies and state governments. It was the fastest approach to reach the target. However, PRIMA was only given 102.9 acres of land and of that, only 25.8 acres were suitable for housing development. Based on an average of 40 units per acre, such a size is only sufficient for one percent of the targeted 500,000 homes. As a result, I would like to point out that between 10 to 16 percent of PRIMA's development costs went to the purchase of land.

In our quest to find alternatives and suitable solutions, we conducted dialogues with 10 well-known developers but the effort was not fruitful. PRIMA then approached medium and small-scale developers, or second and third-level developers, with the intention of creating an opportunity for mutual growth. This resulted in PRIMA's pact with them to carry out the vision of the nation. These big-hearted, hard-working and determined entrepreneurs improved their efficiency and increased their capacity to become PRIMA's true partners.

MOVING FORWARD

PRIMA's injection of capital and projects into the real estate market had given a fresh breath of air to these developers. During our dialog with 156 developers on 27 October 2016, the majority of them said they would not have gone ahead with such a huge development without the involvement of PRIMA.

This sharing concept will give the best returns for everyone. I would like to reiterate that among PRIMA's main goals is to dampen the increase of house prices. We will see the results later on. More products for the middle-income group will drive developers to rethink their house-pricing strategy.

Demand analysis showed that home buyers want quality homes priced under RM500,000 whereas developers are more inclined to offer more expensive ones in the luxury homes category. Buyers also want attractive designs, a well-maintained community life, location of homes near their workplace, and also a safe and vibrant environment. PRIMA understands the home buyer's desire. We understand that a time-consuming commute to the workplace will be counter-productive to productivity and family harmony. The same goes for attractive designs. A house is a family's biggest investment, so of course buyers will want the best.

Therefore, we give great consideration to location suitability in evaluating every proposal that we receive. The first evaluation process is focused on location, demands, interest level, site information and developers' background.

PRIMA'S REGISTRANTS AVERAGE INCOME:
RM4,037 A MONTH
48% UNDER THE AGE OF 30



PRIMA @ Sg Petani 2

Another panel in PRIMA, the Real Estate Development Committee, will conduct detailed analysis on financial eligibility and marketability, followed by further checks on site suitability and developer's background.

If approved by the Members of Corporation, the developer will be required to adhere to the conditions set in the nine volumes of PRIMA'S development guidelines to ensure that the housing quality will be upheld. For example, Volume 3A sets the guidelines for landscape development, Volume 7 is on engineering and Volume 8 is on township.

REGISTRANTS' DNA

The average income of PRIMA registrants who expressed their interest to buy a home is RM4,037 a month. Almost half or 48% of them are under 30 years old while 51% of them are still living with their parents.

PRIMA will continue to engage our target group to ensure there is no mismatch between the expectations of the buyers and the products that we offer. We hope the offering of PRIMA Homes will pave the way for those who want to climb up the housing ladder. The quality and comfort offered by PRIMA products do not come with a burdensome price tag. Most of PRIMA's products, about 63% of them, are houses priced between RM200,000 to RM300,000 a unit. Of course PRIMA does not build low-cost houses to avoid duplicating the products of the respective agencies but in certain locations, PRIMA is still able to build houses priced under RM200,000, which represent 21% of our products, while the remaining 16% are houses above RM301,000 per unit.

LOCATION SPREAD

PRIMA also functions as a balancer that helps close the gap between various segments. It is our view that we should try to penetrate locations that are viewed as exclusive areas. For example, PRIMA offers 1,932 units of homes at Cyberjaya Lakefront, a location ringed by luxury homes projects. The prices for a unit measuring 850 sqf start at RM280,000. It is one of two PRIMA developments in Cyberjaya. Brickfields will also have PRIMA Homes that offer its buyers the option of not having to drive to work as it is near a transit hub. We are also offering harmonious community living in the Bukit Bintang vicinity, at Jalan Jubilee, to be exact. PRIMA fulfils the expectations of various segments in the community, among others by offering products within the Bangi-Semenyih-Kajang-Bukit Jalil-Bukit Mahkota-Seremban areas. These population zones are growing in popularity in line with the emergence of comprehensive expressways.

There are also PRIMA Homes right on the West Coast (Kuala Perlis, Port Dickson, Klebang), along the North-South Expressway, near attractive locations in the East Coast, Sabah and Sarawak.

If the first three years of PRIMA's inception were the foundation stage where we conduct market research, market intelligence and product research, the time has arrived for PRIMA to get close with the rakyat through the PRIMA Open Day and by opening more sales galleries. PRIMA Open Day (POD) provides full access to all PRIMA's products and services. Visitors can consult PRIMA's staff and discuss any problems that they are facing in their quest to owning their home. The POD initiative is an aggressive and continued marketing effort and has shown positive results. A total of 7,007 units of PRIMA Homes were sold and 9,815 units were booked as of 31 March 2017.



PRIMA @ Jalan Jubilee



PR1MA'S LONG TERM FOCUS IN PLANNING DEVELOPMENT PROGRAMMES IS TO ENSURE SUSTAINABLE CONSTRUCTION COSTS, EFFICIENT DEVELOPMENT AND CONSISTENT QUALITY OF PR1MA'S HOUSING PRODUCTS.

PR1MA is also strengthening its social media strategy. The effort to approach buyers and target groups through social media such as Facebook and Instagram proved to be very effective. PR1MA is fast to share articles and information with social media users as well as sharing captivating video clips about our show houses and facilities available at PR1MA Homes.

To spark a transformation, PR1MA's next move is to create an all-encompassing ecosystem. This started with the Flexible Financing Scheme (SPEF) whose implementation will be closely monitored. It is PR1MA's responsibility to ensure nobody is left behind because of financial encumbrances. Among the most frequent problems is the education loan arrears of potential homebuyers. However, it is a well-known fact that a youth's potential income will increase along with the respective increase in competencies, age and expertise.

There is no denying that owning a house as an asset gives a huge impact to the economy of a family. Although the owner may not want to sell the house he or she had bought, the fact that the value of the asset had appreciated will contribute positively to their economic outlook.

Home ownership helps generate the economy. The positive outlook and confidence of the home buyer in making the decision to invest by buying a house will indeed cause positive ripples for the economy.

PR1MA's long-term focus for development programme planning is to ensure sustainable construction costs, efficient development and consistent quality of PR1MA's housing products. This is to ensure PR1MA home buyers will continue to get high quality products that has value for money, and delivered right on time.

To achieve that objective, PR1MA continues to pursue the Industrialised Building Systems (IBS) technology to help us fulfil the huge mandate of our housing programme. This is in line with the government's initiative to promote the use of new technologies in construction.

To date, PR1MA had applied the IBS technology in at least 40% of PR1MA housing developments. Various types of IBS technologies including precast system, formwork, block and steel frame, have been employed in our projects nationwide. The use of this technology had helped PR1MA to increase its development capability.

PR1MA, through the Industrialised House Technologies (IHT), will not only increase the use of IBS, but we will also strive to complement the IBS ecosystem with building catalogues, Building Information Modelling (BIM) and standardisation to further increase PR1MA's housing development efficiency.

This initiative had also enabled us to explore and use new technologies developed by local companies. The initiative will not only benefit PR1MA home buyers but also give local companies a chance to showcase their ability to create new technologies that could help the local construction industry.

CLOSING

PR1MA will continue to rectify any weaknesses in our quest to improve the quality of PR1MA Homes and the construction system. PR1MA is neither chasing after profits nor competing with private developers. PR1MA is a vehicle for national transformation, that is moving towards the nation's housing and community vision.

Lastly, I would like to express my heartfelt thanks to all who had extended their unwavering support and help in PR1MA's efforts. This includes ministries, government agencies, state governments and every organisation and society that is ever supportive PR1MA. Your advice, teachings, guidance, encouragement and assistance are much appreciated.



MEMBERS OF CORPORATION





FROM LEFT TO RIGHT

YBrs En Muhammad Ammir bin Haron • YBhg Dato' Dr Yusof bin Ismail • YBhg Dato' Hj Ibrahim bin Md Yusof • YBhg Dato' Dr Sallehuddin bin Ishak • YM Tengku Dato' Sri Zafrul bin Tengku Abdul Aziz • YBhg Datuk Seri Dr Rahamat Bivi binti Yusoff • YBhg Tan Sri Datuk Seri Dr Alies Anor bin Abdul (Chairman) • YBhg Dato' Abdul Mutalib bin Alias (Chief Executive Officer) • YBhg Dato' Sri Dr Sharifah Zarah binti Syed Ahmad • YBhg Dato' Sri Mohammed Shazalli bin Ramly • YBhg Datuk Kamalul Arifin bin Othman • YB Datin Mastura binti Tan Sri Dato' Mohd Yazid • YBhg Tan Sri Dr Mohd Irwan Serigar bin Abdullah (until 17 August 2016) • YBhg Tan Sri Dato' Seri Abd Wahab bin Maskan (until 30 August 2016) • YBhg Tan Sri Haji Shukry bin Mohd Salleh (until 1 October 2016)



MEMBERS OF CORPORATION'S PROFILES



YBHG TAN SRI DATUK SERI DR ALIES ANOR BIN ABDUL

Chairman

Tan Sri Datuk Seri Dr Alies Anor bin Abdul was appointed as Perbadanan PRIMA Chairman on 14 January 2016. Before that, he has been a PRIMA Member of Corporation since 17 August 2015.

He is also the Chairman of the Putra World Trade Centre (PWTC).

Tan Sri Datuk Seri Dr Alies Anor was awarded an Honorary Doctorate in Science Education by Tokyo University of Technology, Japan and OXCEL Honorary Fellow for Leadership and Outstanding Leadership Quality by Oxford University, United Kingdom.

He also holds a Doctorate Degree in Islamic Law from Universiti Islam Negeri Sultan Sherif Kassim, Riau, Indonesia.



YBHG DATO' ABDUL MUTALIB BIN ALIAS

Chief Executive Officer

Dato' Abdul Mutalib bin Alias has been PRIMA's Chief Executive Officer since its inception in 2011.

He worked for the Chase Manhattan Bank (M) for 15 years from 1985 to 2000. His last position at the bank was Vice President, Investment Banking.

In the year 2000, Dato' Abdul Mutalib was appointed as the Political Secretary to Tun Daim Zainuddin, who was then the Finance Minister, until 2004. After that he was appointed as the Political Secretary to the late Tan Sri Dr Ir Jamaludin Jarijs at the Domestic Trade and Consumer Affairs Ministry and at the Science, Technology and Innovation Ministry from 2004 to 2008. He had also worked as the Special Officer to Datuk Seri Shaziman Abu Mansor at the Energy, Green Technology and Water Ministry and also at the Works Ministry from 2008 to 2011.

Dato' Abdul Mutalib holds a Science Bachelor's Degree in Accountancy from the Northern Illinois University, United States and a Master's Degree in Business Administration from the Governors State University Illinois, United States.



YBHG DATUK SERI DR RAHAMAT BIVI BINTI YUSOFF

Member of Corporation

Datuk Seri Dr Rahamat Bivi Yusoff was appointed as a PRIMA Member of Corporation on 13 August 2015.

She is now the Director General of the Economic Planning Unit at the Prime Minister's Department. Her career began as the Assistant Secretary (Tax Division) at the Malaysian Ministry of Finance.

Datuk Seri Dr Rahamat is a Member of the Board of Directors for several agencies, including Ekuiti Nasional Berhad (EKUINAS), Malaysia-Thailand Joint Authority (MTJA), Federal Land Development Authority (FELDA), MyHSR Corporation and MRT Corporation Sdn. Bhd. She is also a council member of four (4) economic development corridor authorities.

Datuk Seri Dr Rahamat holds a Master's Degree in Economy from the University of Western Michigan, USA, and a Doctorate from the Australian National University. She also holds a Bachelor's Degree in Social Science (Economy) (Hons) from Universiti Sains Malaysia and received a Diploma in Civil Administration from the National Institute of Civil Administration (INTAN).



YBHG DATO' SRI DR SHARIFAH ZARAH BINTI SYED AHMAD

Member of Corporation

Dato' Sri Dr Sharifah Zarah joined as PRIMA Member of Corporation on 13 August 2015.

She is also a Member of the Board of Directors of the Malaysian Digital Economy Corporation, the Malaysian Communications and Multimedia Commission, the Malaysian Institute of Integrity, the Government Integrated Telecommunication Network of Malaysia, the Malaysian Information Network Centre, the National Film Development Corporation Malaysia and Akademi Inovasi Wanita.

Before holding the post of Chief Secretary of the Ministry of Communications and Multimedia, she worked at various ministries and government departments, both locally and abroad.

Holding a PhD in the field of Social Planning, she has been greatly involved in humanitarian activities including in the fields of women's development, sustainable development and social innovation.



YBHG DATO' SRI MOHAMMED SHAZALLI BIN RAMLY

Member of Corporation

Dato' Sri Mohammed Shazalli bin Ramly has been a PRIMA Member of Corporation since 12 March 2013.

He is also the Managing Director/Chief Executive Officer of Telekom Malaysia Group Berhad (TM) since 1 May 2017. Before that, he was Chief Executive Officer and Director of Celcom Axiata Berhad from September 2005, besides holding the position of Director of several subsidiary companies under the Axiata Group.

Before his appointment at Celcom, he had worked at NTV7, Unilever, the Malaysian Tobacco Company (MTC), British American Tobacco (BAT) and Astro. He was successful in strengthening the branding, increasing sales and company standings for long term growth at the said organisations.

Dato' Sri Mohammed Shazalli is a former student of Maktab Sains Rendah MARA and graduated from ITM Perlis in 1982. He holds a Bachelor's Degree in Science (Marketing) from the Indiana University, Bloomington, Indiana and a Master's Degree in Business Management from the St. Louis University, Missouri, USA.





YM TENGGU DATO' SRI ZAFRUL BIN TENGGU ABDUL AZIZ

Member of Corporation

Tengku Dato' Sri Zafrul bin Tengku Abdul Aziz was appointed as a PRIMA Member of Corporation on 12 March 2013.

He is Chief Executive Officer/Executive Director of CIMB Group Holdings Berhad, a leading universal bank in the ASEAN region, as well as a global leader in Islamic banking. CIMB Group now has branches in 15 countries around the world.

Tengku Zafrul has more than 20 years of experience in the financial services sector, mainly in investment banking. Before joining CIMB, he held the position of Chief Executive Officer of Maybank Investment Bank Berhad and Maybank Kim Eng Holdings. Additionally, he was also a senior officer at Citigroup Malaysia, Kenanga Holdings Berhad and Avenue Securities (now known as ECM Libra). He was also one of the founders of Tune Money Sdn Bhd, a company which offered Asia's first online financial services.

Tengku Zafrul holds a Bachelor's Degree in Economy and Accounting (Hons.) from the University of Bristol, United Kingdom and a Master of Arts Degree in Finance and Management from the University of Exeter, United Kingdom. He also holds a Chartered Banker Fellowship from the Asian Institute of Chartered Bankers.



YBHG DATUK KAMALUL ARIFIN BIN OTHMAN

Member of Corporation

Datuk Kamalul Arifin bin Othman was appointed as a PRIMA Member of Corporation on 10 May 2016. He is the Group Managing Director and Chief Executive Officer of Pelaburan Hartanah Berhad. He is a licensed and trained surveyor and has more than 30 years' experience in property investment, property management, property development and property trust investment.

He began his career in 1985 with Rahim & Co. Chartered Surveyors Sdn Bhd before joining Permodalan Nasional Berhad in 1988. He then joined Arab-Malaysian Merchant Bank Berhad (now known as AmBank Group) in 1991, where he stayed for 16 years, culminating with the post of Chief Executive Officer of AmProperty Trust Management Berhad which managed the first public listed property trust company in the country.

Datuk Kamalul Arifin also sits on the board of other companies, including UiTM Holdings Sdn Bhd and Penang Sentral Sdn Bhd. He is also a member of PUNB's Property Investment Committee. He was also appointed as Adjunct Professor by the Faculty of Built Environment, University of Malaya for 2 years, from 2015 to 2016.

Datuk Kamalul Arifin holds a Bachelor's Degree in Real Estate Management from the University of Ohio, Athens, USA. He is a Fellow of the Royal Institution of Chartered Surveyors, United Kingdom (FRICS) and the Royal Institute of Surveyors, Malaysia (FRISM). Datuk Kamalul has also taken part in leadership development programs at the University of Harvard and Said Business School at the University of Oxford.



YBHG DATO' DR SALLEHUDDIN BIN ISHAK

Member of Corporation

Dato' Dr Sallehuddin bin Ishak has been the Director General of the Federal Department of Lands and Mines since 2015 and was appointed as a PRIMA Member of Corporation on 18 August 2016.

He began his career in the public sector in 1989, as an Assistant Land Administrator at the Kuala Pilah Land Office. During the 28 years he spent as a District Land Administrator he had served in the Ministry of Natural Resources and Environment, in Negeri Sembilan and Pahang.

He was also appointed into other posts in several boards, such as Vice President of the Public Services Golf Club, a member of the Subang Golf Club Corporation, PRIMA Member of Corporation, a member of the board of the Railway Assets Corporation (RAC) and a member of the Committee of Consultants for the Faculty of Agriculture (Expert Member) for the Masters in Land Resource Management Program, Universiti Putra Malaysia (UPM).

Dato' Dr Sallehuddin bin Ishak holds a Bachelor's Degree (Hons.) from the University of Malaya, as well as a doctorate (PhD) and a Master's Degree, from the University of Glasgow and University of Aberdeen, United Kingdom, respectively.



YBHG DATO' HJ IBRAHIM BIN MD YUSOF

Member of Corporation

Dato' Hj Ibrahim bin Md Yusof was appointed as a PRIMA Member of Corporation on 18 August 2016. He was a member of the Board of Directors as well as Deputy Chairman of Selangor Wakaf Corporation (PWS), MAIS from 28 February 2011.

Dato' Hj Ibrahim began his career at the Urban Development Authority of Malaysia (UDA) as Development Officer in 1976, and was later appointed as Manager of UDA Wilayah from 1979 to 1985. He then went on to become Chief Executive Officer at SSBU Sdn Bhd and Syarikat Bertam Properties Sdn. Bhd. & Penang Golf Resort Bhd, from 1986 to November 1994. In December 1994, he was appointed Vice President at Darul Ehsan Berhad Group for 2 years, and in August 1995, he was appointed Deputy Managing Director at SAP Holding Berhad. He was then appointed Group Managing Director at Worldwide Holdings Berhad from July 1996 to March 2008.

He was also CEO of TRIpIc Berhad in 2010 and was successful in signing a project to construct three UiTM campus faculties in a Private Finance Initiative (PFI).

Besides being a member of the Board of Directors of PWS, he has also been appointed Chairman of MAIS Zakat Sdn Bhd.

He holds a Bachelor's Degree (Hons) from the University of Malaya, Management Development Programme (MDP) from the Asian Institute of Management (AIM), Metro Manila, Filipina and Advanced Management Programme (AMP) from the University of Hawaii, USA.





YB DATIN MASTURA BINTI TAN SRI DATO' MOHD YAZID

Member of Corporation

Datin Mastura binti Tan Sri Mohd Yazid was appointed as a PRIMA Member of Corporation on 30 August 2016.

She is a lawyer and Member of Parliament for Kuala Kangsar. She has 30 years of experience as an Advocate and Solicitor.

In 1986, she founded the firm Yaziid Baba & Partners. She was certified as a professional mediator (Bar Council) and appointed as a public notary in 2006.

Datin Mastura has a Bachelor's Degree in Law from University of Kent, United Kingdom and a Diploma in Syariah from the International Islamic University Malaysia. She is also a Council of Legal Education School of Law, Inns of Court, London (Bar-at-Law).

YBHG DATO' DR YUSOF BIN ISMAIL

Member of Corporation

Dato' Dr Yusof bin Ismail was appointed as a PRIMA Member of Corporation on 30 September 2016.

He is currently the Under Secretary Strategic Investment Division, Ministry of Finance, Malaysia (MOF) and has been attached to MOF since 1988, holding various positions in the Ministry of Finance as well as had served in the Ministry of Rural and Regional Development and Economic Planning Unit, Prime Minister's Department Malaysia and was assigned as the Deputy Chief Executive Officer of Langkawi Development Authority (LADA). Dato' Dr Yusof has also represented the Ministry of Finance in the Board of Directors of FELDA, AgroBank, MRL Sdn Bhd, SSER Sdn Bhd, the Investment Panel of KWAP and Danainfra Nasional Bhd.

He holds a Ph.D (Community Economic Development) from Universiti Putra Malaysia and Master in Development Economics from Williams College Massachusetts, USA. He also obtained his Bachelor of Economics (Hons) from University Malaya and Diploma in Public Administration from National Institute of Public Administration (INTAN), Malaysia.





YBRS EN MUHAMMAD AMMIR BIN HARON

Member of Corporation

En. Muhammad Ammir bin Haron was appointed as a PRIMA Member of Corporation on 14 October 2016. He is now working as the Director of Policy and Research Division at the Prime Minister's Department.

Now onto his 13th year in public service, he began his career as a trainee auditor at KPMG Malaysia, before being appointed as an Administrative and Diplomatic Officer (PTD) at the Ministry of Entrepreneur and Cooperative Development in 2004. After 4 years, he became Special Officer for Economy at the Deputy Prime Minister's Department in 2008, and then at the Prime Minister's Department, where he is currently posted.

He is active in the cooperative sector as Chairman of the Koperasi Profesional Putrajaya Berhad (KOPROJAYA) which counts more than 1,400 young public service professionals as its members.

Muhammad Ammir Haron holds a Master's Degree in Economy from Universiti Kebangsaan Malaysia, a Bachelor's Degree in Accounting and Finance from the University of Sheffield, United Kingdom, and a Diploma in Civil Administration from the National Institute of Civil Administration (INTAN).



MANAGEMENT TEAM' PROFILES



**YBHG DATO' AR. AMINUDDIN
BIN ABDUL MANAF**

Chief Operation Officer



**YBRS MOHD NAZRI
BIN MD. SHARIFF**

Chief Financial Officer



**YBRS MOHAMED ROSLAN
BIN ISMAIL**

Chief Marketing Officer

YBHG DATO' AR. AMINUDDIN BIN ABDUL MANAF

Chief Operation Officer

Dato' Ar. Aminuddin bin Abdul Manaf has 24 years of experience as a consultant architect and interior designer for the private and public sectors.

He began his career at Carl Safe Design Consultants in the United States of America, before returning to Malaysia and joining Alizar Architects. He was certified as a professional architect by the Malaysian Architect Board (LAM) in 1992.

Dato' Ar. Aminuddin holds a Master's Degree in Architecture from Washington University, St. Louis, USA, and a Bachelor's Degree in Architecture from Iowa State University, USA. He is also a member of the Malaysian Institute of Interior Designers and the Malaysian Institute of Architects.



YBRS MOHD NAZRI BIN MD. SHARIFF

Chief Financial Officer

Mohd Nazri bin Md. Shariff was appointed as Chief Financial Officer on 18 July 2016.

Before joining Perbadanan PRIMA Malaysia, he was Chief Financial Officer at Tradewinds (M) Berhad and Padiberas Nasional Berhad. He began his career at Clarke Walker Chartered Accountants in the United Kingdom, where he worked until 1994. He then returned to Malaysia and worked at organisations such as the Bank of Commerce (M) Berhad, Amanah Capital Group and a subsidiary company of MMC Corporation Berhad.

He has more than 20 years' experience in the fields of finance and accounting. He is also a member of the Malaysian Institute of Accountants and has been certified by the Association of Chartered Certified Accountants, United Kingdom.



YBRS MOHAMED ROSLAN BIN ISMAIL

Chief Marketing Officer

Mohamed Roslan Ismail was appointed as Chief Marketing Officer of Perbadanan PRIMA Malaysia on 1 March 2016.

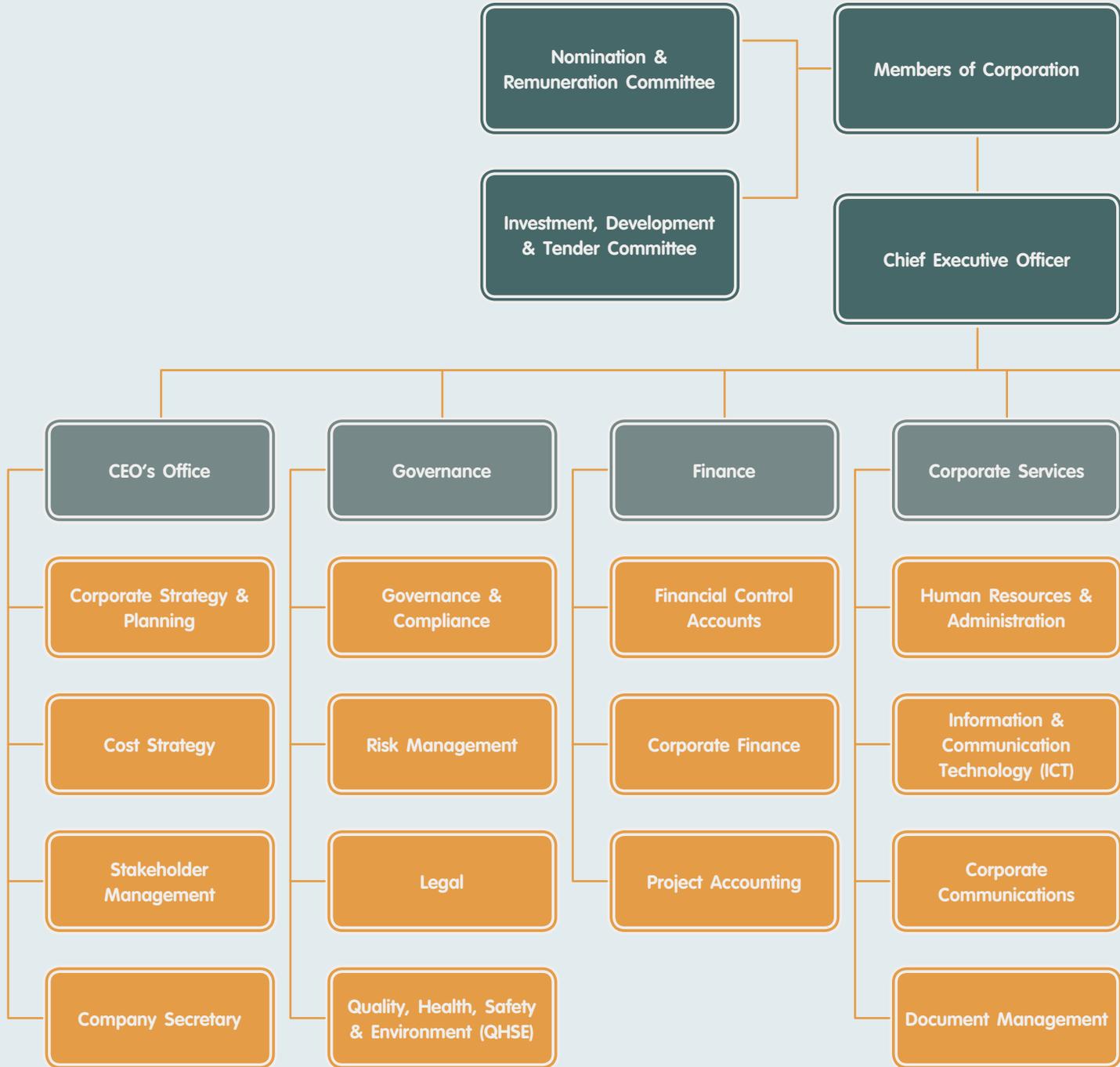
He had previously been an entrepreneur and Managing Director at one of Malaysia's largest prepaid distributors for 10 years. He was given the responsibility of preparing strategic planning, increasing company performance and managing the day to day operations of a company with 21 branches and 250 employees.

He has had more than 17 years of experience working at an international company (MNC), where he held several key positions in the Sales and Marketing, Customer Services Management, and Logistics & Supply Network Management Divisions.

He holds an MBA and a Bachelor's Degree in Distribution Management from the University of Western Illinois, USA, and also an Executive Development Program (PED) from the University of Lausanne (IMD), Switzerland.



ORGANISATIONAL STRUCTURE



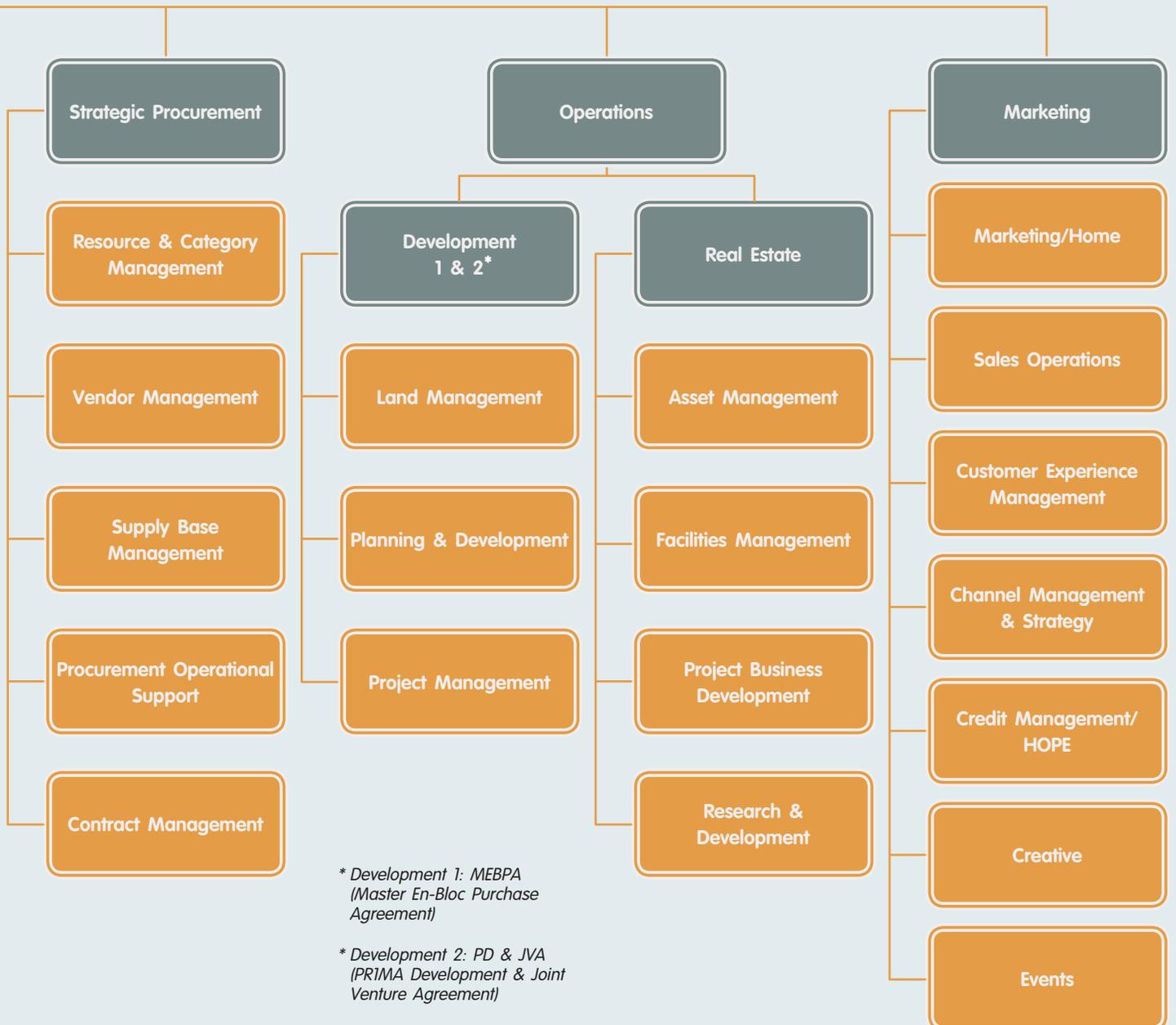
Section

Department



Audit & Risk Management Committee

Internal Audit



* Development 1: MEBPA (Master En-Bloc Purchase Agreement)

* Development 2: PD & JVA (PRIMA Development & Joint Venture Agreement)

PRIMA NOTCHING UP SUCCESSES IN 2016

PRIMA @ Kampar



PRIMA @ Bandar Meru Raya

DETERMINATION TO COMPLETE THE MISSION

PRIMA's products that came out in 2016 displayed the characteristics and ambitions that have been meticulously planned since its inception.

The 1,320 unit apartment block of PRIMA@Bintawa Riverfront which was built on the banks of Sungai Sarawak, for example, showcases PRIMA's efforts in building a community as well as the natural beauty of the surrounding area. Rivers that criss-cross busy cities as effortlessly as its meandering lonely journey through thick jungles are God's gift to us, and so are waterfalls, lakes, beautiful beaches and lush greeneries. PRIMA is determined to get the rakyat closer to the nation's green treasures without having to make burdensome investments.

APART FROM BALANCING THE LOVE FOR NATURE AND CURRENT NEEDS, ALL PRIMA HOMES HAVE THE SAME LEVEL OF FACILITIES, REGARDLESS OF WHETHER THEY ARE LOCATED IN SUBURBAN AREAS LIKE KAMPAR, IN CITIES OR EVEN IN GREATER KUALA LUMPUR LIKE BANDAR BUKIT MAHKOTA.

There is no denying that there are housing estates offering resort-like living standards. However, for the majority of the rakyat, such products are beyond their means.

As the vehicle of national housing transformation, PRIMA would like to see PRIMA Homes embracing the greeneries. PRIMA also highlights nearby nature-oriented recreational centres to our home buyers to promote the love for nature. For example, PRIMA@Bandar Meru Raya is only 7.4km from Gunung Lang Recreational Park, while PRIMA@Kamunting is just next to the popular green parks of Taiping. PRIMA Homes in Tapah is near the starting point for those who want to climb up Cameron Highlands.

PRIMA@Alam Damai also encompasses the characteristics and concept of PRIMA city homes where residents enjoy soothing calmness of the rooftop and sky gardens.

Apart from balancing the love for nature and current needs, all PRIMA Homes have the same level of facilities, regardless of whether they are located in suburban areas like Kampar, in cities or even in Greater Kuala Lumpur like Bandar Bukit Mahkota.



PRIMA @ Alam Damai

Residents of Kamunting, Kota Marudu, Cyberjaya and Kuala Perlis will enjoy the same opportunities and facilities. To promote a family centred culture, PRIMA Homes have facilities such as childcare centres, playgrounds and community halls. In places where we are not able to build community, we will provide at least a meeting room for the community to use. Every PRIMA community is gated or guarded and monitored by a network of closed-circuit television (CCTV) cameras.

PRIMA@Borneo Cove which is situated in the seaside town of Sandakan is equipped with kindergarten/childcare facilities, surau, playgrounds, a futsal court and a multi-purpose hall.

It is clear that a healthy lifestyle is also part of PRIMA's priorities. In Bandar Bukit Mahkota for example, there are badminton and basketball courts, a gymnasium and playground.



PRIMA AND THE COMPLETION OF THE NATIONAL TRANSPORTATION INFRASTRUCTURE AND SYSTEM

If 2015 was the year the ETS train and North-South KTM Commuter were launched, 2016 witnessed their warm reception by local residents. PRIMA took the opportunity to plan its developments in locations near the KTM train network. PRIMA@Kamunting is just 3 kilometres from Kamunting KTM station which is the heart of the KTM North Commuter from Kamunting to Padang Besar. This train service enables the residents in the Northern region to commute to work in different towns at an affordable cost.

In the Klang Valley the overall MRT, LRT, KTM Komuter and Rapid KL network will be used as a guide when determining the locations of PRIMA Homes, including the Transit-Oriented Development or TOD.

STATISTICS AND INVESTMENTS

PRIMA is a national housing development programme with the biggest number of houses in the history of our country. As at 31 March 2017 a total of 8,475 units of houses have been completed.

In the same period, 136,609 units are in various stages of construction. Although Melaka is the second smallest state in Malaysia, it recorded the highest number of PRIMA homes under construction with 22,514 units. High demands and the feasibility of proposed projects contributed to this achievement. One of the main PRIMA projects in Melaka is the 600-unit apartment block of PRIMA@Melaka Tengah 1 right smack in the centre of Melaka Historic City with prices from RM203,400.

Next to Melaka is Sabah with 18,554 units, followed by Johor (11,997), Selangor (11,995) and Pulau Pinang (11,700).

Behind these figures is the fact that PRIMA Homes offer high-potential investment opportunities. This can be clearly seen at PRIMA@Tebrau which offers 1,284 apartment units with prices starting from RM169,000. When compared with the current prices of houses in Johor Bahru this rate is something that Malaysians dream of. PRIMA@Tebrau is suitable for all levels of society especially those who want a city location that operates 24 hours a day. Youths and those who are just starting a family with one or two kids are highly encouraged to own a housing asset here.

As at 31 March 2017 PRIMA's Members of Corporation had approved 265,033 units of homes. This means some of these projects are at the local government's planning and approval stage. Selangor (47,312 units) and Sabah (37,308 units) are the two top states with the most PRIMA development projects.



PRIMA @ Kamunting

FOR THIS PURPOSE PR1MA HAD INTRODUCED SEVERAL UNIFYING ELEMENTS BEGINNING WITH THE SHARING OF A COMMON ADDRESS AND WELL-KNOWN BRAND, THAT IS PR1MA. THE PR1MA COMMUNITY FEELS A SENSE OF BELONGING UNDER THE FRAMEWORK OF PR1MA WHICH IS BASED ON THE NATIONAL SPIRIT. THE PR1MA BRAND IS NOT BURDENED BY CONSTRAINTS, OBSTACLES OR EVEN RACIAL DEFINITION AND BACKGROUND.

PR1MA @ Tebrau



BUILDING COMMUNITIES

Behind the encouraging statistics, the presence of PR1MA Homes in your neighbourhood will elevate the quality and status of the nation's housing scene. PR1MA aims to be the benchmark for houses that give priority to comfort, safety and close ties among neighbours.

One of the nation's biggest challenges since attaining independence is strengthening integration and the harmony of our multiracial society. Towards this end, PR1MA has the ambition of strengthening the harmony of the multicultural society through the PR1MA community concept. This is not something foreign to the people of Malaysia. The truth is that the wave of urbanisation has yet to be matched with comparable community development.

PR1MA will continue to arrange activities that promote community living.

For this purpose PR1MA introduced several unifying elements beginning with the sharing of a common address and well-known brand, that is PR1MA. The PR1MA community feels a sense of belonging under the framework of PR1MA which is based on the national spirit. The PR1MA brand is not burdened by constraints, obstacles or even racial definition and background.

In line with this ambition, the percentage breakdown of PR1MA registrations according to race closely mirrors the racial composition of Malaysia.



PR1MA @ Melaka Tengah 1

PROGRESS UPDATE

136,609

UNITS OF PRIMA HOMES IN
VARIOUS STAGES OF
CONSTRUCTION AS AT
MARCH 2017

64,239

UNITS OPEN FOR
APPLICATION AS AT
MARCH 2017



PRIMA @ Kg. Paloh



PRIMA @ Port Dickson

PROJECTS OPEN FOR APPLICATIONS AS AT MARCH 2017

TOTAL UNITS: 64,239

PERLIS

PRIMA @ Padang Siding – 231 units
PRIMA @ Kuala Perlis – 540 units

KEDAH

PRIMA @ Changlun – 384 units
PRIMA @ Simpang Empat 2 – 944 units
PRIMA @ Junjong – 580 units
PRIMA @ Kuala Ketil – 323 units
PRIMA @ Sg Petani 1 – 1,349 units
PRIMA @ Sg Petani 2 – 1,395 units
PRIMA @ Padang Meha – 244 units
PRIMA @ Simpang Kuala – 1,200 units
PRIMA @ Sungai Ular – 499 units

PERAK

PRIMA @ Sungai Siput – 957 units
PRIMA @ Fair Park – 252 units
PRIMA @ Bidor 2 – 397 units
PRIMA @ Lumut – 623 units
PRIMA @ Kampar – 609 units
PRIMA @ Sitiawan – 1,268 units
PRIMA @ Bandar Meru Raya – 1,011 units
PRIMA @ Kamunting – 525 units
PRIMA @ Kampung Paloh – 456 units
PRIMA @ Bagan Serai – 1,248 units
PRIMA @ Sungai Raia – 376 units
PRIMA @ Tapah – 647 units
PRIMA @ Falim – 616 units
PRIMA @ Gopeng – 948 units

KUALA LUMPUR

PRIMA @ Alam Damai – 2,074 units
PRIMA @ Jalan Jubilee – 543 units
PRIMA @ Brickfields – 920 units
PRIMA @ Bukit Jalil – 320 units

SELANGOR

PRIMA @ Bandar Bukit Mahkota – 650 units
PRIMA @ Kajang Utama – 566 units
PRIMA @ Bandar Teknologi Kajang – 1,530 units
PRIMA @ Cyberjaya 2 – 469 units
PRIMA @ Cyberjaya – 325 units
PRIMA @ Cyberjaya Lakefront – 1,932 units

PUTRAJAYA

PRIMA @ Presint 11, Putrajaya – 560 units

MELAKA

PRIMA @ Ayer Panas – 1,760 units
PRIMA @ A'Famosa – 755 units
PRIMA @ Pulau Sebang – 1,058 units
PRIMA @ Klebang 1 – 2,646 units
PRIMA @ Bukit Katil – 527 units
PRIMA @ Parit Melana – 1,866 units
PRIMA @ Taman Sri Gading – 554 units
PRIMA @ Durian Tunggal – 772 units
PRIMA @ Melaka Tengah 1 – 600 units
PRIMA @ Melaka Tengah 2 – 980 units
PRIMA @ Tanjung Kling 1 – 648 units
PRIMA @ Klebang 2 – 800 units
PRIMA @ Alor Gajah – 1,160 units

NEGERI SEMBILAN

PRIMA @ Senawang – 1,616 units
PRIMA @ Seremban Sentral – 1,504 units
PRIMA @ Port Dickson – 659 units
PRIMA @ Rantau – 1,013 units

JOHOR

PRIMA @ Kota Tinggi – 625 units
PRIMA @ Taman Pelangi Indah – 720 units
PRIMA @ Larkin Indah – 1,174 units
PRIMA @ Nusantara PRIMA – 201 units
PRIMA @ Bandar Layangkasa – 475 units
PRIMA @ Tebrau – 1,284 units

KELANTAN

PRIMA @ Tok Bali – 500 units
PRIMA @ Lubok Jong – 1,669 units

TERENGGANU

PRIMA @ Batu Rakit – 350 units

PAHANG

PRIMA @ D' Marina – 1,286 units
PRIMA @ Gambang 3 – 1,631 units

SABAH

PRIMA @ Sandakan City Centre – 750 units
PRIMA @ Kinarut South – 502 units
PRIMA @ Woodford Estate – 492 units
PRIMA @ Kota Marudu – 360 units
PRIMA @ Borneo Cove – 999 units
PRIMA @ Rangu – 1,300 units

SARAWAK

PRIMA @ Matang – 912 units
PRIMA @ Semenggoh – 1,260 units
PRIMA @ Bintawa Riverfront – 1,320 units



PRIMA @ Brickfields



PRIMA @
BANDAR LAYANGKASA



PRIMA @ SG PETANI 2

PR1MA @ ALAM DAMAI



PR1MA @ KG PALOH



PR1MA @ MELAKA TENGAH 2



PR1MA @ PADANG SIDING





PR1MA @ MATANG



SARAWAK

PR1MA @ CYBERJAYA
LAKEFRONT



PR1MA HOMES NATIONWIDE

NUMBER OF HOMES
SOLD AS AT 31 MARCH
2017

7,007

UNITS

NUMBER OF HOMES
BOOKED AS AT 31 MARCH
2017

9,815

UNITS



THE NUMBER OF HOUSING
UNITS APPROVED BY
PR1MA MEMBERS OF
CORPORATION AS AT
31 MARCH 2017

265,033

UNITS

- WU Northern Region
- WT Central Region
- WT Eastern Region
- WS Southern Region
- S Sabah
- S Sarawak

S

Sabah
37,308 units

S

Sarawak
17,525 units



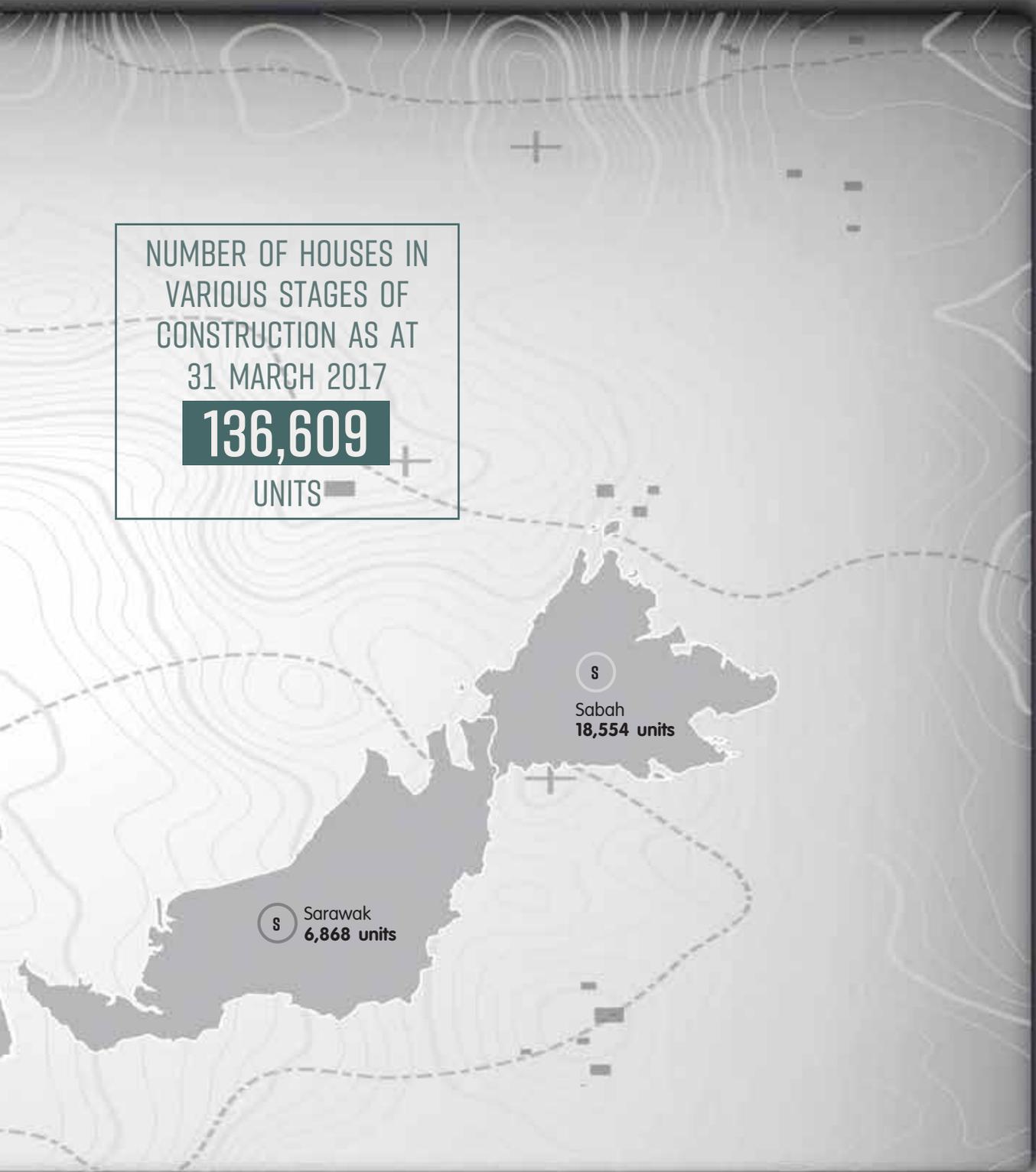
NUMBER OF HOUSES IN
VARIOUS STAGES OF
CONSTRUCTION AS AT
31 MARCH 2017

136,609

UNITS

S Sarawak
6,868 units

S
Sabah
18,554 units





NUMBER OF HOUSES
COMPLETED AS AT
31 MARCH 2017

8,475

UNITS

WU Northern Region

WT Central Region

WT Eastern Region

WS Southern Region

S Sabah

S Sarawak





AS AT 31 MARCH 2017

1,421,843

REGISTRANTS

WU Northern Region

WT Central Region

WT Eastern Region

WS Southern Region

S Sabah

S Sarawak

L Labuan

Labuan
0.10%

L

S
Sabah
4.22%

S Sarawak
4.72%





OUR BRAND



PRIMA HOMES

SUGGESTION

Home ownership

BRAND'S CORE

Freedom

CUSTOMERS' VIEW

PRIMA freed me from the shackles of rental homes and enabled me to become the owner of my dream home.

PRIMA HUB

SUGGESTION

Registration centre

BRAND'S CORE

Potential

CUSTOMERS' VIEW

PRIMA was created to fulfil the needs of those who are trapped in the middle income group like me.

PRIMA HOPE

SUGGESTION

Home ownership

BRAND'S CORE

Realisation

CUSTOMERS' VIEW

PRIMA was by my side to provide a special and attractive financing package.

PRIMA HAVEN

SUGGESTION

Privileged community programme

BRAND'S CORE

More privileges

CUSTOMERS' VIEW

PRIMA gives me the opportunity to get more privileges just by registering my interest towards their homes.

BRAND'S CORE



HOMES is the basis for the creation of PRIMA programme.

Based on the mandate to build quality and excellent homes for the middle income group in Malaysia, HOMES will become the beacon of hope for this group in their quest to own their dream homes.

HOMES will ensure every PRIMA home that is built follows the set standards, apart from catering to the tastes of this group by building modern and high quality homes in various types and sizes.

Since the target group had mostly chosen to live in town centres and suburban areas, HOMES will be built in strategic locations or nearby areas that have full access to public transportation and amenities.

In line with the increasing demands for wholesome and quality houses, HOMES not only offer comprehensive basic amenities but also some value added special details such as gated and guarded housing area, systematic child development programme and comprehensive programmes to nurture future communities.

HOMES gives the middle income group the opportunity to own a home, thus relieving them of the need to rent one. Owning a house is everyone's dream and main objective in life. As such, PRIMA is proud to help them realise their dreams.

Through HOMES, PRIMA will continue to forge ahead to strengthen its credibility as a trusted real estate developer and fulfil the market demands especially those of the target group. Apart from building quality homes, HOMES will be the start of the development of a dynamic and progressive community that has the potentials to develop into a wholesome township from the aspects of social, economic and environmental sustainability.



HUB was established to function as a connecting medium between PRIMA's customer service division and our target group in our effort to have an efficient information communication system.

HUB also plays a part in attracting the interest of our target group by offering the convenience of one-stop centres so that the registration for PRIMA homes can be done in a more customer-friendly environment.

HUB's initiatives and activities are done year round all over the nation to help Malaysians get information about various types of houses that we have put in the market.

Information gathered through HUB activities will also be used to study demands and the housing needs of our target group so that PRIMA will be able to improve our offering of homes in the future.



As a step to provide comprehensive financial solution, HOPE was established to handle the home financing problems faced by applicants who had gotten past the balloting process to get PRIMA homes.

PRIMA had established strategic collaborations with selected financial institutions to provide attractive home financing packages of up to 110% of the sales price to eligible house buyers.

PRIMA had also collaborated with Bank Negara Malaysia, Employees Provident Fund and four local banks to introduce the Flexible Financing Scheme (SPEF) that enables eligible PRIMA home buyers to pay lower monthly instalments compared to conventional financing schemes.

Those who are not eligible to get financing from financial institutions there is we have prepared an innovative hire purchase scheme. This scheme also allows applicants to rent PRIMA homes for up to 10 years while waiting for them to be able to afford buying the unit.

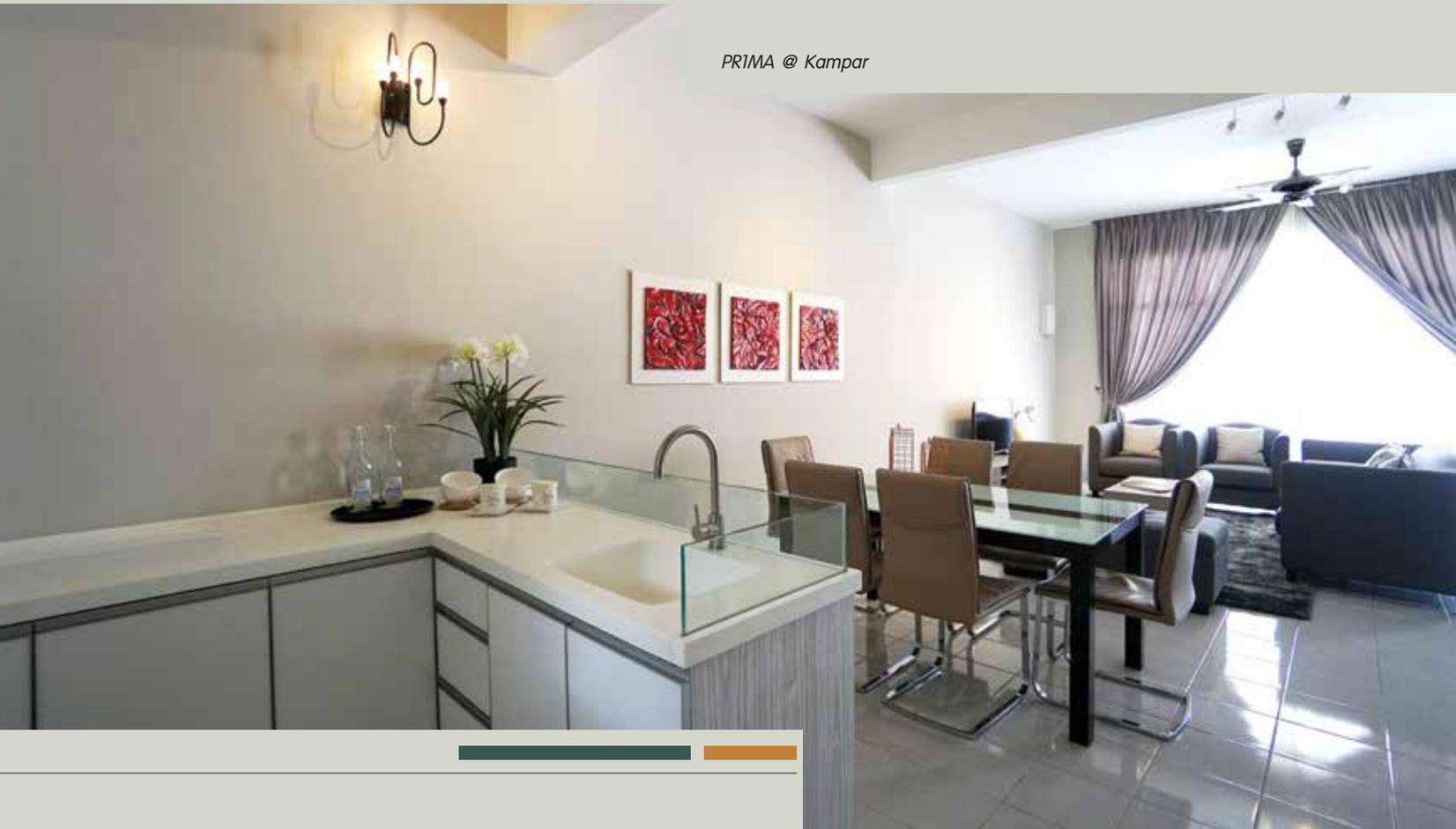
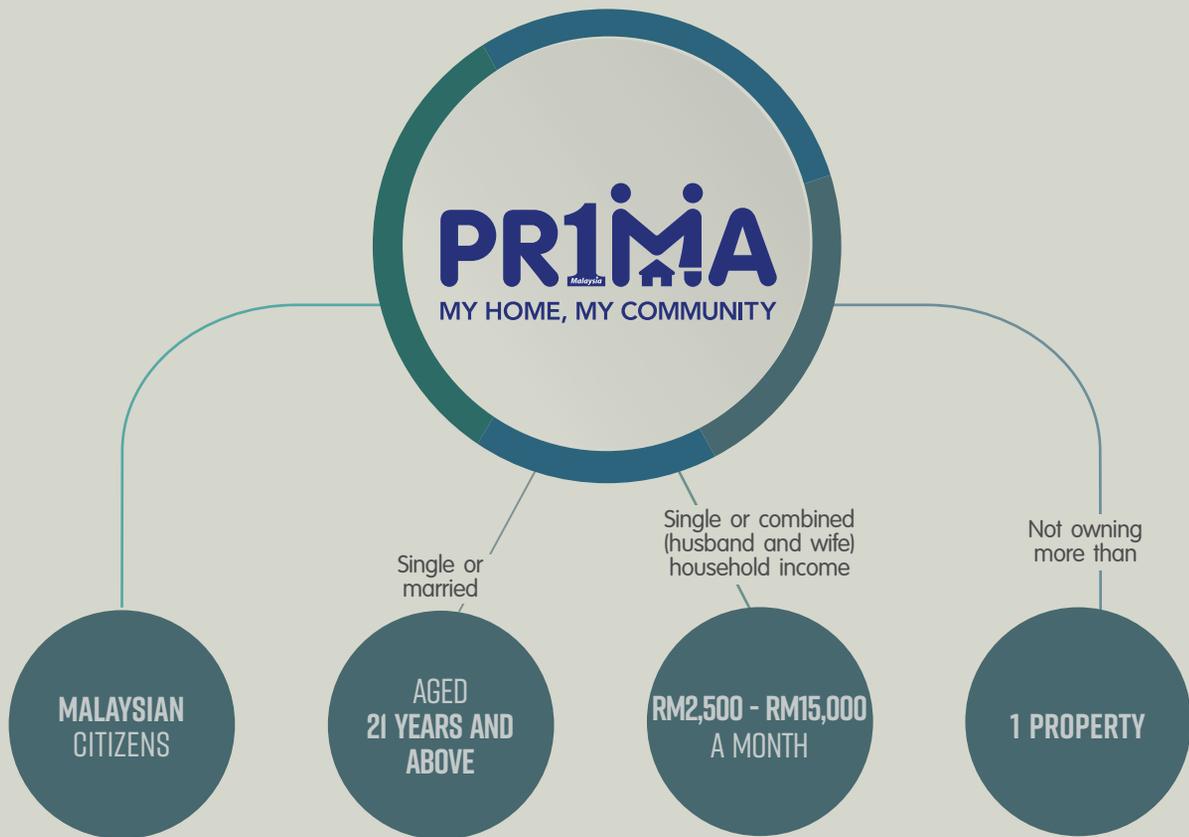
The last facility is called PRIMA Care, which offers housing insurance coverage, Owner Privilege Card and other side privileges. These facilities are offered not just as a value-added option for PRIMA home owners but also a special treat from PRIMA to all applicants.

HOPE symbolises PRIMA's strong commitment to offer comprehensive solutions in its house ownership scheme and ensure all eligible applicants can afford to own their dream home.



HAVEN is a token of our gratitude to all who had registered with PRIMA as an appreciation for their trust in the housing projects developed by PRIMA. HAVEN will also collaborate with various quarters to offer more side benefits for registrants such as discounts, special prices and other privileges for various types of products and services to fulfil different needs and lifestyle.

ELIGIBILITY CONDITIONS



PR1MA SERVICES



The journey of the middle income group (M40) with PR1MA promises a destination with the vision of a spirited community life.

As at March 2017 a total of 1.42 million Malaysians had expressed their interest by registering with PR1MA. The numbers are expected to increase further as thousands of PR1MA's products had been completed, with each location showcasing unique and creative designs with the vision of a new community life.

As a catalyst of the ambitions and visions of home buyers, PR1MA will ensure that all those who are eligible will have access to the PR1MA housing programme.

PR1MA's wide and non-discriminatory scope have resulted in encouraging applications for PR1MA Homes. As at March 2017 the number of application had reached 166,972.

The inception of PR1MA had put Malaysia at par with developed countries in providing the perfect housing for the middle income group.



If we take Britain as an example of a developed country, some 225,000 units of homes have to be built every year to cope with the demand. Unfortunately, the number of houses being offered is much lower than the demands.

We have to study the strengths and weaknesses of the international scenario in order to ensure the well-being of the rakyat. A home will not only provide a place to live in but also a comfortable residence in a peaceful environment and fulfil the personal tastes of the buyer.

In relation to that, our Government had decided that the household income eligibility ceiling be raised from RM10,000 to RM15,000, as announced in January 2017.

PR1MA is confident that those earning between RM10,001 to RM15,000 a month will start registering and applying for PR1MA Homes in the near future.

The Government's decision is another clear proof that the nation cares and is always striving to fulfil the rakyat's desires.

As such, PR1MA wants to present the opportunities to own homes as assets to all who are eligible. Please visit our website at www.pr1ma.my or come to our sales galleries in Ara Damansara and Kuching. Meet us at our PR1MA Open Day (POD) events across the nation. At the same time, PR1MA will open new sales galleries.

PRIMA OPEN DAY (POD)

PRIMA introduced the PRIMA Open Day (POD) as an initiative to facilitate the process of buying PRIMA Homes. PODs are held all over the nation and act as one-stop centres.

Representatives from financial institutions, Employees Provident Fund (EPF), Bank Negara/Credit Reports Agency, National Higher Education Fund Corporation (PTPTN) and our panel of lawyers are present at PODs to facilitate all aspects relating to the purchase of PRIMA Homes.

Those who want to check whether their credit position have been blacklisted can refer to the Central Credit Reference Information System (CCRIS) when they visit any POD.

PRIMA is not just a builder of homes but also functions to improve some weaknesses in the market such as the lack of houses for the middle income group, giving access to financing facilities and indirectly helps the younger generations to manage their finances wisely while making strategic investments.

FLEXIBLE FINANCING SCHEME (SPEF)

PRIMA observes that unpaid education loan and low take home pay after loan repayment and expenses deductions are among the reasons why some buyers had to cancel their intention to own a PRIMA home. To help address this problem, PRIMA have come up with a special end-financing scheme simply known as Skim Pembiayaan Fleksibel or SPEF. Firstly, this scheme acts as an enabler and secondly it is intended to lighten the burden of PRIMA home buyers.

More specifically, SPEF opens up the opportunity for the rakyat to get bigger loans compared to conventional loans, plus monthly repayment amounts that are not burdensome.

THIS FINANCIAL MANOEUVRING SPACE AND OPPORTUNITY IS A HUGE INCENTIVE FOR BUYERS AT A TIME WHEN THEY ARE STRUGGLING TO BUILD THEIR LIFE AND INCREASE THEIR INCOME.



PRIMA Open Day for PRIMA @ Alam Damai housing project at the PRIMA sales gallery

SPEF GIVES EACH BUYER TWO OPTIONS

For example, a buyer with a monthly income of RM2,500 would qualify for a RM95,000 conventional loan with a monthly instalment of RM448.

The first option is a loan of RM116,700 with the same monthly instalment, i.e RM448 for the first five years. This is interest payment. Payment on the principal will begin from the sixth year. The instalments are lower than the rental rates of a comparable house in major towns and this is true not just for the repayment figures of the first five years but also for the subsequent periods. At the same rate of payment buyers could own a high-value investment asset.

This financial manoeuvring space and opportunity are huge incentives for buyers at a time when they are struggling to build their life and increase their income.

The second option enables a buyer with the same monthly income, i.e RM2,500, to get a much bigger loan of RM162,000 after taking into account the funds available in the buyer's EPF Second Account. As with the first option, the buyer will only need to pay the interests of the loan in the first five years.

This scheme is the result of our collaboration with Bank Negara Malaysia, EPF and four local banks, namely Maybank, CIMB, RHB and Ambank.

PRIMA will continue to approach our target group (M40) to explain the facilities provided under SPEF. PRIMA will also monitor the rate at which houses are handed over to customers so that more people will benefit from our housing programme.

PRIMA's message to our target group – grab this opportunity.

PR1MA'S CONTRIBUTIONS TO THE HOUSING INDUSTRY AND ECONOMY

As a mega-scale national programme with the target of building 500,000 units of homes, PR1MA showed its first impact in 2016.

The PR1MA office at Ara Damansara, Petaling Jaya received streams contractors, entrepreneurs, supplier companies, leaders in new construction system, consultants, architects, professionals from all fields, from quantity surveying to engineering and landscaping.

After that, the projects approved by PR1MA Members of Corporation were translated into concrete forms in PR1MA construction sites all over Malaysia and now the rakyat and our target group (M40) can see for themselves what PR1MA is about.

With the increased of approved PR1MA housing units in the near future, the spark will soon turn into an explosion of activities.

In our efforts to put plans into reality, PR1MA practices an open, transparent and systematic policy. Young graduates or firms that have been in operation for a long time will be treated equally. Realising hundreds of new PR1MA communities needs the combination of the best ideas, concepts and local expertise.

Putting meritocracy into practice requires the registration of any companies that want to be our vendor. Next, all the procurement processes have to be adhered to down to the last details so that all who are eligible and have brilliant ideas will be given the opportunity to contribute towards improving an important branch of the national design culture.



Majlis Meraikan Komuniti PR1MA @ Kedah bersama YAB Perdana Menteri Malaysia, Datuk Seri Najib Tun Razak



PR1MA @ Sungai Petani 2

THE SIZE AND SCOPE OF PR1MA PROJECTS MEAN:

- Local firms and expertise have a chance to build up their capacity so that they could later take part in large housing projects in other countries;
- The expansion of the housing industry spearheaded by PR1MA will create new employment and business opportunities;
- Trickle-down effect for the nation's economy. For example, the home décor, furniture and other related industry will be more vibrant;
- Land use will be optimised; and
- Real estate assets ownership accumulated value worth billions of ringgit.

OUR WORKFORCE



WORKFORCE IS OUR RECIPE FOR SUCCESS

PRIMA's growing venture into the national housing industry is supported by a committed workforce that face all challenges bravely.

In comparison to other established developers, in terms of staff numbers, PRIMA operates with a lean workforce. However, with minimal staff number PRIMA is still able to achieve its objectives as at PRIMA we are committed to fostering conducive work environment that enables staff to thrive to improve lives at the heart of everything that we do. Our people are one of our unique strengths and each one of our employees is instrumental in PRIMA's success.

Staff at PRIMA are geared in achieving the national objective of providing reasonably-priced quality homes to the nation. The staff are willing to sacrifice with lower pay and benefits as compared to profit oriented organisation due to their commitment and dedication towards nation building.

They shoulder various roles and were trained to be excellent in multi-tasking while practising ethical work culture, always patient and determined while facing the rigours of their job.

It is a great achievement to PRIMA staff seeing the potential buyers and their families able to own PRIMA Homes which at the same time making progress of their lifestyle staying in a home with harmonious community environment.

This is aligned to dedicated workforce coupled with staff of great experience who work with prudence and full of energy and innovative.

The staff are encouraged to generate and give innovative ideas with direction and guidance by the seniors and experienced staff to the fresh and young ones.

This combination is often seen at our construction sites when they examine and monitor the progress of the projects together while discussing with the contractors' staff.

The senior or experienced staff continuously provide new innovative ideas and proposals with up-to-date construction with improved ecosystem and community maintenance. Their maturity is also needed in marketing and sharing of information in various forums and they are also encouraged to conduct market research.

The younger workforce are encouraged to bring about novel ideas on how to do things differently and effectively without compromising our standard operating procedures.

Regardless of their core duties, everyone in the PRIMA workforce is able to approach our target group, those with household income between RM2,500 and RM15,000, to give fact-based explanation about our programme and products.

In line with the government's aspirations 'rakyat comes first', PRIMA staff are committed to ensure the achievement of this aspiration. The ability to capture growth depends on our staff, their adjustment with corporate objectives, a sense of common purpose and a belief that their role in PRIMA is making a positive contribution.

Succession management is key to the continuous sustainability of the organisation. Strong leadership plays a pivotal role and it is the responsibility of each leader to develop and nurture their subordinates.

At the same time, it is our hope that the younger staff will improve themselves so that they can take the helm and become leaders of the future.

It is also the responsibility of the junior staff to improve their capabilities and keep on generating new ideas.

The Human Capital focuses on the technical and behavioural competencies of all staff. The staff are exposed to the latest training and development methodology, technologies and new directions in the housing industry to upscale their competencies.

Our journey had just started and all our objectives will only be realised with the support and relentless efforts of our workforce.

CORPORATE HIGHLIGHTS



23
FEBRUARY
2016

11-13
MARCH
2016



2015

15 JANUARY 2015

PRIMA launched 7 projects across Malaysia in the first quarter of this year – Alam Damai, Kuala Lumpur; Bandar Meru Raya, Perak; Sg Petani 1, Kedah; Kuala Ketil, Kedah; Bandar Layangkasa, Johor; Tebrau, Johor dan Melaka Tengah 1, Melaka

27 JANUARY 2015

PRIMA leads the innovation drive in the real estate industry by adopting the Building Information Modelling (BIM) technology

4 FEBRUARY 2015

PRIMA boosts its welfare efforts by a collaboration between PRIMA Cares and Universiti Malaya

7 MARCH 2015

The first house keys of PRIMA Homes were presented to home owners at PRIMA @ Putrajaya, Presint 11

15 MARCH 2015

PRIMA held a media visit to the site of PRIMA @ Sg Petani 1

20 APRIL 2015

The first PRIMA roadshow at the Royal Malaysian Police headquarters in Bukit Aman to present the opportunity to own PRIMA Homes to those in the police force

15 JUNE 2015

13 more PRIMA projects were launched in Kuala Lumpur, Perak, Kedah, Melaka, Johor and Sabah in the second quarter of 2015

27 JUNE 2015

PRIMA inks agreement with Housing and Town Development Board (LPPB) and Visaland Sdn Bhd to develop PRIMA @ Kinarut, Sabah

11 JULY 2015

Balloting for units at PRIMA @ Cyberjaya 1

10-11 AUGUST 2015

PRIMA organised a workshop for major consumer groups

13 AUGUST 2015

PRIMA nurtures two-way communication by having its first town hall session with housing developers

21 AUGUST 2015

PRIMA and Maybank inks agreement for the Bridging Loan Facility worth RM3.0 billion

21 AUGUST 2015

PRIMA Homebuyer Assistance Programme was launched

16-18 OCTOBER 2015

PRIMA Homes Expo 2015 @ Sg Petani, Kedah witnessed the balloting for 2,120 units of homes

19
NOVEMBER
2016



17
JANUARY
2017



08
FEBRUARY
2017



2016

2017

30 OCTOBER – 1 NOVEMBER 2015

PRIMA Homes Expo 2015@ Melaka was held to encourage more applications

11 NOVEMBER 2015

PRIMA and the Malaysian Institute of Architects (PAM) find new talents in the local architectural industry through the Graduates' Architectural Ideas Competition PRIMA-PAM 2015/16

27-29 NOVEMBER 2015

PRIMA Homes Expo 2015 @ Kuala Lumpur recorded 50,000 visitors in the span of three days

27 NOVEMBER 2015

PRIMA inks an agreement with PERMATA to develop PRIMA's children and teenagers programme

11-13 DECEMBER 2015

The PRIMA Homes Expo 2015 tour continues on at the Johor Affordable Homes Expo in Johor Bahru

23 FEBRUARY 2016

PRIMA-PAM feted young talents of the architectural industry at the prize presentation ceremony to winners of Graduates' Architectural Ideas Competition PRIMA-PAM 2015/16

11-13 MARCH 2016

912 units of houses in Matang were balloted in conjunction with the Kuching PRIMA Homes Expo. PRIMA's mobile application was also launched here to make registration easier

6 APRIL 2016

PRIMA and TNB signed an agreement to build PRIMA homes in Kajang

19 NOVEMBER 2016

Launching ceremony of PRIMA's office and sales gallery in Sarawak

17 JANUARY 2017

House keys presentation ceremony by the Prime Minister to home owners at PRIMA @ Sg Petani 1 dan PRIMA @ Sg Petani 2

8 FEBRUARY 2017

Agreement signing ceremony for the establishment of PERMATA-PRIMA Childcare Centre and PERMATA Perkasa Community between PERMATA Negara and Perbadanan PRIMA Malaysia

13 FEBRUARY 2017

Press conference about PRIMA Flexible Financing Scheme (SPEF)

29 MARCH 2017

Townhall session with Bumiputera vendors



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79	Statement of Profit or Loss and Other Comprehensive Income
80	Statement of Changes in Equity
81	Statement of Cash Flows
82	Notes to the Financial Statements
103	Financial Overview and Analysis

A photograph of two men in business suits sitting at a desk, looking at a laptop and documents. The image is overlaid with a semi-transparent teal filter. The text 'FINANCIAL STATEMENTS' is centered in a white box over the lower half of the image.

FINANCIAL STATEMENTS



**REPORT OF THE AUDITOR GENERAL
ON THE FINANCIAL STATEMENTS OF
PR1MA CORPORATION MALAYSIA
FOR THE YEAR ENDED 31 DECEMBER 2016**

Report on the Audit of the Financial Statements

Opinion

I have audited the Financial Statements of PR1MA Corporation Malaysia and of the Group, which comprise the Statements of Financial Position as at 31 December 2016 and Statements of Profit Or Loss And Other Comprehensive Income, Statements of Changes in Equity and Statements of Cash Flows for the year then ended, and notes to the financial statements, including summary of significant accounting policies as set out on pages 3 to 47.

In my opinion, the accompanying financial statements give a true and fair view of the financial position of the PR1MA Corporation Malaysia and of the Group as at 31 December 2016, and of their financial performance and their cash flows for the year then ended in accordance with the approved financial reporting standards in Malaysia and 1Malaysia People Housing Act 2012 (Act 739).

Basis for Opinion

I conducted the audit in accordance with the Audit Act 1957 and The International Standards of Supreme Audit Institutions. My responsibilities under those standards are further described in the Auditors' Responsibilities for the Audit of the Financial Statements section of my report. I believe that the audit evidence I have obtained is sufficient and appropriate to provide a basis for my opinion.

Independence and Other Ethical Responsibilities

I am independent of the PR1MA Corporation Malaysia and of the Group and I have fulfilled the other ethical responsibilities in accordance with the The International Standards of Supreme Audit Institutions.

Information Other than the Financial Statements and Auditors' Report Thereon

Member of Corporation is responsible for the other information in the Annual Report. My opinion on the financial statements of PR1MA Corporation Malaysia and of the Group does not cover the information other than the financial statements and auditors' report thereon and I do not express any form of assurance conclusion thereon.

Responsibilities Members of Corporation for the Financial Statements

Members of Corporation are responsible for the preparation of financial statements of PR1MA Corporation Malaysia and of the Group that give a true and fair view in accordance with approved financial reporting standards in Malaysia and 1Malaysia People Housing Act 2012 (Act 739). The Members of Corporation are also responsible for such internal control as members determine is necessary to enable the preparation of the financial statements of PR1MA Corporation Malaysia and of the Group that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements of PR1MA Corporation Malaysia and of the Group, the Members of Corporation are responsible for assessing PR1MA Corporation Malaysia and of the Group's ability to continue as a going concern, disclosing it if relevant and using it as an accounting basis.

Auditors' Responsibilities for the Audit of the Financial Statements

My objectives are to obtain reasonable assurance about whether the financial statements of PR1MA Corporation Malaysia and of the Group as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditors' report that includes my opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with The International Standards of Supreme Audit Institutions 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 The International Standards of Supreme Audit Institutions, I exercise professional judgement and maintain professional skepticism throughout the audit. I also:

- a. Identify and assess the risks of material misstatement of the financial statements of the PR1MA Corporation Malaysia and group 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 my 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.

- b. 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 PR1MA Corporation Malaysia and of the Group's internal control.
- c. Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the Members of Corporation.
- d. Conclude on the appropriateness of the Members of Corporation 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 PR1MA Corporation Malaysia or the Group's ability to continue as a going concern. If I conclude that a material uncertainty exists, I have to draw attention in my auditors' report to the related disclosures in the financial statements of PR1MA Corporation Malaysia and of the Group or, if such disclosures are inadequate, to modify my opinion. My conclusions are based on the audit evidence obtained up to the date of auditors' report.
- e. Evaluate the overall presentation of the financial statements of Members of Corporation and of the Group, including the disclosures that achieves fair presentation.
- f. Obtain sufficient appropriate audit evidence regarding the financial information of the entities and business activities within the Group to express an opinion on the financial statements of the Group. I am responsible for the direction, supervision and performance of the group audit. I remain solely responsible for my audit opinion.

I communicate with the Members of Corporation regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control identified during my audit.

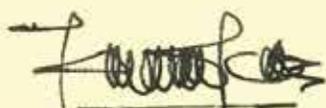
Report on Other Legal and Regulatory Requirements

In accordance with the requirements of 1Malaysia People Housing Act 2012 (Act 739), I also report the following:

- a. In my opinion, the accounting and other records required by the Act to be kept by Corporation PR1MA Malaysia and its subsidiaries of which I have acted as auditors have been properly kept in accordance with the provision of the Act 739.
- b. I have considered the accounts and the auditors' reports of all the subsidiaries of which I have not acted as auditor, which are indicated in note 5 the financial statements, being accounts that have been included in the consolidated accounts.
- c. I am satisfied that the accounts of the subsidiaries that have been consolidated with the Corporation PR1MA Malaysia financial statements are appropriate and proper in form and content for the purposes of the preparation of the financial statements of the Group and I have received satisfactory information and explanations required by me for those purposes.
- d. The audit reports on the accounts of the subsidiaries did not contain any qualification or any adverse comment.

Other Matters

This report is made solely for the Members of Corporation and for no other purpose. I do not assume responsibility to any other person for the content of this report.



(KHALID KHAN BIN ABDULLAH KHAN)

For AUDITOR GENERAL
MALAYSIA

PUTRAJAYA
2 AUGUST 2017





PRIMA CORPORATION MALAYSIA

(PPM(S)800-12/5(35);PN(U2)2830/III)
(GAZETTED IN MALAYSIA)

DECLARATION BY THE OFFICER PRIMARILY RESPONSIBLE FOR THE FINANCIAL MANAGEMENT OF PRIMA CORPORATION MALAYSIA

I, **Mohd Nazri bin Md. Shariff**, being the officer primarily responsible for the financial management and accounting records of the **PRIMA Corporation Malaysia** do solemnly and sincerely declare that the accompanying Financial Statements which includes the Statement of Financial Position, Statement of Profit or Loss and Other Comprehensive Income, Statement of Changes in Equity, and Statement of Cash Flows in the following financial position together with the notes to the Financial Statements to the best of my knowledge and belief, are correct and I make this solemn declaration conscientiously believing the same to be true and by virtue of the provisions of the Statutory Declarations Act, 1960.

Subscribed and solemnly
declared by the abovenamed
in Petaling Jaya on 25 July 2017

Mohd Nazri bin Md. Shariff

Before me,



D-3-3-8, Solaris Dutamas
No. 1, Jalan Dutamas 1
50480 Kuala Lumpur

PRIMA CORPORATION MALAYSIA

(PPM(S)800-12/5(35);PN(U2)2830/III)
(GAZETTED IN MALAYSIA)



STATEMENT BY CHAIRMAN AND A MEMBER OF CORPORATION

We, **Tan Sri Datuk Seri Dr. Alies Anor bin Abdul** and **Dato' Abdul Mutalib bin Alias** as the Chairman and a Member of Corporation, do hereby state that, in the opinion of the Members of Corporation, the accompanying Financial Statements which includes the Statement of Financial Position, Statement of Profit or Loss and Other Comprehensive Income, Statement of Changes in Equity and Statement of Cash Flows, as follows together with the notes to the Financial Statements are drawn up so as to give a true and fair view of the state of affairs of the **PRIMA Corporation Malaysia** as at 31 December 2016 and of the results of its operation and changes in financial position for the year ended on that date.

On behalf of Members of Corporation,

TAN SRI DATUK SERI DR. ALIES ANOR BIN ABDUL

Chairman

Date: 25 July 2017

DATO' ABDUL MUTALIB BIN ALIAS

Chief Executive Officer

Date: 25 July 2017



STATEMENT OF FINANCIAL POSITION

AS AT 31 DECEMBER 2016

	Note	Group		Corporation	
		2016 RM	Restated 2015 RM	2016 RM	Restated 2015 RM
Non-Current Assets					
Plant and Equipment	3	9,846,594	10,518,185	8,840,975	10,515,404
Land Held for Property Development	4	1,093,975,630	941,734,716	1,049,095,888	915,105,437
Investment in Subsidiaries	5	–	–	3,000,012	3,000,008
Investment in Associate	5	–	–	4	4
Total Non-Current Assets		1,103,822,224	952,252,901	1,060,936,879	928,620,853
Current Assets					
Inventory and Work In Progress	6	62,646,282	–	62,646,282	–
Property Development Cost	7	4,398,904,862	1,764,510,275	4,200,112,189	1,764,440,142
Trade Receivables	8	195,101,909	–	195,101,909	–
Other Receivables	9	17,753,786	13,064,142	262,165,820	40,422,381
Deposits with Financial Institutions	10	79,995,998	56,922,922	79,995,998	56,922,922
Cash and Bank Balances		61,231,854	46,441,800	52,251,927	43,423,655
Total Current Assets		4,815,634,691	1,880,939,139	4,852,274,125	1,905,209,100
TOTAL ASSETS		5,919,456,915	2,833,192,040	5,913,211,004	2,833,829,953
Equity					
Development and PFI Fund	11	3,764,800,000	2,194,800,000	3,764,800,000	2,194,800,000
Contributions Account		136,061	136,061	136,061	136,061
Accumulated Surplus		45,963,254	51,108,192	47,599,435	51,918,039
Total Equity		3,810,899,315	2,246,044,253	3,812,535,496	2,246,854,100
Non-Current Liability					
Bank Loans	12	204,440,942	100,373,479	204,440,942	100,373,479
Total Non-Current Liability		204,440,942	100,373,479	204,440,942	100,373,479
Current Liabilities					
Trade Payables	13	874,227,852	151,953,860	873,573,220	151,953,860
Other Payables	14	20,972,602	334,820,448	13,745,142	334,648,514
Bank Loans	12	1,008,916,204	–	1,008,916,204	–
Total Current Liabilities		1,904,116,658	486,774,308	1,896,234,566	486,602,374
TOTAL EQUITY AND LIABILITIES		5,919,456,915	2,833,192,040	5,913,211,004	2,833,829,953

Attached notes are to be read as part of this financial statements.

STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME

FOR THE YEAR ENDED 31 DECEMBER 2016

	Note	Group		Corporation	
		2016 RM	2015 RM	2016 RM	2015 RM
Sales		223,157,509	–	220,268,359	–
Cost of Sales		217,407,726	–	217,407,726	–
Gross Surplus/(Deficit)		5,749,783	–	2,860,633	–
Other Income:					
Operating Fund – PRIMA Bhd		–	966	–	966
Operating Fund	11	59,762,200	82,350,000	59,762,200	82,350,000
Development Fund	11	–	2,420,054	–	2,420,054
Other Income	15	9,526,357	8,022,535	9,526,357	8,017,666
		69,288,557	92,793,555	69,288,557	92,788,686
Expenditure:					
Employment Expenses		51,657,398	41,599,202	50,406,902	41,599,202
Administrative Expenses		4,466,915	3,843,049	4,449,255	3,842,370
Travelling Expenses		3,251,497	2,431,877	3,219,145	2,427,377
Professional Fees		3,566,470	6,096,716	3,312,611	5,527,655
Utilities and Communications		1,244,404	1,162,541	1,225,374	1,162,541
Repair and Maintenance		1,996,802	2,217,662	1,987,882	2,217,662
Rental Charges		4,971,225	4,176,540	4,885,729	4,176,540
Media and Advertisement		2,509,905	8,457,139	2,507,453	8,457,139
Registration, Insurance and Tax Expenses		2,407,700	1,916,232	2,275,525	1,711,062
Project Costs	16	2,197,917	2,213,531	2,197,917	2,213,531
		78,270,233	74,114,490	76,467,793	73,335,080
Surplus/(Deficit) before Tax		(3,231,893)	18,679,065	(4,318,603)	19,453,606
Tax Expense		(1,916,063)	–	–	–
Net Surplus/(Deficit)		(5,147,956)	18,679,065	(4,318,603)	19,453,606
Net Surplus/(Deficit) attributable to:					
Corporation		(4,318,603)	19,453,606	(4,318,603)	19,453,606
Subsidiaries and Associate		(829,353)	(774,541)	–	–
		(5,147,956)	18,679,065	(4,318,603)	19,453,606

Attached notes are to be read as part of this financial statements.



STATEMENT OF CHANGES IN EQUITY

FOR THE YEAR ENDED 31 DECEMBER 2016

	Development and PFI Fund RM	Contributions Account RM	Accumulated Surplus/ (Deficit) RM	Total RM
Group				
As at 31.12.2014	954,999,971	–	34,804,470	989,804,441
Changes in accounting policy on Development and PFI Fund	29	–	(29)	–
As at 31.12.2014 (Restated)	955,000,000	–	34,804,441	989,804,441
Received/(Transferred) during the year	1,239,800,000	136,061	82,350,966	1,322,287,027
Surplus/(Deficit) for the year excluding grant	(2,420,054)	–	(63,627,161)	(66,047,215)
Changes in accounting policy on Development and PFI Fund	2,420,054	–	(2,420,054)	–
As at 31.12.2015 (Restated)	2,194,800,000	136,061	51,108,192	2,246,044,253
Received/(Transferred) during the year	1,570,000,000	–	59,762,200	1,629,762,200
Surplus/(Deficit) for the year excluding grant	–	–	(64,907,138)	(64,907,138)
As at 31.12.2016	3,764,800,000	136,061	45,963,254	3,810,899,315
Corporation				
As at 31.12.2014	954,999,971	–	34,884,515	989,884,486
Changes in accounting policy on Development and PFI Fund	29	–	(29)	–
As at 31.12.2014 (Restated)	955,000,000	–	34,884,486	989,884,486
Received/(Transferred) during the year	1,239,800,000	136,061	82,350,966	1,322,287,027
Surplus/(Deficit) for the year excluding grant	(2,420,054)	–	(62,897,360)	(65,317,414)
Changes in accounting policy on Development and PFI Fund	2,420,054	–	(2,420,054)	–
As at 31.12.2015 (Restated)	2,194,800,000	136,061	51,918,038	2,246,854,099
Received/(Transferred) during the year	1,570,000,000	–	59,762,200	1,629,762,200
Surplus/(Deficit) for the year excluding grant	–	–	(64,080,804)	(64,080,804)
As at 31.12.2016	3,764,800,000	136,061	47,599,434	3,812,535,496

STATEMENT OF CASH FLOWS

FOR THE YEAR ENDED 31 DECEMBER 2016

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	Note	Group		Corporation	
		2016 RM	2015 RM	2016 RM	2015 RM
Cash Flow from Operating Activities					
Surplus/(Deficit) before tax		(3,231,893)	18,679,065	(4,318,603)	19,453,606
<i>Adjustments for:</i>					
Interest Income		(7,662,015)	(6,976,786)	(7,662,015)	(6,971,917)
Depreciation of Plant and Equipment	3	2,430,195	1,552,356	2,426,155	1,552,260
Grant Amortisation		(59,762,200)	(84,771,020)	(59,762,200)	(84,771,020)
Operating Deficit before Changes in Working Capital		(68,225,913)	(71,516,385)	(69,316,663)	(70,737,071)
Changes in Working Capital:					
Property Development Cost		(2,895,394,338)	(1,408,437,070)	(2,774,519,297)	(1,408,366,942)
Property Developments Cost (Recognised)		279,330,777	–	279,330,777	–
Inventory – Unsold Properties		(61,923,051)	–	(61,923,051)	–
Deposit and Prepayment – Operating		(4,689,645)	(10,090,766)	(221,743,439)	(37,461,045)
Deposit and Prepayment – Development		(213,432,935)	(3,917)	(135,585,436)	(3,917)
Other Payables		408,429,165	458,840,163	400,715,988	458,765,537
Interest on Bank Loans		6,607,530	373,479	6,607,530	373,479
Tax Paid		(1,916,063)	–	–	–
Net Cash used in Operating Activities		(2,551,214,474)	(1,030,834,496)	(2,576,433,591)	(1,057,429,959)
Cash Flow from Investing Activities					
Acquisition of Plant and Equipment	3	(1,758,604)	(6,689,199)	(751,726)	(6,686,322)
Acquisition of Work In Progress – Software and System	6	(723,231)	–	(723,231)	–
Acquisition of Land Held for Development		(152,240,913)	(704,771,990)	(133,990,451)	(678,142,710)
Investment in Subsidiaries		–	–	(4)	(3,000,006)
Interest from Short-Term Deposits		7,662,015	6,976,786	7,662,015	6,971,917
Net Cash used in Investing Activities		(147,060,733)	(704,484,403)	(127,803,397)	(680,857,121)
Cash Flow from Financing Activities					
Proceeds from Government Grants		1,629,762,200	1,322,150,000	1,629,762,200	1,322,150,000
Transfer of Government Grant – PRIMA Bhd		–	966	–	966
Bank Loans		1,116,968,400	100,000,000	1,116,968,400	100,000,000
Repayment of Bank Loans (Principal)		(10,592,264)	–	(10,592,264)	–
Net Cash generated from Financing Activities		2,736,138,336	1,422,150,966	2,736,138,336	1,422,150,966
Net Increase in Cash and Cash Equivalents		37,863,130	(313,167,934)	31,901,348	(316,136,115)
Cash and Cash Equivalents as at 01.01.2016		103,364,722	416,532,656	100,346,577	416,482,692
Cash and Cash Equivalents as at 31.12.2016		141,227,852	103,364,722	132,247,925	100,346,577

CASH AND CASH EQUIVALENTS

Cash and cash equivalents included in the Statements of Cash Flows comprise of the following amounts as stated in the Statement of Financial Position:

	Group		Corporation	
	2016 RM	2015 RM	2016 RM	2015 RM
Short-Term Deposits with Licensed Bank	79,995,998	56,922,922	79,995,998	56,922,922
Cash and Bank Balances	61,231,854	46,441,800	52,251,927	43,423,655
	141,227,852	103,364,722	132,247,925	100,346,577

Attached notes are to be read as part of this financial statements.



NOTES TO THE FINANCIAL STATEMENTS

1. GENERAL INFORMATION

PRIMA Corporation Malaysia was gazetted as a corporation on 19 December 2012 and started operations on 12 March 2013. The Corporation is incorporated and domiciled in Malaysia. The address of principle place of business and registered office of the Corporation is as follows:

Principal place of business and registered office:

7th Floor, Block F
No. 2, Jalan PJU 1A/7A
Oasis Square, Oasis Damansara
47301 Petaling Jaya
Selangor Darul Ehsan

PRIMA Corporation Malaysia ("PRIMA") was established under PRIMA Act 2012 to plan, develop, construct and maintain high-quality housing with lifestyle concepts for middle-income households in key urban areas. For the financial year ended 31 December 2016, all subsidiaries and associate of PRIMA reported losses and majority of the companies are dormant.

The Corporation is administered by Members of Corporation. Financial Statements for the year ended 31 December 2016 has been approved by the Members of Corporation through Circular Resolution which was circulated on 24 July 2017.

The consolidated financial statements of the Corporation as at and for the financial period ended 31 December 2016 comprise of the Corporation, its subsidiaries and associate (together referred to as "Group" and separately as "Group entity").

2. SIGNIFICANT ACCOUNTING POLICIES

The accounting policies set out below have been applied consistently to the periods presented in this financial statements.

(a) Statement of compliance

The financial statements of the Group and Corporation have been prepared in accordance with Malaysian Financial Reporting Standards ("MFRS"), International Financial Reporting Standards ("IFRS") and PRIMA Act 2012 in Malaysia.

The following are accounting standards, amendments and interpretations of the MFRS framework that have been issued by the Malaysian Accounting Standards Board ("MASB") but have not been adopted by the Corporation:

MFRSs, Interpretations and amendments effective for annual periods beginning on or after 1 July 2014:

- Amendments to MFRS 3, *Business Combinations (Annual Improvements 2010 – 2012 Cycle and 2011 – 2013 Cycle)*
- Amendments to MFRS 8, *Operating Segments (Annual Improvements 2010 – 2012 Cycle)*
- Amendments to MFRS 13, *Fair Value Measurement (Annual Improvements 2010 – 2012 Cycle and 2011 – 2013 Cycle)*
- Amendments to MFRS 116, *Property, Plant and Equipment (Annual Improvements 2010 – 2012 Cycle)*
- Amendments to MFRS 119, *Employee Benefits – Defined Benefit Plans: Employee Contributions*
- Amendments to MFRS 138, *Intangible Assets (Annual Improvements 2010 – 2012 Cycle)*

2. SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

(a) Statement of compliance (continued)

MFRSs, Interpretations and amendments effective for annual periods beginning on or after 1 January 2016:

- Amendments to MFRS 5, *Non-current Assets Held for Sale and Discontinued Operations (Annual Improvements 2012 – 2014 Cycle)*
- Amendments to MFRS 7, *Financial Instruments: Disclosures (Annual Improvements 2012 – 2014 Cycle)*
- Amendments to MFRS 10, *Consolidated Financial Statements*, MFRS 12, *Disclosure of Interests in Other Entities* and MFRS 128, *Investments in Associates and Joint Ventures – Investment Entities: Applying the Consolidation Exception*
- Amendments to MFRS 11, *Joint Arrangements – Accounting for Acquisitions of Interests in Joint Operations*
- Amendments to MFRS 101, *Presentation of Financial Statements – Disclosure Initiative*
- Amendments to MFRS 116, *Property, Plant and Equipment* and MFRS 138, *Intangible Assets – Clarification of Acceptable Methods of Depreciation and Amortisation*
- Amendments to MFRS 119, *Employee Benefits (Annual Improvements 2012 – 2014 Cycle)*
- Amendments to MFRS 127, *Separate Financial Statements – Equity Method in Separate Financial Statements*
- Amendments to MFRS 134, *Interim Financial Reporting (Annual Improvements 2012 – 2014 Cycle)*

MFRSs, Interpretations and amendments effective for annual periods beginning on or after 1 January 2017:

- Amendments to MFRS 12, *Disclosure of Interests in Other Entities (Annual Improvements to MFRS Standards 2014 – 2016 Cycle)*
- Amendments to MFRS 107, *Statement of Cash Flows – Disclosure Initiative*
- Amendments to MFRS 112, *Income Taxes – Recognition of Deferred Tax Assets for Unrealised Losses*

MFRSs, Interpretations and amendments effective for annual periods beginning on or after 1 January 2018:

- MFRS 9, *Financial Instruments (2014)*
- MFRS 15, *Revenue from Contracts with Customers*
- Clarifications to MFRS 15, *Revenue from Contracts with Customers*
- IC Interpretation 22, *Foreign Currency Transactions and Advance Consideration*
- Amendments to MFRS 1, *First-time Adoption of Malaysian Financial Reporting Standards (Annual Improvements to MFRS Standards 2014 – 2016 Cycle)*
- Amendments to MFRS 2, *Share-based Payment – Classification and Measurement of Share-based Payment Transactions*
- Amendments to MFRS 4, *Insurance Contracts – Applying MFRS 9 Financial Instruments with MFRS 4 Insurance Contracts*
- Amendments to MFRS 128, *Investments in Associates and Joint Ventures (Annual Improvements to MFRS Standards 2014 – 2016 Cycle)*
- Amendments to MFRS 140, *Investment Property – Transfers of Investment Property*

The Group and Corporation plan to apply the abovementioned accounting standards, amendments and interpretations:

- from the annual period beginning on 1 January 2015 for those amendments that are effective for annual periods beginning on or after 1 July 2014
- from the annual period beginning on 1 January 2016 for those accounting standards that are effective for annual periods beginning on or after 1 January 2016

The initial application of the accounting standards, amendments and interpretations are not expected to have any material financial impacts to the current period and prior period financial statements of the Group and the Corporation.

The Group and the Corporation fall within the scope of IC Interpretation 15, *Agreements for the Construction of Real Estate*. Therefore, the Group and the Corporation is currently exempted from adopting the MFRS and is referred to as a “Transitioning Entity”.



NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

2. SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

(b) Basis of Preparation

The financial statements was prepared in accordance with historical costs and approved accounting standards.

(c) Basis of Consolidation

(i) Business Combinations

Business combinations are accounted for using the acquisition method from the acquisition date, which is the date on which control is transferred to the Group.

Transaction costs, other than those associated with the issue of debt or equity securities, that the Group incurs in connection with a business combination are expensed as incurred.

(ii) Subsidiaries

Subsidiaries are entities, including unincorporated entities, controlled by the Corporation. The financial statements of subsidiaries are included in the consolidated financial statements from the date that control commences until the date control ceases.

Control exists when the Group is exposed, or has rights, to variable returns from its involvement with the entity and has the ability to affect those returns through its power over the entity. Potential voting rights are considered when assessing control only when such rights are substantive.

The Group considers it has *de facto* power over an investee when, despite not having the majority of voting rights, it has the current ability to direct the activities of the investee that significantly affect the investee's return.

Investment in subsidiaries is measured in Corporation's Statement of Financial Position at cost less any impairment losses. The cost of investment includes transaction costs.

(iii) Associates

Associates are entities, including unincorporated entities, in which the Group has significant influence, but not control, over the financial and operating policies.

Investment in associates are accounted for in the consolidated financial statements using the equity method less any impairment losses. The cost of the investment includes transaction costs. The consolidated financial statements include the Group's share of the profit or loss and other comprehensive income of the associates, after adjustments if any, to align the accounting policies with those of the Group, from the date that significant influence commences until the date that significant influence ceases.

When the Group ceases to have significant influence over an associate, any retained interest in the former associate at the date when significant influence is lost is measured at fair value and this amount is regarded as the initial carrying amount of a financial asset. The difference between the fair value of any retained interest plus proceeds from the interest disposed off and the carrying amount of the investment at the date when equity method is discontinued is recognised in the Statement of Profit or Loss.

2. SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

(c) Basic of Consolidation (continued)

(iv) Joint arrangements

A joint arrangements is an agreements and arrangements in which the Group has joint control, as stipulated in the contract that require unanimous consent regarding activities that will affects the distribution of profits. Joint ventures are classified and accounted for as follows:

- Joint arrangements classified as “joint operations” when the Group or the Corporation has rights to the assets and obligations for the liabilities as stated in the agreement. The Group and the Corporation consider and report on any part of the assets, liabilities and transactions, including the portion that is held or is shared by other investors, in relation to joint operations.
- Joint arrangements classified as “joint ventures” when the Group and the Corporation has the right only to the estimated net assets. Group accounts and reports its interest in the joint venture using the equity method. Investment in joint ventures are measured through the Corporation’s Statement of Financial Position at cost after impairment losses, unless the investment is classified as held for sale or distribution. The investment cost including transaction costs.

(v) Transactions eliminated on consolidation

Intra-group balances and transactions, and any unrealised income and expenses arising from intra-group transactions, are eliminated in preparing the consolidated financial statements.

(d) Financial Instruments

(i) Initial recognition and measurement

A financial asset or financial liability is recognised in the Statement of Financial Position when, and only when, the Group or the Corporation becomes a party to the contractual provisions of the instrument.

A financial instrument is recognised initially, at its fair value plus, in the case of a financial instrument not at fair value through profit or loss, transaction costs that are directly attributable to the acquisition or issuance of the financial instrument.

(ii) Financial instrument categories and subsequent measurement

The Group and the Corporation categorise financial instruments as follows:

Financial Assets

Loans and receivables

Loans and receivables category comprises debt instruments that are not quoted in an active market, deposits and cash and cash equivalents.

Financial assets categorised as loans and receivables are subsequently measured at amortised cost using the effective interest method.

All financial assets are subject to review for impairment (refer Note 2(i)(i)).

Financial Liabilities

All financial liabilities are subsequently measured at amortised cost.



NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

2. SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

(d) Financial Instruments (continued)

(iii) Derecognition

A financial asset or part of it is derecognised when, and only when the contractual rights to the cash flows from the financial asset expire or the financial asset is transferred to another party without retaining control or substantially all risks and rewards of the asset.

On derecognition of a financial asset, the difference between the carrying amount and the sum of the consideration received (including any new asset obtained less any new liability assumed) and any cumulative gain or loss that had been recognised in equity is recognised as profit or loss.

A financial liability or a part of it is derecognised when, and only when, the obligation specified in the contract is discharged or cancelled or expires. On derecognition of a financial liability, the difference between the carrying amount of the financial liability extinguished or transferred to another party and the consideration paid, including any non-cash assets transferred or liabilities assumed, is recognised as profit or loss.

(iv) Financial risk management objectives and policies

The Group and Corporation has exposure to the following risks from its use of financial instruments:

- Credit risk
- Liquidity risk

(v) Credit risk

Loans and receivables

Risk management objectives, policies and processes for managing the risk

The Group and Corporation's primary exposure to credit risk arises through its receivables. The management has an informal credit policy in place and the exposure to credit risk is monitored on an ongoing basis.

Exposure to credit risk

The maximum exposure to credit risk for the Group and Corporation is represented by the carrying amount of the receivables presented in the Statement of Financial Position. As at the end of reporting period, there was no indication that loans and receivables are not recoverable.

(vi) Liquidity risk

Liquidity risk is the risk that the Group and the Corporation will not be able to meet its financial obligations as they fall due. The Group and the Corporation's exposure to liquidity risk arise principally from its payables.

The Corporation monitors and maintains a level of cash and cash equivalents deemed adequate by management to ensure, as far as possible, that it will have sufficient liquidity to meet its liability when they fall due. The Corporation's financial liabilities as at the end of the reporting period is expected to be settled in less than one year.

(vii) Fair value of financial instruments

The carrying amount of cash and cash equivalents, deposits and other payables and accruals approximate their fair value due to the relatively short-term nature of these financial instruments.

2. SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

(e) Plant and equipment

(i) Recognition and measurement

Items of plant and equipment are measured at cost less accumulated depreciation and any accumulated impairment losses.

Cost includes expenditures that are directly attributable to the acquisition of the asset and any other costs directly attributable to bringing the asset to working condition for its intended use, and the costs of dismantling and removing the items and restoring the site on which they are located. The cost of self-constructed assets also includes the cost of materials and direct labour.

Purchased software that is integral to the functionality of the related equipment is capitalised as part of that equipment. When significant parts of an item of plant and equipment have different useful lives, they are accounted for as separate items (major components) of plant and equipment.

The gain or loss on disposal of an item of plant and equipment is determined by comparing the proceeds from disposal with the carrying amount of plant and equipment and is recognised net within "other income" and "other expenses" respectively as profit or loss.

(ii) Subsequent costs

The cost of replacing a component of an item of plant and equipment is recognised in the carrying amount of the item if it is probable that the future economic benefits embodied within the component will flow to the Group or the Corporation, and its cost can be measured reliably. The carrying amount of the replaced component is derecognised as profit or loss. The costs of day-to-day maintenance of plant and equipment are recognised in Statement of Profit or Loss as incurred.

(iii) Depreciation

Depreciation is based on the cost of an asset less its residual value. Significant components of individual assets are assessed, and if a component has a useful life that is different from the remainder of that asset, then that component is depreciated separately.

Depreciation is recognised in the Statement of Profit or Loss on a straight-line basis over the estimated useful lives of each component of an item of plant and equipment.

The estimated useful lives for the current periods are as follows:

- | | |
|--|----------|
| • IT Hardware, Software and System | 3 years |
| • Office Equipment, Furniture and Fittings | 10 years |
| • Motor Vehicles | 5 years |

Depreciation methods, useful lives and residual values are reviewed at the end of the reporting period and adjusted appropriately.

(f) Land held for property development

Land held for property development consists of land costs where no development activities are carried out or where development activities are not expected to be completed within the normal operating cycle. Such land costs are carried at cost less any accumulated impairment losses.

Costs associated with the acquisition of land include the purchase price of the land, professional fees, stamp duties, commissions, conversion fees and other relevant levies. Pre-acquisition costs are charged to profit or loss as incurred unless such costs are directly identifiable to the consequent property development activity.



NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

2. SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

(f) Land held for property development (continued)

Land held for property development costs are transferred to current asset when development activities have commenced and where it can be demonstrated that the development activities can be completed within the normal operating cycle.

(g) Property development costs

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

Where development activity can be reliably estimated, revenue and expense from property development is recognised in the Statement of Profit or Loss using percentage of completion method. The percentage of completion is derived by using the property development costs incurred for work done during the period over the estimated total property development costs.

When development activity cannot be estimated on a reasonable basis, revenue from property development is recognised only to the extent where property development costs incurred is recoverable and where property development costs on property sold are recognised as an expense in the period in which it incurred. Any expected loss on a development project, including costs to be incurred over the defects liability period will be expensed off immediately.

Current property development costs which are not recognised as expenses are recognised as asset.

The excess of revenue recognised in the Statement of Profit or Loss over accrued billings to purchasers is classified as accrued billings within trade receivables while the excess of billings to purchasers over revenue, recognised in the Statement of Profit or Loss, is classified as progress billings within trade payables.

(h) Cash and cash equivalents

Cash and cash equivalents consist of cash in hand, balances and deposits with banks which have an insignificant risk of changes in fair value.

Cash and cash equivalents are categorised and measured as loans and receivables in accordance with policy Note 2(d)(ii), *financial instrument categories and subsequent measurement*.

(i) Value impairment

(i) Financial assets

All financial assets are assessed at each reporting date whether there is any objective evidence of impairment as a result of one or more events having an impact on the estimated future cash flows of the asset. Losses expected as a result of future events, no matter how likely, are not recognised. As for investment in an equity instrument, a significant or prolonged decline in the fair value below its cost is an objective evidence of impairment.

An impairment loss in respect of loans and receivables is recognised in Statement of Profit or Loss and is measured as the difference between the asset's carrying amount and the present value of estimated future cash flows discounted at the asset's original effective interest rate. The carrying amount of the asset is reduced through the use of an allowance account.

2. SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

(i) Value impairment (continued)

(i) Financial assets (continued)

If, in a subsequent period, the fair value of a debt instrument increases and the increase can be objectively related to an event occurring after the impairment loss was recognised in Statement of Profit or Loss, the impairment loss is reversed, to the extent that the asset's carrying amount does not exceed what the carrying amount would have been had the impairment not been recognised at the date the impairment is reversed. The amount of the reversal is recognised in Statement of Profit or Loss.

(ii) Other assets

The carrying amount of other assets are reviewed at the end of each reporting period to determine whether there is any indication of impairment. If any such indication exists, then the asset's recoverable amount is estimated.

For the purpose of impairment testing, assets are grouped together into the smallest group of assets that generates cash inflows from continuing use that are largely independent of the cash inflows of other assets or cash-generating units.

The recoverable amount of an asset or cash-generating unit is the greater of its value in use and its fair value less costs of disposal. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset or cash-generating unit.

An impairment loss is recognised if the carrying amount of an asset or its related cash-generating unit exceeds its estimated recoverable amount.

Impairment losses are recognised in Statement of Profit or Loss. Impairment losses recognised in respect of cash-generating units are allocated first to reduce the carrying amount of any goodwill allocated to the cash-generating unit (group of cash-generating units) and then to reduce the carrying amount of the other assets in the cash-generating unit (group of cash-generating units) on a *pro rata* basis.

In respect of other assets, impairment losses recognised in prior periods are assessed at the end of each reporting period for any indications that the loss has decreased or no longer exists. An impairment loss is reversed if there has been a change in the estimates used to determine the recoverable amount since the last impairment loss was recognised. An impairment loss is reversed only to the extent that the asset's carrying amount does not exceed the carrying amount that would have been determined, net of depreciation or amortisation, if no impairment loss had been recognised. Reversals of impairment losses are credited to Statement of Profit or Loss in the financial year in which the reversals are recognised.

(i) Employee Benefit

Short-term employee benefit obligations in respect of salaries, annual bonuses, paid annual leave and sick leave are measured on an undiscounted basis and are expensed as the related service is provided.

A liability is recognised for the amount expected to be paid under short-term cash bonus if the Corporation has a present legal or constructive obligation to pay this amount as a result of past service provided by the employee and the obligation can be estimated reliably.

The Corporation's contribution to statutory pension funds is charged to profit or loss in the period to which they relate. Once the contributions have been paid, the Corporation has no further payment obligations.



NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

2. SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

(k) Other income

(i) Government grants

Government grants received by the Corporation are as follows:

- a) Operating Fund
- b) Development Fund
- c) Private Funding Initiative (PFI) Fund

Operating Fund is to be used to fund and ensure the survival of the Corporation's programmes and support activities. Grant for operating is recognised in Statement of Profit or Loss as other income in the same year of receipt.

Development and PFI Fund are development grant received from the Government for the development and construction of PRIMA homes. The Development and PFI Fund are treated as equity in the financial statements. Both will be maintained as equity unless otherwise approved by the Members of Corporation to transfer the funds to Operating Fund for operational purposes. The amortisation or recognition of development grant will no longer be stated in the Statement of Profit or Loss as in previous years, due to the changes in accounting policy on the treatment of development grant as stated in Note 2(n).

(ii) Interest income

Interest income is recognised as it accrues using the effective interest method in Statement of Profit or Loss.

(l) Borrowing costs

Borrowing costs that are not directly attributable to the acquisition, construction or production of a qualifying asset are recognised in Statement of Profit or Loss using the effective interest method.

Borrowing costs directly attributable to the acquisition, construction or production of qualifying assets, which are assets that necessarily take a substantial period of time to get ready for their intended use or sale, are capitalised as part of the cost of those assets.

The capitalisation of borrowing costs as part of the cost of a qualifying asset commences when expenditure for the assets is being incurred, borrowing costs are being incurred and activities that are necessary to prepare the asset for its intended use or sales are in progress. Capitalisation of borrowing costs is suspended or ceases when substantially all the activities necessary to prepare the qualifying assets for its intended use or sale are interrupted or completed.

Investment income earned on the temporary investment of specific borrowings which pending the expenditure on qualifying assets is deducted from the borrowing costs eligible for capitalisation.

(m) Income tax

Income tax expense for the period consists of current and deferred tax. Current and deferred tax are recognised in Statement of Profit or Loss except to the extent that it relates to a business combination or items, which recognised directly in equity or other comprehensive income.

2. SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

(m) Income tax (continued)

Current tax is the expected tax payable or receivable on the taxable income or loss for the period, using tax rates enacted or substantively enacted by the end of the reporting period. Deferred tax is recognised using the liability method, providing for temporary differences between the carrying amount of assets and liabilities in the Statement of Financial Position and their tax bases. Deferred tax is not recognised for the initial recognition of assets or liabilities in a transaction that is not a business combination and that affects neither accounting nor taxable profit or loss. Deferred tax is measured at the tax rates that are expected to be applied to the temporary differences when they are reversed, based on the laws that have been enacted or substantively enacted by the end of the reporting period.

Deferred tax assets and liabilities are offset if there is a legally enforceable right to offset current tax liabilities and assets, and they relate to income taxes levied by the same tax authority on the same taxable entity, or on different tax entities, but they intend to settle current tax liabilities and assets on a net basis or their tax assets and liabilities will be realised simultaneously.

A deferred tax asset is recognised to the extent that it is probable that future taxable profits will be available against which the temporary difference can be utilised. Deferred tax assets are reviewed at the end of each reporting period and are reduced to the extent that it is no longer probable that the related tax benefit will be realised.

(n) Changes in Accounting Policy

Government grant – Development Fund and PFI

Development and PFI Fund which also known as development grant, was previously recorded as equity and has been systemically recognised as other income in Statement of Profit or Loss at fair value during the same period when expenses are recognised.

With effective from 1 January 2016, the Corporation has changed its accounting policy on the treatment of development grant, from income approach to capital approach as referred to MFRS 120 (*Accounting for Government Grants and Disclosure of Government Assistance*). Retrospective restatement has been applied to the Group and Corporation's accounts to reflect the changes.

By applying this capital approach, development grant is classified as equity and not being amortised in the Statement of Profit or Loss unless otherwise agreed to classify and utilise the development fund as part of the operating fund. This will provide a better view on the financial status of PRIMA as there is no additional revenue derived from recognition of development grant into the Statement of Profit or Loss which may have reported a profit or surplus for the current year. The changes would also be able to support the cash and cash equivalents as reported in the Statement of Financial Position, should development grant and funds from bank loans have been fully utilised on property development costs in the respective year.

The changes in accounting policy has resulted to an increase in Development and PFI Fund and a decrease in Accumulated Surplus in the Statement of Financial Position as stated in Note 21.

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

3. PLANT AND EQUIPMENT

	IT Hardware, Software and System RM	Office Equipment, Furniture and Fittings RM	Motor Vehicles RM	Total RM
Group				
Cost				
As at 01.01.2015	2,269,579	2,297,009	1,060,547	5,627,135
Additional	5,251,649	1,573,611	–	6,825,260
Transferred	–	–	–	–
As at 31.12.2015/01.01.2016	7,521,228	3,870,620	1,060,547	12,452,395
Additional	1,227,710	530,894	–	1,758,604
Transferred	–	–	–	–
As at 31.12.2016	8,748,938	4,401,514	1,060,547	14,210,999
Accumulated depreciation				
As at 01.01.2015	269,244	46,081	66,529	381,854
Charge for the period	1,054,460	285,787	212,109	1,552,356
As at 31.12.2015/01.01.2016	1,323,704	331,868	278,638	1,934,210
Charge for the period	1,822,283	395,803	212,109	2,430,195
As at 31.12.2016	3,145,987	727,671	490,747	4,364,405
Carrying amount				
As at 31.12.2016	5,602,951	3,673,843	569,800	9,846,594
Corporation				
Cost				
As at 01.01.2015	2,269,579	2,297,009	1,060,547	5,627,135
Additional	5,251,649	1,570,734	–	6,822,383
Transferred	–	–	–	–
As at 31.12.2015/01.01.2016	7,521,228	3,867,743	1,060,547	12,449,518
Additional	220,832	530,894	–	751,726
Transferred	–	–	–	–
As at 31.12.2016	7,742,060	4,398,637	1,060,547	13,201,244
Accumulated depreciation				
As at 01.01.2015	269,244	46,081	66,529	381,854
Charge for the period	1,054,460	285,691	212,109	1,552,260
As at 31.12.2015/01.01.2016	1,323,704	331,772	278,638	1,934,114
Charge for the period	1,818,531	395,515	212,109	2,426,155
As at 31.12.2016	3,142,235	727,287	490,747	4,360,269
Carrying amount				
As at 31.12.2016	4,599,825	3,671,350	569,800	8,840,975

4. LAND HELD FOR PROPERTY DEVELOPMENT

	Group		Corporation	
	2016 RM	2015 RM	2016 RM	2015 RM
As at 01 January:				
Freehold land	781,302,425	236,962,726	781,302,425	236,962,726
Leasehold land	160,432,291	–	133,803,012	–
	941,734,716	236,962,726	915,105,437	236,962,726
Additions:				
Freehold land	–	551,082,187	–	551,082,187
Leasehold land	209,181,126	160,432,291	164,301,384	133,803,012
Deductions:				
Freehold land	(30,310,933)	(6,742,488)	(30,310,933)	(6,742,488)
Leasehold land	(26,629,279)	–	–	–
As at 31 December	1,093,975,630	941,734,716	1,049,095,888	915,105,437

Deductions for the year are due to refunded stamp duty (withdrawal of caveat) on land which categorised as Land Held for Development and also reclassification of land to Property Development Costs.

5. INVESTMENT IN SUBSIDIARIES AND ASSOCIATE

	Corporation	
	2016 RM	2015 RM
Investment in subsidiaries, at cost	3,000,012	3,000,008
Investment in associate, at cost	4	4
	3,000,016	3,000,012



NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

5. INVESTMENT IN SUBSIDIARIES AND ASSOCIATE (CONTINUED)

Details of the subsidiaries and associate incorporated in Malaysia are as follows:

Companies incorporated in Malaysia	Principal Activities	Effective ownership and voting rights	
		2016	2015
PRIMA Asset Management Sdn. Bhd. <i>(subsidiary)</i>	To manage completed PRIMA homes and commercial complexes	100%	100%
PRIMA Development Sdn. Bhd. <i>(subsidiary)</i>	To develop and construct PRIMA homes and commercial complexes	100%	100%
PRIMA Communications Sdn. Bhd. <i>(subsidiary)</i>	To provide telecommunication services and information technology for the development of PRIMA homes and PRIMA commercial complexes	100%	100%
PRIMA Facilities Management Sdn. Bhd. <i>(subsidiary)</i>	To provide facilities management and maintenance of PRIMA homes and PRIMA commercial complexes	100%	100%
PRIMA Seremban Sentral Sdn. Bhd. <i>(subsidiary)</i>	To manage the development of PRIMA homes and PRIMA commercial complexes, specifically Seremban Sentral project	100%	60%
PRIMA Brunfield Corporation Sdn. Bhd. <i>(associate)</i>	To manage the development of PRIMA homes and PRIMA commercial complexes, specifically Seremban Sentral project	40%	40%

The financial statements of subsidiaries and associate were not audited by Auditor General.

6. INVENTORY AND WORK IN PROGRESS

	Group and Corporation	
	2016 RM	2015 RM
Inventory – unsold properties	61,923,051	–
Work In Progress – software and system	723,231	–
	62,646,282	–

7. PROPERTY DEVELOPMENT COSTS

	Group		Corporation	
	2016 RM	2015 RM	2016 RM	2015 RM
As at 01 January:				
Land	386,925,689	167,850,819	386,925,689	167,850,819
Development cost	1,377,584,586	171,489,804	1,377,514,452	171,489,798
	1,764,510,275	339,340,623	1,764,440,142	339,340,618
Additions:				
Land	524,391,760	219,074,870	419,914,982	219,074,870
Development cost	2,389,333,604	1,206,094,782	2,295,087,842	1,206,024,654
Deductions:				
Cost of sales	(217,407,726)	–	(217,407,726)	–
Inventory	(61,923,051)	–	(61,923,051)	–
As at 31 December	4,398,904,862	1,764,510,275	4,200,112,189	1,764,440,142

8. TRADE RECEIVABLES

	Group and Corporation	
	2016 RM	2015 RM
Trade Receivables – properties	78,004,602	–
	78,004,602	–
Accrued progress billing:		
Progress billing – bil to homebuyers	(103,161,867)	–
Progress billing – recognised in Statement of Profit or Loss	220,259,174	–
	117,097,307	–
Total Trade Receivables	195,101,909	–



NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

9. OTHER RECEIVABLES

	Group		Corporation	
	2016 RM	2015 RM	2016 RM	2015 RM
Sundry debtors and advances	214,769	1,291,060	214,769	1,191,060
Amount due from subsidiaries	–	–	245,523,389	27,458,240
Prepayments	15,416,710	10,207,015	14,801,471	10,207,015
Deposit	876,683	911,843	876,683	911,843
Interest receivable on short-term deposits	385,660	438,389	385,660	438,389
Goods and Services Tax	859,964	215,835	363,848	215,835
	17,753,786	13,064,142	262,165,820	40,422,381

The amount due from subsidiaries are unsecured, interest free and repayable on demand.

10. DEPOSITS WITH FINANCIAL INSTITUTIONS

	Group and Corporation	
	2016 RM	2015 RM
Short-term deposits:		
i) Malaysia Building Society Bhd	6,522,375	52,674,622
ii) Malayan Banking Bhd	22,633,751	4,248,300
iii) Bank Islam Malaysia Bhd	50,839,872	–
	79,995,998	56,922,922

Short-term deposits for the year ended 31 December 2016 was higher as compared to the previous year. It is due to an increase in the amount of loans from the financial institutions which has not been utilised in the current financial year. Development Fund had been fully utilised for acquisition of land and payment of construction cost for projects which had been approved from year 2013 to 2016. The balance in Operating Fund were utilised for operating expenditure in year 2017.

11. OPERATING, DEVELOPMENT AND PFI FUND

	Group and Corporation			
	Operating Fund		Development and PFI Fund	
	2016 RM	2015 RM	2016 RM	<i>Restated</i> 2015 RM
As at 01 January	–	–	2,194,800,000	954,999,971
Changes in accounting policy on Development and PFI Fund	–	–	–	29
Balance after adjustment as at 01 January	–	–	2,194,800,000	955,000,000
Grant received	9,762,200	22,150,000	1,620,000,000	1,300,000,000
Grant amortisation related to operating or development expenditure	(59,762,200)	(82,350,000)	–	(2,420,054)
Transferred from/(to) Operating Fund	50,000,000	60,200,000	(50,000,000)	(60,200,000)
Changes in accounting policy on Development and PFI Fund	–	–	–	2,420,054
As at 31 December	–	–	3,764,800,000	2,194,800,000

During the year, the Operating and Development Fund amounting to RM9,762,200 and RM50,000,000 respectively are recognised in Statement of Profit or Loss as other income. There are no specific terms and conditions attached to these grants.

There has been changes in accounting policy for government grant as stated in Note 2(n). This changes has been applied retrospectively for Development and PFI Fund as reflected in the Statement of Financial Position and Note 21.

12. BANK BORROWINGS

	Group and Corporation	
	2016 RM	2015 RM
Non-Current Liability:		
Principal	206,376,136	100,000,000
Interest	(1,935,194)	373,479
	204,440,942	100,373,479
Current Liability:		
Principal	1,000,000,000	–
Interest	8,916,204	–
	1,008,916,204	–
Total Bank Borrowings	1,213,357,146	100,373,479



NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

12. BANK BORROWINGS (CONTINUED)

In year 2015, Corporation had signed financing facility agreement with a financial institution amounting to RM3,000,000,000, which a sum of RM100,000,000 has been utilised at the end of the year 2015 and RM116,968,400 has been utilised in January and March 2016.

Subsequently in year 2016, Corporation has agreed to rearrange the same financing facility agreement to a new financing sum of RM2,500,000,000. Through this financing facility, RM1,000,000,000 has been utilised by the Corporation to finance 35 projects that are still under construction.

13. TRADE PAYABLES

	Group		Corporation	
	2016 RM	2015 RM	2016 RM	2015 RM
Contractors	745,476,301	81,880,948	744,821,669	81,880,948
Retention	123,629,133	69,828,469	123,629,133	69,828,469
Consultants	5,122,418	244,443	5,122,418	244,443
	874,227,852	151,953,860	873,573,220	151,953,860

14. OTHER PAYABLES

	Group		Corporation	
	2016 RM	2015 RM	2016 RM	2015 RM
Sundry creditors	2,217,916	2,535,161	2,094,141	2,773,415
Accruals	1,277,841	1,919,885	711,530	1,566,497
Provision of expenses	10,714,267	330,365,402	10,641,071	330,308,602
Amount owing to related parties	3,203	–	298,400	–
Deferred revenue	6,759,375	–	–	–
	20,972,602	334,820,448	13,745,142	334,648,514

15. OTHER INCOME

	Group		Corporation	
	2016 RM	2015 RM	2016 RM	2015 RM
Finance income:				
Bank interest/dividend	241,539	966,043	241,539	966,043
Short-term deposits interest	7,662,015	6,976,786	7,662,015	6,971,917
	7,903,554	7,942,829	7,903,554	7,937,960
Non-operating income:				
Tender fees	151,000	79,910	151,000	79,910
Exhibition booth	1,451,250	–	1,451,250	–
Contribution related to Low Value Asset	19,451	–	19,451	–
Commission received	1,102	–	1,102	–
Surplus/(deficit) realised	–	(204)	–	(204)
	1,622,803	79,706	1,622,803	79,706
Total Other Income	9,526,357	8,022,535	9,526,357	8,017,666

16. PROJECT COSTS

Project costs consists of general expenses related to development and all expenses related to withdrawn or written off projects as follows:

Project Name and Description	Corporation	
	2016 RM	2015 RM
General expenses	1,460,730	–
	1,460,730	–
Written off projects:		
Mahri, Cheras	–	2,201,056
Seri Kembangan	–	8,000
Bandar Seri Ehsan, Sepang	–	4,475
PRIMA @ Sungai Besi	8,000	–
PRIMA @ Melaka Tengah 3	1,211	–
PRIMA @ Teluk Intan	22,099	–
PRIMA @ Bertam	643,738	–
PRIMA @ Bukit Gelugor 2	33,061	–
PRIMA @ Bukit Beruang	3,186	–
PRIMA @ Bukit Payung	7,500	–
PRIMA @ Gurun	16,475	–
PRIMA @ Labis	1,917	–
	737,187	2,213,531
Total Project Costs	2,197,917	2,213,531

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)



17. TAX EXEMPTION

According to section 127 (3A) of the Income Tax Act 1967, the Ministry of Finance has granted tax exemption on Corporation's earnings from short-term deposits placement and bank dividends for a period of ten years with effect from year of assessment 2013 until year of assessment 2022. No tax recorded for the year 2016.

18. CAPITAL MANAGEMENT

Total equity in the Statement of Financial Position represents the Group and Corporation's capital. The capital requirements of the Group and Corporation are monitored by the Members of Corporation on an ongoing basis. The Group and Corporation are not subjected to externally imposed capital requirements.

During the financial year, there was no changes in capital management approach by the Corporation.

	Corporation	
	2016 RM	2015 RM
Bank loans	1,213,357,146	100,373,479
(-) Cash and cash equivalents	(132,247,925)	(100,374,251)
Net debts	1,081,109,221	(772)
Equity	3,812,535,496	2,246,854,100
Debt to equity ratio	0.28	0.00

19. CAPITAL AND OTHER COMMITMENTS

	Group and Corporation	
	2016	2015
Accumulated number of approved homes	266,400 units	224,761 units
Approved development costs	RM64,897,836,300	RM53,590,516,428

The approval to develop 224,761 units to 266,400 units of PRIMA Homes for year 2015 and 2016 respectively, has contributed to an increase in other commitments for Group and Corporation. This has resulted in an increase of 41,639 units or 19% as compared to previous year.

PRIMA has recorded RM11,307,319,872 increase in its approved development cost which is in line with the approved PRIMA projects as of 31 December 2016.

20. RELATED PARTIES

For the purpose of this financial statements, parties are considered to be related to the Group if the Group or the Corporation has the ability, directly or indirectly, to control or jointly control the party or exercise significant influence over the party in making financial and operating decisions, or vice versa, or where the Group or the Corporation and the party are subject to common control. Related parties may be individuals or other entities.

The Group and the Corporation have related party relationships with related companies (Note 5), directors and key management personnel (Note 20(b)).

(a) Significant transactions with related parties

During the year 2016, there was no income recorded in the Group as all the subsidiaries and associate reported losses and majority of them have not generated any income. A summary regarding the significant transactions with subsidiaries as stated in Note 9 and 13 are as follows:

	Corporation	
	2016 RM	2015 RM
Amount due from subsidiaries	245,523,389	27,458,240
Amount due to subsidiaries	298,400	–
	245,821,789	27,458,240

(b) Members of Corporation benefits

	Corporation	
	2016 RM	2015 RM
Fees and allowances	565,645	544,081
	565,645	544,081

Members of Corporation of PRIMA inclusive of Chairman, Chief Executive Officer and other Members of Corporation.

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

21. COMPARATIVE FIGURES

Statement of Financial Position as at 31 December 2015 has been restated in accordance with changes in accounting policy on government grant as stated in Note 2(n).

In addition, retrospective restatement has been applied on reclassification of related parties for PRIMA Brunfield Corporation Sdn Bhd, from a subsidiary to an associate, as stated in Note 5.

The effects of changes in accounting policy and reclassification to the Statements of Financial Position are as follows:

Statement of Financial Position	As at 31.12.2015			
	Group		Corporation	
	<i>As restated</i> RM	<i>As previously restated</i> RM	<i>As restated</i> RM	<i>As previously restated</i> RM
Non-Current Assets				
Investment in Subsidiaries	–	–	3,000,008	3,000,012
Investment in Associate	–	–	4	–
Equity				
Development and PFI Fund	2,194,800,000	2,192,379,917	2,194,800,000	2,192,379,917
Accumulated Surplus	51,108,192	53,528,275	51,918,039	54,338,122

FINANCIAL OVERVIEW AND ANALYSIS

REVENUE AND COST OF SALES

PRIMA recognised its inaugural Revenue of RM220.27 million and Cost of Sales of RM217.41 million in 2016 from its property development activities. This resulted in a gross surplus of RM2.86 million during the year.

OTHER INCOME

There was a decrease of 25% in Other Income mainly due to lower Operating Expenditure Grant (OE) received from RM82.35 million in 2015 to RM59.76 million in 2016. However, through effective treasury management, PRIMA has managed to leverage on Finance Income of RM9.53 million in the year under review.

OPERATING EXPENDITURE

PRIMA's Operating Expenditure increased by only 4% or RM3.13 million during the year. The increase was primarily contributed by Staff Cost, which escalated from RM41.60 million in 2015 to RM50.41 million in 2016. Administrative and Travelling Expenses increased by 22% which is in tandem with recruitment activities from 251 staff in 2015 to 311 staff in 2016 to cater for PRIMA expanding development volume.

DEFICIT FOR THE YEAR

PRIMA recorded a net deficit of RM4.32 million in 2016 as compared to net surplus of RM19.45 million in the preceding year. Minimal gross surplus and significant reduction in Other Income were the factors that contributed to the result.

LAND HELD FOR PROPERTY DEVELOPMENT

There were additional 14 pieces of land purchased as at 31 December 2016. This has resulted the increased in Land Cost of RM133.99 million or 15% higher than 2015.

PROPERTY DEVELOPMENT COSTS

There was a significant increase in Property Development Cost of 138% from RM1,764.44 million in the preceding year to RM4,200.11 million in 2016 due to an increase in PRIMA construction activities all over Malaysia.

GOVERNMENT GRANTS

During the year under review, PRIMA received RM1,620.00 million Development Expenditure Grant (DE) and RM9.76 million Operating Expenditure Grant (OE). In view of the insufficient funding for operational activities, RM50.00 million was approved for transfer from DE to OE. Both grants were fully utilised during the financial year.

TRADE PAYABLES AND OTHER PAYABLES & ACCRUALS

Trade Payable increased by 475% from RM151.95 million in 2015 to RM873.57 million in 2016. This was in line with the increase in the number of PRIMA homes approved from 224,761 units to 266,400 units and the rise in PRIMA homes under construction.

Other Payable & Accruals increased by 206% from RM334.65 million in 2015 to RM1,022.66 million in 2016 due to the utilisation of bridging loan during the year.

RATIO ANALYSIS

	2016	2015
Current Ratio	2.56	3.92
Debt Ratio	0.36	0.21
Debt to Equity Ratio	0.55	0.26

The Current Ratio decline to 2.56 times in 2016 which was mainly contributed by the utilisation of RM1,000.00 million bridging loan during the year.

Debt Ratio and Debt to Equity Ratio increased from 0.21 times to 0.36 times and from 0.26 times to 0.55 times respectively in 2016. However, PRIMA's financial position remain stable during the year and its development functions were carried out smoothly.

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