TA Global Berhad

(Registration No. 200801027528 (828855-P))
(Incorporated in Malaysia)

and its subsidiaries

Financial statements for the year ended 31 December 2021

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(Registration No. 200801027528 (828855-P))
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and its subsidiaries

Directors' report for the year ended 31 December 2021

The Directors have pleasure in submitting their report and the audited financial statements of the Group and of the Company for the financial year ended 31 December 2021.

Principal activities

TA Global Berhad was previously listed on the Main Market of Bursa Malaysia Securities Berhad before being delisted from the Official List of Bursa Securities with effect from 12 January 2021 pursuant to Paragraph 16.07 (a) of the Main Market Listing Requirements.

The Company is principally engaged in investment holding and the provision of management services to its subsidiaries, whilst the principal activities of the subsidiaries are as stated in Note 8 to the financial statements. There has been no significant change in the nature of these activities during the financial year.

Ultimate holding company

The Company is a subsidiary of TA Enterprise Berhad, of which is incorporated in Malaysia and regarded by the Directors as the Company's ultimate holding company, during the financial year and until the date of this report.

Subsidiaries

The details of the Company's subsidiaries are disclosed in Note 8 to the financial statements.

Results

	Group RM'000	Company RM'000
Profit attributable to owners of the Company	47,893	55,433

Reserves and provisions

There were no material transfers to or from reserves and provisions during the financial year under review except as disclosed in the financial statements.

Dividends

No dividend was paid during the financial year and the Directors do not recommend any final dividend to be paid for the financial year under review.

Directors of the Company

Directors who served during the financial year until the date of this report are:

Datuk Tiah Thee Kian
Datin Tan Kuay Fong
Dato' Sri Mohamed Bin Abid
Khoo Poh Kim @ Kimmy
Zainab Binti Ahmad (resigned on 18 February 2021)
U Chin Wei (resigned on 18 February 2021)
Datuk Leong Kam Weng (resigned on 18 February 2021)
Christopher Koh Swee Kiat (resigned on 18 February 2021)
Datin Rahmah Binti Mahmood (resigned on 18 February 2021)
Yaw Chun Soon (resigned on 18 February 2021)

The names of the Directors of the Company's subsidiaries in office during the financial year until the date of this report are:

Datuk Tiah Thee Kian
Datin Tan Kuay Fong
Dato' Sri Mohamed Bin Abid
Khoo Poh Kim @ Kimmy
Ernest Yeap Kian Fuj
Lee Yen Foong
Dulsi Karabet
Ong Khay Soon
Peter John Tudehope
Tony Ong Thian Bok
Khong Kim Kong
Lee Medd
Tiah Ee Laine
Tiah Joo Kim
Yip Kam Mun
Chau Koan Hung
Jimmy Wong
Mike Mootien
Tan Kuay Geok
Tawee Saengrung (appointed on 23 March 2021)
Kornwichit Chapin (resigned on 11 March 2021)
Chuah Wen Pin (resigned on 4 October 2021)

Directors' interests in shares

The interests and deemed interests in the shares of the Company and of its related corporations (other than wholly-owned subsidiaries) of those who were Directors of the Company at financial year end (including the interests of the spouses or children of the Directors who themselves are not Directors of the Company) as recorded in the Register of Directors' Shareholdings are as follows:

	Number of ordinary shares			
	At 1.1.2021	**Bought**	**Sold**	**At 31.12.2021**
Interest in the ultimate holding company TA Enterprise Berhad ("TAE")				
Datuk Tiah Thee Kian				
- direct	1,366,995,672	1,000,176,973	-	2,367,172,645
- others @	114,844,483	-	-	114,844,483
Datin Tan Kuay Fong				
- direct	8,183,848	-	-	8,183,848
- others @	114,844,483	-	-	114,844,483
Dato' Sri Mohamed Bin Abid				
- direct	100,000	-	(100,000)	-
Khoo Poh Kim @ Kimmy				
- direct	701,890	-	(701,890)	-
- others @	870,000	-	(870,000)	-
Interest in the Company				
Dato' Sri Mohamed Bin Abid				
- others @	15,360	-	(15,360)	-
<u>Deemed interests in the Company</u>				
Datuk Tiah Thee Kian	5,137,538,636	122,880,626	-	5,260,419,262
Datin Tan Kuay Fong	5,137,538,636	122,880,626	-	5,260,419,262

@ Indirect interest held through children

By virtue of their interests in the shares of TA Enterprise Berhad, the ultimate holding company, Datuk Tiah Thee Kian and Datin Tan Kuay Fong are also deemed interested in the shares of the subsidiaries of the ultimate holding company during the financial year to the extent that TA Enterprise Berhad has an interest.

Directors' benefits

Since the end of the previous financial year, no Director of the Company has received nor become entitled to receive any benefit (other than those fees and other benefits included in the aggregate amount of remuneration received or due and receivable by Directors as shown in the financial statements or the fixed salary of a full time employee of the Company or of related corporations) by reason of a contract made by the Company or a related corporation with the Director or with a firm of which the Director is a member, or with a company in which the Director has a substantial financial interest other than certain Directors who have substantial financial interests in companies which traded with certain companies in the Group in the ordinary course of business and legal fees paid to certain firms in which certain former Directors (who have resigned during the financial year) have interests as disclosed in the Note 35 to the financial statements.

There were no arrangements during and at the end of the financial year which had the object of enabling Directors of the Company to acquire benefits by means of the acquisition of shares in or debentures of the Company or any other body corporate.

Issue of shares and debentures

There were no changes in the issued and paid-up capital of the Company during the financial year.

There were no debentures issued during the financial year.

Options granted over unissued shares

No options were granted to any person to take up unissued shares of the Company during the financial year.

Indemnity and insurance costs

During the financial year, TA Enterprise Berhad, the ultimate holding company effected a Group Directors and Officers Liability Insurance Policy under TA Enterprise Berhad, covering TA Enterprise Berhad and its subsidiaries. The aggregate amount of insurance premium paid was RM42,569.

There was no indemnity given to, or insurance effected for the auditors of the Company during the financial year.

Other statutory information

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

i) all known bad debts have been written off and adequate provision made for doubtful debts, and

ii) any current assets which were unlikely to be realised in the ordinary course of business have been written down to an amount which they might be expected so to realise.

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

i) that would render the amount written off for bad debts or the amount of the provision for doubtful debts in the Group and in the Company inadequate to any substantial extent, or

ii) that would render the value attributed to the current assets in the financial statements of the Group and of the Company misleading, or

iii) which have arisen which render adherence to the existing method of valuation of assets or liabilities of the Group and of the Company misleading or inappropriate, or

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

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

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

ii) any contingent liability in respect of the Group or of the Company that has arisen since the end of the financial year.

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

In the opinion of the Directors, the financial performance of the Group and of the Company for the financial year ended 31 December 2021 have not been substantially affected by any item, transaction or event of a material and unusual nature nor has any such item, transaction or event occurred in the interval between the end of that financial year and the date of this report.

Auditors

The auditors, KPMG PLT, have indicated their willingness to accept re-appointment.

The auditors’ remuneration is disclosed in Note 30 to the financial statements.

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

………………………………………………
Datin Tan Kuay Fong
Director

………………………………………………
Khoo Poh Kim @ Kimmy
Director

Kuala Lumpur

Date: 8 June 2022

TA Global Berhad
(Registration No. 200801027528 (828855-P))
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Statements of financial position as at 31 December 2021

		Group		Company	
	Note	2021 RM'000	2020 RM'000	2021 RM'000	2020 RM'000
Assets					
Property, plant and equipment	3	1,764,789	1,840,821	12,979	13,894
Investment properties	4	576,140	577,458	-	-
Right-of-use assets	5	345,890	348,161	13,361	14,723
Inventories	6	652,917	644,421	-	-
Intangible assets	7	291,229	293,113	233	288
Investments in subsidiaries	8	-	-	3,596,395	2,656,861
Investment in an associate	9	15,397	15,492	-	-
Investments in joint ventures	10	5,474	5,426	-	-
Investments in securities	11	567	935	-	-
Deferred tax assets	12	26,137	16,047	-	-
Receivables	13	38,346	27,078	343,938	1,223,589
Total non-current assets		3,716,886	3,768,952	3,966,906	3,909,355
Inventories	6	222,457	217,897	-	-
Contract assets	14	23,820	16,599	-	-
Contract costs	15	41,222	16,387	-	-
Investments in securities	11	661,916	535,719	-	-
Receivables	13	87,706	57,625	7,506	120,917
Tax recoverable		10,074	8,809	338	57
Derivatives	16	528	46	-	-
Other investment	17	3,900	3,900	-	-
Cash and bank balances	18	265,326	746,975	22,126	27,886
Total current assets		1,316,949	1,603,957	29,970	148,860
Total assets		5,033,835	5,372,909	3,996,876	4,058,215

Statements of financial position as at 31 December 2021 (continued)

	Note	Group 2021 RM'000	Group 2020 RM'000	Company 2021 RM'000	Company 2020 RM'000
Equity					
Share capital	19	2,660,862	2,660,862	2,660,862	2,660,862
Reserves		313,616	275,136	706,866	651,433
Total equity attributable to owners of the Company	19	2,974,478	2,935,998	3,367,728	3,312,295
Non-controlling interests	20	62,000	50,000	-	-
Total equity		3,036,478	2,985,998	3,367,728	3,312,295
Liabilities					
Deferred tax liabilities	12	185,705	191,758	12	29
Borrowings	21	536,977	700,852	-	296,969
Lease liabilities		673	417	3,547	4,659
Provisions	23	1,249	3,692	-	-
Total non-current liabilities		724,604	896,719	3,559	301,657
Borrowings	21	1,076,525	1,202,859	373,578	94,899
Lease liabilities		608	588	1,096	1,091
Payables	22	120,727	228,932	249,942	346,581
Provisions	23	14,296	12,109	-	-
Contract liabilities	14	28,243	37,149	973	1,692
Income tax payable		20,490	4,333	-	-
Derivatives	16	11,864	4,222	-	-
Total current liabilities		1,272,753	1,490,192	625,589	444,263
Total liabilities		1,997,357	2,386,911	629,148	745,920
Total equity and liabilities		5,033,835	5,372,909	3,996,876	4,058,215

The notes on pages 22 to 155 are an integral part of these financial statements.

TA Global Berhad
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Statements of profit or loss for the year ended 31 December 2021

		Group		Company	
	Note	**2021 RM'000**	**2020 RM'000**	**2021 RM'000**	**2020 RM'000**
Revenue	24	449,507	421,496	5,633	51,471
Other income		43,938	60,288	1,316	1,338
Net gain from investments in securities	25	56,263	4,495	-	-
Personnel costs		(112,219)	(133,792)	(15,627)	(13,508)
Depreciation		(89,363)	(98,142)	(2,483)	(2,436)
Cost of inventories	6	(15,473)	(21,948)	-	-
Property development expenditure recognised as expense		(105,846)	(77,739)	-	-
Foreign exchange gain/(loss), net		(1,645)	32,493	33,545	12,997
Net reversal of/(allowance for) impairment on financial assets		8,058	(15,117)	-	-
Impairment loss on impairment of property, plant and equipment	3	-	(161,892)	-	(87)
Impairment loss on intangible assets	7	-	(45,016)	-	-
Other expenses		(124,600)	(135,277)	(4,878)	(133,312)
Operating profit/(loss)		108,620	(170,151)	17,506	(83,537)
Finance income	27	2,072	3,662	47,660	52,513
Finance costs	28	(33,213)	(47,431)	(8,742)	(13,193)
Share of loss in an associate, net of tax	9	(95)	(97)	-	-
Share of loss in joint ventures, net of tax	10	(6)	(69)	-	-
Profit/(Loss) before tax		77,378	(214,086)	56,424	(44,217)
Tax expense	29	(29,485)	(9,198)	(991)	(1,514)
Profit/(Loss) for the year	30	47,893	(223,284)	55,433	(45,731)
Profit/(Loss) attributable to:					
Owners of the Company		47,893	(223,284)	55,433	(45,731)

Statements of profit or loss and other comprehensive income for the year ended 31 December 2021

	Group 2021 RM'000	Group 2020 RM'000	Company 2021 RM'000	Company 2020 RM'000
Profit/(Loss) for the year	47,893	(223,284)	55,433	(45,731)
Other comprehensive (loss)/income, net of tax:				
Items that are or may be reclassified subsequently to profit or loss:				
Net (loss)/gain on foreign currency translation differences	(8,826)	23,332	-	-
Reclassification of foreign currency differences on loss of control	-	297	-	-
Debt investments measured at fair value through other comprehensive income				
- Net fair value (loss)/ gain	(3,738)	5,270	-	-
- Reclassification to profit or loss	3,151	(5,396)	-	-
Other comprehensive (loss)/ income for the year, net of tax	(9,413)	23,503	-	-
Total comprehensive income/ (loss) for the year	38,480	(199,781)	55,433	(45,731)
Total comprehensive income/ (loss) attributable to:				
Owners of the Company	38,480	(199,781)	55,433	(45,731)

The notes on pages 22 to 155 are an integral part of these financial statements.

TA Global Berhad
(Registration No. 200801027528 (828855-P))
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Consolidated statement of changes in equity for the year ended 31 December 2021

	/---Attributable to owners of the Company								
	/--- Non-distributable				---/ Distributable				
Group	**Share capital RM'000**	**Merger deficit RM'000**	**Capital reserve RM'000**	**Fair value reserve RM'000**	**Exchange translation reserve RM'000**	**Retained earnings RM'000**	**Total RM'000**	**Non-controlling interests RM'000**	**Total equity RM'000**
At 1 January 2020	2,660,862	(926,077)	27,620	1,728	311,898	1,059,748	3,135,779	50,000	3,185,779
Foreign currency translation differences for foreign operations	-	-	-	-	23,332	-	23,332	-	23,332
Reclassification of foreign currency differences on loss of control	-	-	-	-	297	-	297	-	297
Debt investments measured at FVOCI									
- Net fair value gain	-	-	-	5,270	-	-	5,270	-	5,270
- Reclassification to profit or loss	-	-	-	(5,396)	-	-	(5,396)	-	(5,396)
Other comprehensive (loss)/income for the year	-	-	-	(126)	23,629	-	23,503	-	23,503
Loss for the year	-	-	-	-	-	(223,284)	(223,284)	-	(223,284)
Total comprehensive (loss)/income for the year	-	-	-	(126)	23,629	(223,284)	(199,781)	-	(199,781)
At 31 December 2020	2,660,862	(926,077)	27,620	1,602	335,527	836,464	2,935,998	50,000	2,985,998
	Note 19	Note 19	Note 19	Note 19	Note 19			Note 20	

Consolidated statement of changes in equity for the year ended 31 December 2021 (continued)

	/------Attributable to owners of the Company------/								
	/------ Non-distributable ------/					Distributable			
Group	**Share capital RM'000**	**Merger deficit RM'000**	**Capital reserve RM'000**	**Fair value reserve RM'000**	**Exchange translation reserve RM'000**	**Retained earnings RM'000**	**Total RM'000**	**Non-controlling interests RM'000**	**Total equity RM'000**
At 1 January 2021	2,660,862	(926,077)	27,620	1,602	335,527	836,464	2,935,998	50,000	2,985,998
Foreign currency translation differences for foreign operations	-	-	-	-	(8,826)	-	(8,826)	-	(8,826)
Debt investments measured at FVOCI									
- Net fair value loss	-	-	-	(3,738)	-	-	(3,738)	-	(3,738)
- Reclassification to profit or loss	-	-	-	3,151	-	-	3,151	-	3,151
Other comprehensive loss for the year	-	-	-	(587)	(8,826)	-	(9,413)	-	(9,413)
Profit for the year	-	-	-		-	47,893	47,893	-	47,893
Total comprehensive (loss)/income for the year	-	-	-	(587)	(8,826)	47,893	38,480	-	38,480
Subscription of preference shares by ultimate holding company	-	-	-	-	-	-	-	12,000	12,000
At 31 December 2021	2,660,862	(926,077)	27,620	1,015	326,701	884,357	2,974,478	62,000	3,036,478
	Note 19	Note 19	Note 19	Note 19	Note 19			Note 20	

Statement of changes in equity for the year ended 31 December 2021 (continued)

	/-*Attributable to owners of the Company*-/		
	Non-distributable	*Distributable*	
	Share capital RM'000	**Retained earnings RM'000**	**Total equity RM'000**
Company			
At 1 January 2020	2,660,862	697,164	3,358,026
Loss and total comprehensive loss for the year	-	(45,731)	(45,731)
At 31 December 2020/1 January 2021	2,660,862	651,433	3,312,295
Profit and total comprehensive income for the year	-	55,433	55,433
At 31 December 2021	2,660,862	706,866	3,367,728
	Note 19		

The notes on pages 22 to 155 are an integral part of these financial statements.

TA Global Berhad
(Registration No. 200801027528 (828855-P))
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Statements of cash flows for the year ended 31 December 2021

	Group		Company	
	2021 RM'000	2020 RM'000	2021 RM'000	2020 RM'000
Cash flows from operating activities				
Profit/(loss) before tax	77,378	(214,086)	56,424	(44,217)
Adjustments for:				
Amortisation of intangible assets	166	241	58	57
Bad debts written off	421	118	-	30
Depreciation	89,363	98,142	2,483	2,436
Financial guarantee income	-	-	(928)	(942)
Gross dividends income	(5,306)	(1,153)	-	(45,108)
Interest income	(6,030)	(37,691)	(47,660)	(52,513)
Interest expense	33,213	47,431	8,742	13,193
Net (reversal)/ allowance for impairment on:				
- property, plant and equipment	-	161,892	-	87
- intangible assets	-	45,016	-	-
- investment in subsidiaries	-	-	-	96,693
- inventories	693	-	-	-
- financial assets	(8,058)	15,117	-	-
Net fair value (gain)/loss on fair value through profit or loss ("FVTPL") investment	(59,144)	33,993	-	-
Net loss/(gain) on disposal/redemption of investment in securities	12,070	(3,306)	-	-
Net loss on liquidation of subsidiary	-	-	-	31,468
Net gain on disposal of property, plant and equipment	(69)	(217)	-	-
Net gain on derecognition of investment property	-	(2,700)	-	-
Net reversal for employee benefits	(72)	(2,131)	-	-
Net unrealised loss/(gain) on foreign exchange	8,659	(58,218)	11,499	(13,784)
Property, plant and equipment written off	1,885	5	-	-
Gain on lease modification	-	(2)	-	-
Net share of loss from an associate/joint ventures, net of tax	101	166	-	-
Operating profit/(loss) before changes in working capital	145,270	82,617	30,618	(12,600)

Statements of cash flows for the year ended 31 December 2021 (continued)

	Group		Company	
	2021	2020	2021	2020
	RM'000	RM'000	RM'000	RM'000
Changes in working capital:				
Contract assets	(7,221)	25,782	-	-
Contract costs	(24,835)	(6,521)	-	-
Contract liabilities	(8,906)	6,726	-	-
Inventories	(13,749)	(8,713)	-	-
Receivables	(45,704)	(25,488)	(1,010)	6,116
Payables	(32,286)	24,639	(47,799)	(5,695)
Cash generated from/(used in) operations	12,569	99,042	(18,191)	(12,179)
Interest paid	(2,407)	(2,471)	(252)	(458)
Interest received	3,789	623	722	2,523
Taxes paid	(31,677)	(20,443)	(1,289)	(2,487)
Net cash (used in)/generated from operating activities	(17,726)	76,751	(19,010)	(12,601)
Cash flows from investing activities				
Decrease in pledged deposits for banking facilities	455,300	50,208	-	-
Dividends received	5,306	1,153	-	45,108
Net redemption of NCRPS	-	-	-	4,500
Loan to subsidiaries	-	-	(59,466)	(35,033)
Repayment of advances from subsidiaries	-	-	157,634	1,387
Outflow from deconsolidation of subsidiaries	-	(301)	-	-
Interest received	4,407	37,189	10,037	11,782
Proceeds from/(payment for) disposal of:				
- property, plant and equipment	801	375	-	-
- derivatives	13,684	(1,813)	-	-
- investment in securities	865,355	1,163,234	-	-

Statements of cash flows for the year ended 31 December 2021 (continued)

	Group		Company	
	2021 RM'000	2020 RM'000	2021 RM'000	2020 RM'000
Cash flows from investing activities (continued)				
Proceeds from redemption of investment in securities	-	118,558	-	-
Proceeds from redemption of other investment	-	44,186	-	-
Capital distribution from liquidated subsidiary	-	-	-	43
Investment in subsidiaries	-	-	(10,389)	-
Acquisition of:				
- property, plant and equipment	(21,656)	(12,460)	(229)	(960)
- intangible assets	(45)	(26)	(3)	(10)
- investment properties	(7,845)	(19,014)	-	-
- investment in securities	(916,880)	(1,604,759)	-	-
Decrease in restricted cash	12,665	5,994	-	-
Net cash generated from/(used in) investing activities	411,092	(217,476)	97,584	26,817
Cash flows from financing activities				
Issuance of NCRPS	12,000	-	-	-
Drawdown of borrowings	187,266	359,100	15,500	13,200
Repayment of borrowings	(521,861)	(135,705)	(38,400)	(15,000)
Interest paid	(27,831)	(43,887)	(8,103)	(12,979)
Payment of lease liabilities	(705)	(858)	(1,084)	(968)
Loans and advances from subsidiaries	-	-	3,500	5,332
Advances from ultimate holding company	11,700	-	11,700	-
Repayment to ultimate holding company and subsidiaries	(67,420)	(54,444)	(67,420)	(2,900)
Net cash (used in)/generated from financing activities	(406,851)	124,206	(84,307)	(13,315)
Net (decrease)/increase in cash and cash equivalents	(13,485)	(16,519)	(5,733)	901
Effect of exchange rate fluctuations on cash held	(847)	3,678	(27)	660
Cash and cash equivalents at 1 January	229,979	242,820	27,886	26,325
Cash and cash equivalents at 31 December	215,647	229,979	22,126	27,886

Statements of cash flows for the year ended 31 December 2021 (continued)

Notes to the statements of cash flows

i) Cash and cash equivalents

Cash and cash equivalents included in the statements of cash flows comprise the following statements of financial position amounts:

		Group		Company	
	Note	**2021 RM'000**	**2020 RM'000**	**2021 RM'000**	**2020 RM'000**
Cash and bank balances	18	265,340	747,637	22,126	27,886
Less: Deposit pledged for bank guarantees	18	(15,823)	(471,123)	-	-
Less: Restricted cash	18	(33,870)	(46,535)	-	-
		215,647	229,979	22,126	27,886

ii) Cash outflows for leases as a lessee

	Group		Company	
	2021 RM'000	**2020 RM'000**	**2021 RM'000**	**2020 RM'000**
Included in net cash from operating activities:				
Payment relating to short-term leases	-	372	14	106
Payment relating to low value assets	-	2	-	-
Interest paid in relation to lease liabilities	43	73	251	271
Included in net cash from financing activities:				
Payment of lease liabilities	705	858	1,084	968
Total cash outflows for leases	748	1,305	1,349	1,345

Statements of cash flows for the year ended 31 December 2021 (continued)

Notes to the statements of cash flows (continued)

(iii) Reconciliation of movements of liabilities to cash flows arising from financing activities

Group	**Borrowings RM'000**	**Lease liabilities RM'000**	**Due to ultimate holding company RM'000**	**Due to joint venture RM'000**	**Total RM'000**
As at 1 January 2020	1,696,944	1,496	59,771	69,014	1,827,225
Changes from financing activities					
Drawdown of borrowings	359,100	-	-	-	359,100
Repayment of borrowings	(135,705)	-	-	-	(135,705)
Payment of lease liabilities	-	(858)	-	-	(858)
Interest paid	(41,550)	-	(2,337)	-	(43,887)
Repayment to joint venture	-	-	-	(54,444)	(54,444)
Total changes from financing cash flows	181,845	(858)	(2,337)	(54,444)	124,206
Other changes					
Interest expense	42,761	73	2,383	-	45,217
Foreign exchange differences	(17,839)	27	-	-	(17,812)
Offset with return of capital contributions from joint venture	-	-	-	(14,405)	(14,405)
Other changes	-	267	(555)	-	(288)
Total liabilities related other changes	24,922	367	1,828	(14,405)	12,712
As at 31 December 2020	1,903,711	1,005	59,262	165	1,964,143
	Note 21		Note 22	Note 22	

Statements of cash flows for the year ended 31 December 2021 (continued)

Notes to the statements of cash flows (continued)

(iii) Reconciliation of movements of liabilities to cash flows arising from financing activities (continued)

Group	Borrowings RM'000	Lease liabilities RM'000	Due to ultimate holding company RM'000	Due to joint venture RM'000	Total RM'000
As at 1 January 2021	1,903,711	1,005	59,262	165	1,964,143
Changes from financing activities					
Drawdown of borrowings	187,266	-	-	-	187,266
Repayment of borrowings	(521,861)	-	-	-	(521,861)
Payment of lease liabilities	-	(705)	-	-	(705)
Interest paid	(27,112)	-	(719)	-	(27,831)
Advances from ultimate holding company	-	-	11,700	-	11,700
Repayment to ultimate holding company	-	-	(67,420)	-	(67,420)
Total changes from financing cash flows	(361,707)	(705)	(56,439)	-	(418,851)
Other changes					
Interest expense	31,194	43	754	-	31,991
Foreign exchange differences	40,304	28	-	-	40,332
Other changes	-	910	1,722	(165)	2,467
Total liabilities related other changes	71,498	981	2,476	(165)	74,790
As at 31 December 2021	1,613,502	1,281	5,299	-	1,620,082
	Note 21		Note 22	Note 22	

Statements of cash flows for the year ended 31 December 2021 (continued)

Notes to the statements of cash flows (continued)

(iii) Reconciliation of movements of liabilities to cash flows arising from financing activities (continued)

	Borrowings RM'000	Lease liabilities RM'000	Due to ultimate holding company RM'000	Due to subsidiaries RM'000	Total RM'000
Company					
As at 1 January 2020	394,224	145	57,923	284,125	736,417
Changes from financing activities					
Drawdown of borrowings	13,200	-	-	-	13,200
Repayment of borrowings	(15,000)	-	-	-	(15,000)
Payment of lease liabilities	-	(968)	-	-	(968)
Interest paid	(9,595)	-	(2,347)	(1,037)	(12,979)
Drawdown from subsidiaries	-	-	-	5,332	5,332
Repayment to subsidiaries	-	-	-	(2,900)	(2,900)
Total changes from financing cash flows	(11,395)	(968)	(2,347)	1,395	(13,315)
Other changes					
Interest expense	9,195	271	2,347	1,193	13,006
Other changes	(156)	6,302	869	(1,250)	5,765
Total liabilities related other changes	9,039	6,573	3,216	(57)	18,771
As at 31 December 2020	391,868	5,750	58,792	285,463	741,873
	Note 21		Note 22	Note 22	

Statements of cash flows for the year ended 31 December 2021 (continued)

Notes to the statements of cash flows (continued)

(iii) Reconciliation of movements of liabilities to cash flows arising from financing activities (continued)

	Borrowings RM'000	Lease liabilities RM'000	Due to ultimate holding company RM'000	Due to subsidiaries RM'000	Total RM'000
Company					
As at 1 January 2021	391,868	5,750	58,792	285,463	741,873
Changes from financing activities					
Drawdown of borrowings	15,500	-	-	-	15,500
Repayment of borrowings	(38,400)	-	-	-	(38,400)
Payment of lease liabilities	-	(1,084)	-	-	(1,084)
Interest paid	(6,727)	-	(719)	(657)	(8,103)
Drawdown from subsidiaries	-	-	-	3,500	3,500
Advances from ultimate holding company	-	-	11,700	-	11,700
Repayment to ultimate holding company	-	-	(67,420)	-	(67,420)
Total changes from financing cash flows	(29,627)	(1,084)	(56,439)	2,843	(84,307)
Other changes					
Interest expense	6,872	251	722	896	8,741
Offset with amount due from a subsidiary	-	-	-	(48,047)	(48,047)
Other changes	4,465	(274)	1,459	2,150	7,800
Total liabilities related other changes	11,337	(23)	2,181	(45,001)	(31,506)
As at 31 December 2021	373,578	4,643	4,534	243,305	626,060
	Note 21		Note 22	Note 22	

The notes on pages 22 to 155 are an integral part of these financial statements.

Notes to the financial statements

TA Global Berhad is a private limited liability company, incorporated and domiciled in Malaysia. The address of the principal place of business and registered office is as follows:

Principal place of business and registered office
34th Floor, Menara TA One,
No. 22, Jalan P. Ramlee,
50250 Kuala Lumpur.

TA Global Berhad was previously listed on the Main Market of Bursa Malaysia Securities Berhad before being delisted from the Official List of Bursa Securities with effect from 12 January 2021 pursuant to Paragraph 16.07 (a) of the Main Market Listing Requirements.

The consolidated financial statements of the Company as at and for the financial year ended 31 December 2021 comprise the Company and its subsidiaries (together referred to as the "Group" and individually referred to as "Group entities") and the Group's interests in an associate and joint ventures. The financial statements of the Company as at and for the financial year ended 31 December 2021 do not include other entities.

The Company is principally engaged in investment holding and the provision of management services to its subsidiaries, whilst the principal activities of the subsidiaries are as stated in Note 8 to the financial statements. There has been no significant change in the nature of these activities during the financial year.

The ultimate holding company during the financial year was TA Enterprise Berhad, a company incorporated in Malaysia. TA Enterprise Berhad was previously listed on the Main Market of Bursa Malaysia Securities Berhad and had been delisted from the Official List of Bursa Securities on 30 March 2021.

The financial statements were authorised for issue by the Board of Directors on 8 June 2022.

1. Basis of preparation

(a) Statement of compliance

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

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

MFRSs, interpretations and amendments effective for annual periods beginning on or after 1 April 2021

- Amendment to MFRS 16*, Leases – Covid-19-Related Rent Concessions beyond 30 June 2021*

1. Basis of preparation (continued)

(a) Statement of compliance (continued)

MFRSs, interpretations and amendments effective for annual periods beginning on or after 1 January 2022

- Amendments to MFRS 1, *First-time Adoption of Malaysian Financial Reporting Standards (Annual Improvements to MFRS Standards 2018−2020)*
- Amendments to MFRS 3, *Business Combinations – Reference to the Conceptual Framework*
- Amendments to MFRS 9, *Financial Instruments (Annual Improvements to MFRS Standards 2018−2020)*
- Amendments to Illustrative Examples accompanying MFRS 16, *Leases (Annual Improvements to MFRS Standards 2018−2020)*
- Amendments to MFRS 116, *Property, Plant and Equipment − Proceeds before Intended Use*
- Amendments to MFRS 137, *Provisions, Contingent Liabilities and Contingent Assets − Onerous Contracts − Cost of Fulfilling a Contract*
- Amendments to MFRS 141, *Agriculture (Annual Improvements to MFRS Standards 2018−2020)*

MFRSs, interpretations and amendments effective for annual periods beginning on or after 1 January 2023

- MFRS 17, *Insurance Contracts*
- Amendments to MFRS 17, *Insurance Contracts – Initial application of MFRS 17* and MFRS 9 – *Comparative Information*
- Amendments to MFRS 101, *Presentation of Financial Statements – Classification of Liabilities as Current or Non-current and Disclosures of Accounting Policies*
- Amendments to MFRS 108, *Accounting Policies, Changes in Accounting Estimates and Errors – Definition of Accounting Estimates*
- Amendments to MFRS 112, *Income Taxes – Deferred Tax related to Assets and Liabilities arising from a Single Transaction*

MFRSs, interpretations and amendments effective for annual periods beginning on or after a date yet to be confirmed

- Amendments to MFRS 10, *Consolidated Financial Statements* and MFRS 128, *Investments in Associates and Joint Ventures – Sale or Contribution of Assets between an Investor and its Associate or Joint Venture*

1. Basis of preparation (continued)

(a) Statement of compliance (continued)

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

- from the annual period beginning on 1 January 2022 for those amendments that are effective for annual periods beginning on or after 1 April 2021 and 1 January 2022, except for amendments to MFRS 1, *First Time Adoption of Malaysian Financial Reporting Standards* and MFRS 141, *Agriculture*, which are not applicable to the Group and the Company.

- from the annual period beginning on 1 January 2023 for the accounting standard and amendments that are effective for annual periods beginning on or after 1 January 2023, except for MFRS 17, *Insurance Contracts*, and amendments to MFRS 17, *Insurance Contracts – Initial application of MFRS 17* which are not applicable to the Group and the Company.

The initial application of the abovementioned accounting standards, interpretations or amendments is not expected to have any material financial impact to the current period and prior period financial statements of the Group and the Company.

(b) Basis of measurement

The financial statements have been prepared on the historical cost basis other than as disclosed in Note 2.

(c) Functional and presentation currency

These financial statements are presented in Ringgit Malaysia ("RM"), which is the Company's functional currency. All financial information is presented in RM and has been rounded to the nearest thousand, unless otherwise stated.

(d) Use of estimates and judgements

The preparation of the financial statements in conformity with MFRSs requires management to make judgements, estimates and assumptions that affect the application of accounting policies and the reported amounts of assets, liabilities, income and expenses. Actual results may differ from these estimates.

Estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimates are revised and in any future periods affected.

1. Basis of preparation (continued)

(d) Use of estimates and judgements (continued)

There are no significant areas of estimation uncertainty and critical judgements in applying accounting policies that have significant effect on the amounts recognised in the financial statements other than those disclosed in the following notes:

- *Note 2(l)(ii) and Note 3 – Impairment on property, plant and equipment*
- *Note 2(l)(ii) and Note 7 – Impairment on intangible assets*
- *Note 2(p)(ii) and Note 24.2 – Revenue recognition*
- *Preparation of the financial statements on a going concern basis*

As at 31 December 2021, the Company's current liabilities exceeded its current assets by RM596 million. The current liabilities of the Company mainly arose from short-term borrowings and amounts due to subsidiaries.

In the preparation of the financial statements on going concern basis, the Directors have considered the following:

(i) The Company's ability to obtain continuing support from its bankers to rollover, refinance and restructure certain short-term borrowings to correspond with the funding requirements of its long-term business plan;

(ii) The Company's ability to repay the amounts due to ultimate holding company and subsidiaries;

(iii) The Company's ability to obtain dividend from its subsidiaries for funding requirements.

In view of the foregoing, the Directors concluded that there is no material uncertainty exists related to events or conditions that, individually or collectively, may cast significant doubt on the Company's ability to continue as going concerns.

2. Significant accounting policies

The accounting policies set out below have been applied consistently to the periods presented in these financial statements and have been applied consistently by Group entities, unless otherwise stated.

(a) Basis of consolidation

(i) Subsidiaries

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

2. Significant accounting policies (continued)

(a) Basis of consolidation (continued)

(i) Subsidiaries (continued)

The Group controls an entity when it 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 also 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.

Investments in subsidiaries are measured in the Company's statement of financial position at cost less any impairment losses, unless the investment is classified as held for sale or distribution. The cost of investment includes transaction costs.

(ii) 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.

For new acquisitions, the Group measures the cost of goodwill at the acquisition date as:

- the fair value of the consideration transferred; plus
- the recognised amount of any non-controlling interests in the acquiree; plus
- if the business combination is achieved in stages, the fair value of the existing equity interest in the acquiree; less
- the net recognised amount (generally fair value) of the identifiable assets acquired and liabilities assumed.

When the excess is negative, a bargain purchase gain is recognised immediately in profit or loss.

For each business combination, the Group elects whether it measures the non-controlling interests in the acquiree either at fair value or at the proportionate share of the acquiree's identifiable net assets at the acquisition date.

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.

2. Significant accounting policies (continued)

(a) Basis of consolidation (continued)

(iii) Acquisitions of non-controlling interests

The Group accounts for all changes in its ownership interest in a subsidiary that do not result in a loss of control as equity transactions between the Group and its non-controlling interest holders. Any difference between the Group's share of net assets before and after the change, and any consideration received or paid, is adjusted to or against Group reserves.

(iv) Loss of control

Upon the loss of control of a subsidiary, the Group derecognises the assets and liabilities of the former subsidiary, any non-controlling interests and the other components of equity related to the former subsidiary from the consolidated statement of financial position. Any surplus or deficit arising on the loss of control is recognised in profit or loss. If the Group retains any interest in the former subsidiary, then such interest is measured at fair value at the date that control is lost. Subsequently, it is accounted for as an equity accounted investee or as a financial asset depending on the level of influence retained.

(v) Associates

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

Investments in associates are accounted for in the consolidated financial statements using the equity method less any impairment losses, unless it is classified as held for sale or distribution. 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's share of losses exceeds its interest in an associate, the carrying amount of that interest including any long-term investments is reduced to zero, and the recognition of further losses is discontinued except to the extent that the Group has an obligation or has made payments on behalf of the associates.

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 of and the carrying amount of the investment at the date when equity method is discontinued is recognised in the profit or loss.

2. Significant accounting policies (continued)

(a) Basis of consolidation (continued)

(v) Associates (continued)

When the Group's interest in an associate decreases but does not result in a loss of significant influence, any retained interest is not remeasured. Any gain or loss arising from the decrease in interest is recognised in profit or loss. Any gains or losses previously recognised in other comprehensive income are also reclassified proportionately to profit or loss if that gain or loss would be required to be reclassified to profit or loss on the disposal of the related assets or liabilities.

Investments in associates are measured in the Company's statement of financial position at cost less any impairment losses, unless the investment is classified as held for sale or distribution. The cost of the investment includes transaction costs.

(vi) Joint arrangements

Joint arrangements are arrangements of which the Group has joint control, established by contracts requiring unanimous consent for decisions about the activities that significantly affect the arrangements' returns.

Joint arrangements are classified and accounted for as follows:

- A joint arrangement is classified as "joint operation" when the Group has rights to the assets and obligations for the liabilities relating to an arrangement. The Group accounts for each of its share of the assets, liabilities and transactions, including its share of those held or incurred jointly with the other investors, in relation to the joint operation.

- A joint arrangement is classified as "joint venture" when the Group has rights only to the net assets of the arrangements. The Group accounts for its interest in the joint venture using the equity method. Investments in joint venture are measured in the Group's statement of financial position at cost less any impairment losses, unless the investment is classified as held for sale or distribution. The cost of investment includes transaction costs.

(vii) Non-controlling interests

Non-controlling interests at the end of the reporting period, being the equity in a subsidiary not attributable directly or indirectly to the equity holders of the Company, are presented in the consolidated statement of financial position and statement of changes in equity within equity, separately from equity attributable to the owners of the Company. Non-controlling interests in the results of the Group is presented in the consolidated statement of profit or loss and other comprehensive income as an allocation of the profit or loss and the comprehensive income for the year between non-controlling interests and owners of the Company.

2. Significant accounting policies (continued)

(a) Basis of consolidation (continued)

(vii) Non-controlling interests (continued)

Losses applicable to the non-controlling interests in a subsidiary are allocated to the non-controlling interests even if doing so causes the non-controlling interests to have a deficit balance.

(viii) 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.

Unrealised gains arising from transactions with equity-accounted associates and joint ventures are eliminated against the investment to the extent of the Group's interest in the investees. Unrealised losses are eliminated in the same way as unrealised gains, but only to the extent that there is no evidence of impairment.

(b) Foreign currency

(i) Foreign currency transactions

Transactions in foreign currencies are translated to the respective functional currencies of Group entities at exchange rates at the dates of the transactions.

Monetary assets and liabilities denominated in foreign currencies at the end of the reporting period are retranslated to the functional currency at the exchange rate at that date.

Non-monetary assets and liabilities denominated in foreign currencies are not retranslated at the end of the reporting date, except for those that are measured at fair value are retranslated to the functional currency at the exchange rate at the date that the fair value was determined.

Foreign currency differences arising on retranslation are recognised in profit or loss, except for differences arising on the retranslation of equity instruments where they are measured at fair value through other comprehensive income or a financial instrument designated as a cash flow hedge, which are recognised in other comprehensive income.

In the consolidated financial statements, when settlement of a monetary item receivable from or payable to a foreign operation is neither planned nor likely to occur in the foreseeable future, foreign exchange gains and losses arising from such a monetary item are considered to form part of a net investment in a foreign operation and are recognised in other comprehensive income, and are presented in the foreign currency translation reserve ("FCTR") in equity.

2. Significant accounting policies (continued)

(b) Foreign currency (continued)

(ii) Operations denominated in functional currencies other than Ringgit Malaysia

The assets and liabilities of operations denominated in functional currencies other than RM, including goodwill and fair value adjustments arising on acquisition, are translated to RM at exchange rates at the end of the reporting period. The income and expenses of foreign operations, excluding foreign operations in hyperinflationary economies, are translated to RM at exchange rates at the dates of the transactions.

Foreign currency differences are recognised in other comprehensive income and accumulated in the FCTR in equity. However, if the operation is a non-wholly owned subsidiary, then the relevant proportionate share of the translation difference is allocated to the non-controlling interests. When a foreign operation is disposed of such that control, significant influence or joint control is lost, the cumulative amount in the FCTR related to that foreign operation is reclassified to profit or loss as part of the gain or loss on disposal.

When the Group disposes of only part of its interest in a subsidiary that includes a foreign operation, the relevant proportion of the cumulative amount is reattributed to non-controlling interests. When the Group disposes of only part of its investment in an associate or joint venture that includes a foreign operation while retaining significant influence or joint control, the relevant proportion of the cumulative amount is reclassified to profit or loss.

(c) Financial instruments

(i) Recognition and initial measurement

A financial asset or a financial liability is recognised in the statement of financial position when, and only when, the Group or the Company becomes a party to the contractual provisions of the instrument.

A financial asset (unless it is a trade receivable without significant financing component) or a financial liability is initially measured at fair value plus or minus, for an item not at fair value through profit or loss, transaction costs that are directly attributable to its acquisition or issuance. A trade receivable without a significant financing component is initially measured at the transaction price.

An embedded derivative is recognised separately from the host contract where the host contract is not a financial asset, and accounted for separately if, and only if, the derivative is not closely related to the economic characteristics and risks of the host contract and the host contract is not measured at fair value through profit or loss. The host contract, in the event an embedded derivative is recognised separately, is accounted for in accordance with policy applicable to the nature of the host contract.

2. Significant accounting policies (continued)

(c) Financial instruments (continued)

(ii) Financial instrument categories and subsequent measurement

Financial assets

Categories of financial assets are determined on initial recognition and are not reclassified subsequent to their initial recognition unless the Group or the Company changes its business model for managing financial assets in which case all affected financial assets are reclassified on the first day of the first reporting period following the change of the business model.

(a) Amortised cost

Amortised cost category comprises financial assets that are held within a business model whose objective is to hold assets to collect contractual cash flows and its contractual terms give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding. The financial assets are not designated as fair value through profit or loss. Subsequent to initial recognition, these financial assets are measured at amortised cost using the effective interest method. The amortised cost is reduced by impairment losses. Interest income, foreign exchange gains and losses and impairment are recognised in profit or loss. Any gain or loss on derecognition is recognised in profit or loss.

Interest income is recognised by applying effective interest rate to the gross carrying amount except for credit impaired financial assets (see Note 2(l)(i)) where the effective interest rate is applied to the amortised cost.

(b) Fair value through other comprehensive income

(i) Debt investments

Fair value through other comprehensive income category comprises debt investment where it is held within a business model whose objective is achieved by both collecting contractual cash flows and selling the debt investment, and its contractual terms give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding. The debt investment is not designated as fair value through profit or loss. Interest income calculated using the effective interest method, foreign exchange gains and losses and impairment are recognised in profit or loss. Other net gains and losses are recognised in other comprehensive income. On derecognition, gains and losses accumulated in other comprehensive income are reclassified to profit or loss.

2. Significant accounting policies (continued)

(c) Financial instruments (continued)

(ii) Financial instrument categories and subsequent measurement (continued)

Financial assets (continued)

(b) Fair value through other comprehensive income (continued)

(i) Debt investments (continued)

Interest income is recognised by applying effective interest rate to the gross carrying amount except for credit impaired financial assets (see Note 2(l)(i)) where the effective interest rate is applied to the amortised cost.

(ii) Equity investment

This category comprises investment in equity that is not held for trading, and the Group and the Company irrevocably elect to present subsequent changes in the investment's fair value in other comprehensive income. This election is made on an investment-by-investment basis. Dividends are recognised as income in profit or loss unless the dividend clearly represents a recovery of part of the cost of investment. Other net gains and losses are recognised in other comprehensive income. On derecognition, gains and losses accumulated in other comprehensive income are not reclassified to profit or loss.

(c) Fair value through profit or loss

All financial assets not measured at amortised cost or fair value through other comprehensive income as described above are measured at fair value through profit or loss. This includes derivative financial assets (except for a derivative that is a designated and effective hedging instrument). On initial recognition, the Group or the Company may irrevocably designate a financial asset that otherwise meets the requirements to be measured at amortised cost or at fair value through other comprehensive income as at fair value through profit or loss if doing so eliminates or significantly reduces an accounting mismatch that would otherwise arise.

Financial assets categorised as fair value through profit or loss are subsequently measured at their fair value. Net gains or losses, including any interest or dividend income, are recognised in the profit or loss.

All financial assets, except for those measured at fair value through profit or loss and equity investments measured at fair value through other comprehensive income, are subject to impairment assessment (see Note 2(l)(i)).

2. Significant accounting policies (continued)

(c) Financial instruments (continued)

(ii) Financial instrument categories and subsequent measurement (continued)

Financial liabilities

The categories of financial liabilities at initial recognition are as follows:

(a) Fair value through profit or loss

Fair value through profit or loss category comprises financial liabilities that are derivatives (except for a derivative that is a financial guarantee contract or a designated and effective hedging instrument), contingent consideration in a business combination and financial liabilities that are specifically designated into this category upon initial recognition.

On initial recognition, the Group or the Company may irrevocably designate a financial liability that otherwise meets the requirements to be measured at amortised cost as at fair value through profit or loss:

(a) if doing so eliminates or significantly reduces an accounting mismatch that would otherwise arise;

(b) a group of financial liabilities or assets and financial liabilities is managed and its performance is evaluated on a fair value basis, in accordance with a documented risk management or investment strategy, and information about the group is provided internally on that basis to the Group's key management personnel; or

(c) if a contract contains one or more embedded derivatives and the host is not a financial asset in the scope of MFRS 9, where the embedded derivative significantly modifies the cash flows and separation is not prohibited.

Financial liabilities categorised as fair value through profit or loss are subsequently measured at their fair value with gains or losses, including any interest expense are recognised in the profit or loss.

For financial liabilities where it is designated as fair value through profit or loss upon initial recognition, the Group and the Company recognise the amount of change in fair value of the financial liability that is attributable to change in credit risk in the other comprehensive income and remaining amount of the change in fair value in the profit or loss, unless the treatment of the effects of changes in the liability's credit risk would create or enlarge an accounting mismatch.

2. Significant accounting policies (continued)

(c) Financial instruments (continued)

(ii) Financial instrument categories and subsequent measurement (continued)

Financial liabilities (continued)

The categories of financial liabilities at initial recognition are as follows (continued):

(b) Amortised cost

Other financial liabilities not categorised as fair value through profit or loss are subsequently measured at amortised cost using the effective interest method.

Interest expense and foreign exchange gains and losses are recognised in the profit or loss. Any gains or losses on derecognition are also recognised in the profit or loss.

(iii) Regular way purchase or sale of financial assets

A regular way purchase or sale of financial assets is recognised and derecognised, as applicable, using trade date or settlement date accounting in the current year.

Trade date accounting refers to:

(a) the recognition of an asset to be received and the liability to pay for it on the trade date; and
(b) derecognition of an asset that is sold, recognition of any gain or loss on disposal and the recognition of a receivable from the buyer for payment on the trade date.

Settlement date accounting refers to:

(a) the recognition of an asset on the day it is received by the Group or the Company; and
(b) derecognition of an asset and recognition of any gain or loss on disposal on the day that is delivered by the Group or the Company.

Any change in the fair value of the asset to be received during the period between the trade date and the settlement date is accounted in the same way as it accounts for the acquired asset.

Generally, the Group or the Company applies trade date accounting unless otherwise stated for the specific class of asset.

2. Significant accounting policies (continued)

(c) Financial instruments (continued)

(iv) Financial guarantee contracts

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

Financial guarantees issued are initially measured at fair value. Subsequently, they are measured at higher of:

- the amount of the loss allowance; and
- the amount initially recognised less, when appropriate, the cumulative amount of income recognised in accordance to the principles of MFRS 15, *Revenue from Contracts with Customers*.

Liabilities arising from financial guarantees are presented together with other provisions.

(v) 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 expired or transferred, or control of the asset is not retained or substantially all of the risks and rewards of ownership of the financial asset are transferred to another party. On derecognition of a financial asset, the difference between the carrying amount of the financial asset and the sum of consideration received (including any new asset obtained less any new liability assumed) is recognised in 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, cancelled or expires. A financial liability is also derecognised when its terms are modified and the cash flows of the modified liability are substantially different, in which case, a new financial liability based on modified terms is recognised at fair value. 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 in profit or loss.

(vi) Offsetting

Financial assets and financial liabilities are offset and the net amount presented in the statement of financial position when, and only when, the Group or the Company currently has a legally enforceable right to set off the amounts and it intends either to settle them on a net basis or to realise the asset and liability simultaneously.

2. Significant accounting policies (continued)

(d) Property, plant and equipment

(i) Recognition and measurement

Items of property, plant and equipment are measured at cost less any 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. For qualifying assets, borrowing costs are capitalised in accordance with the accounting policy on borrowing costs. Cost also may include transfers from equity of any gain or loss on qualifying cash flow hedges of foreign currency purchases of property, plant and equipment.

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 property, plant and equipment have different useful lives, they are accounted for as separate items (major components) of property, plant and equipment.

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

(ii) Subsequent costs

The cost of replacing a component of an item of property, 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 Company, and its cost can be measured reliably. The carrying amount of the replaced component is derecognised to profit or loss. The costs of the day-to-day servicing of property, plant and equipment are recognised in 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 profit or loss on a straight-line basis or diminishing balance method over the estimated useful lives of each component of an item of property, plant and equipment from the date that they are available for use. Freehold land is not depreciated. Property, plant and equipment under construction are not depreciated until the assets are ready for their intended use.

2. Significant accounting policies (continued)

(d) Property, plant and equipment (continued)

(iii) Depreciation (continued)

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

• Buildings	15 - 70 years
• Renovations	3 - 10 years
• Furniture and fittings	2 - 10 years
• Motor vehicles	5 years
• Equipment and computers	3 - 15 years

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

(e) Leases

(i) Definition of a lease

A contract is, or contains, a lease if the contract conveys a right to control the use of an identified assets for a period of time in exchange for consideration. To assess whether a contract conveys the right to control the use of an identified asset, the Group and the Company assess whether:

- the contract involves the use of an identified asset – this may be specified explicitly or implicitly, and should be physically distinct or represent substantially all of the capacity of a physically distinct asset. If the supplier has a substantive substitution right, then the asset is not identified;

- the customer has the right to obtain substantially all of the economic benefits from the use of the asset throughout the period of use; and

- the customer has the right to direct the use of the asset. The customer has this right when it has the decision-making rights that are most relevant to changing how and for what purpose the asset is used. In rare cases where the decision about how and for what purpose the asset is used is predetermined, the customer has the right to direct the use of the asset if either the customer has the right to operate the asset; or the customer designed the asset in a way that predetermines how and for what purpose it will be used.

At inception or on reassessment of a contract that contains a lease component, the Group and the Company allocate the consideration in the contract to each lease and non-lease component on the basis of their relative stand-alone prices. However, for leases of properties in which the Group and the Company are a lessee, they have elected not to separate non-lease components and will instead account for the lease and non-lease components as a single lease component.

2. Significant accounting policies (continued)

(e) Leases (continued)

(ii) Recognition and initial measurement

(a) As a lessee

The Group and the Company recognise a right-of-use asset and a lease liability at the lease commencement date. The right-of-use asset is initially measured at cost, which comprises the initial amount of the lease liability adjusted for any lease payments made at or before the commencement date, plus any initial direct costs incurred and an estimate of costs to dismantle and remove the underlying asset or to restore the underlying asset or the site on which it is located, less any lease incentives received.

The lease liability is initially measured at the present value of the lease payments that are not paid at the commencement date, discounted using the interest rate implicit in the lease or, if that rate cannot be readily determined, the respective Group entities' incremental borrowing rate. Generally, the Group entities use their incremental borrowing rate as the discount rate.

Lease payments included in the measurement of the lease liability comprise the following:

- fixed payments, including in-substance fixed payments less any incentive receivables;
- variable lease payments that depend on an index or a rate, initially measured using the index or rate as at the commencement date;
- amounts expected to be payable under a residual value guarantee;
- the exercise price under a purchase option that the Group and the Company are reasonably certain to exercise; and
- penalties for early termination of a lease unless the Group and the Company are reasonably certain not to terminate early.

The Group and the Company exclude variable lease payments that linked to future performance or usage of the underlying asset from the lease liability. Instead, these payments are recognised in profit or loss in the period in which the performance or use occurs.

The Group and the Company have elected not to recognise right-of-use assets and lease liabilities for short-term leases that have a lease term of 12 months or less and leases of low-value assets. The Group and the Company recognise the lease payments associated with these leases as an expense on a straight-line basis over the lease term.

2. Significant accounting policies (continued)

(e) Leases (continued)

(ii) Recognition and initial measurement (continued)

(b) As a lessor

When the Group acts as a lessor, it determines at lease inception whether each lease is a finance lease or an operating lease.

To classify each lease, the Group makes an overall assessment of whether the lease transfers substantially all of the risks and rewards incidental to ownership of the underlying asset. If this is the case, then the lease is a finance lease; if not, then it is an operating lease.

If an arrangement contains lease and non-lease components, the Group applies MFRS 15 to allocate the consideration in the contract based on the stand-alone selling prices.

When the Group is an intermediate lessor, it accounts for its interests in the head lease and the sublease separately. It assesses the lease classification of a sublease with reference to the right-of-use asset arising from the head lease, not with reference to the underlying asset. If a head lease is a short-term lease to which the Group applies the exemption described above, then it classifies the sublease as an operating lease.

(iii) Subsequent measurement

(a) As a lessee

The right-of-use asset is subsequently depreciated using the straight-line method from the commencement date to the earlier of the end of the useful life of the right-of-use asset or the end of the lease term. The estimated useful lives of right-of-use assets are determined on the same basis as those of property, plant and equipment. In addition, the right-of-use asset is periodically reduced by impairment losses, if any, and adjusted for certain remeasurements of the lease liability.

The lease liability is measured at amortised cost using the effective interest method. It is remeasured when there is a change in future lease payments arising from a change in an index or rate, if there is a revision of in-substance fixed lease payments, or if there is a change in the Group's and the Company's estimate of the amount expected to be payable under a residual value guarantee, or if the Group or the Company changes its assessment of whether it will exercise a purchase, extension or termination option.

When the lease liability is remeasured, a corresponding adjustment is made to the carrying amount of the right-of-use asset, or is recorded in profit or loss if the carrying amount of the right-of-use has been reduced to zero.

2. Significant accounting policies (continued)

(e) Leases (continued)

(iii) Subsequent measurement (continued)

(b) As a lessor

The Group recognises lease payments received under operating leases as income on a straight-line basis over the lease term as part of "revenue".

(f) Intangible assets

(i) Goodwill

Goodwill arises on business combinations is measured at cost less any accumulated impairment losses. In respect of equity-accounted associates and joint ventures, the carrying amount of goodwill is included in the carrying amount of the investment and an impairment loss on such an investment is not allocated to any asset, including goodwill that forms part of the carrying amount of the equity-accounted associates and joint ventures.

(ii) Other intangible assets

Intangible assets, other than goodwill, that are acquired by the Group and the Company, which have finite useful lives, are measured at cost less any accumulated amortisation and any accumulated impairment losses.

(iii) Subsequent expenditure

Subsequent expenditure is capitalised only when it increases the future economic benefits embodied in the specific asset to which it relates. All other expenditure on internally generated goodwill and brands, is recognised in profit or loss as incurred.

(iv) Amortisation

Goodwill and intangible assets with indefinite useful lives are not amortised but are tested for impairment annually and whenever there is an indication that they may be impaired.

Other intangible assets are amortised from the date that they are available for use. Amortisation is based on the cost of an asset less its residual value. Amortisation is recognised in profit or loss on a straight-line basis over the estimated useful lives of intangible assets.

2. Significant accounting policies (continued)

(f) Intangible assets (continued)

(iv) Amortisation (continued)

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

- Software 3 years

Amortisation methods, useful lives and residual values are reviewed at the end of each reporting period and adjusted, if appropriate.

(g) Investment properties

Investment properties carried at cost

Investment properties are properties which are owned or right-of-use asset held under a lease contract to earn rental income or for capital appreciation or for both, but not for sale in the ordinary course of business, use in the production or supply of goods or services or for administrative purposes.

Investment properties which are owned are initially and subsequently measured at cost, similar to property, plant and equipment. Cost includes expenditures that is directly attributable to the acquisition of the investment property. The cost of self-constructed investment property includes the cost of materials and direct labour, any other costs directly attributable to bringing the investment property to a working condition for their intended use and capitalised borrowing costs. Right-of-use asset held under a lease contract that meets the definition of investment property is initially and subsequently measured similarly as other right-of-use assets.

Depreciation is recognised in profit or loss on a straight-line basis over the estimated useful lives. Freehold land and capital work-in-progress are not depreciated.

The estimated useful lives for the current and comparative periods are as follow:

- Buildings 50 – 58 years

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

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

2. Significant accounting policies (continued)

(h) Inventories

Inventories comprise land held for development, land held for resale, completed properties, construction materials, food and beverages and consumables which are measured at the lower of cost and net realisable value. Net realisable value is the estimated selling price in the ordinary course of business, less the estimated costs of completion and the estimated costs necessary to make the sale.

Land held for development
Land held for development comprise costs associated with the acquisition of land and all costs that are directly attributable to development activities or that can be allocated on a reasonable basis to such activities.

Land held for resale
The cost of land held for resale includes all incidental costs incurred in acquiring the land and preparing it for resale.

Completed properties
The cost of properties held for resale is determined on the specific identification basis and includes costs of land, construction and appropriate development expenses.

Construction materials, food and beverages and consumables
For remaining inventories, cost of inventories is based on first-in-first-out principle and includes expenditure incurred in acquiring the inventories, production or conversion costs and other costs incurred in bringing them to their existing location and condition.

(i) Contract assets/(Contract liabilities)

A contract asset is recognised when the Group's or the Company's right to consideration is conditional on something other than the passage of time. A contract asset is subject to impairment in accordance to MFRS 9, *Financial Instruments* (see Note 2(l)(i)).

A contract liability is stated at cost and represents the obligation of the Group or the Company to transfer goods or services to a customer for which consideration has been received (or the amount is due) from the customers.

(j) Contract cost

(i) Incremental cost of obtaining a contract

The Group recognises incremental costs of obtaining contracts when the Group expects to recover these costs.

2. Significant accounting policies (continued)

(j) Contract cost (continued)

(ii) Costs to fulfil a contract

The Group recognises a contract cost that relate directly to a contract or to an anticipated contract as an asset when the cost generates or enhances resources of the Group, will be used in satisfying performance obligations in the future and it is expected to be recovered.

These contract costs are initially measured at cost and amortised on a systematic basis that is consistent with the pattern of revenue recognition to which the asset relates. An impairment loss is recognised in the profit or loss when the carrying amount of the contract cost exceeds the expected revenue less expected cost that will be incurred. Where the impairment condition no longer exists or has improved, the impairment loss is reversed to the extent that the carrying amount of the contract cost does not exceed the amount that would have been recognised had there been no impairment loss recognised previously.

(k) Cash and cash equivalents

Cash and cash equivalents consist of cash on hand, balances and deposits with banks and highly liquid investments which have an insignificant risk of changes in fair value with original maturities of three months or less, and are used by the Group and the Company in the management of their short-term commitments. For the purpose of the statement of cash flows, cash and cash equivalents are presented net of bank overdraft, restricted cash and pledged deposits.

(l) Impairment

(i) Financial assets

The Group and the Company recognise loss allowances for expected credit losses on financial assets measured at amortised cost, debt investments measured at fair value through other comprehensive income, contract assets and lease receivables. Expected credit losses are a probability-weighted estimate of credit losses.

The Group and the Company measure loss allowances at an amount equal to lifetime expected credit loss, except for debt securities that are determined to have low credit risk at the reporting date, cash and bank balance and other debt securities for which credit risk has not increased significantly since initial recognition, which are measured at 12-month expected credit loss. Loss allowances for trade receivables, contract assets and lease receivables are always measured at an amount equal to lifetime expected credit loss.

2. Significant accounting policies (continued)

(l) Impairment (continued)

(i) Financial assets (continued)

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

Lifetime expected credit losses are the expected credit losses that result from all possible default events over the expected life of the asset, while 12-month expected credit losses are the portion of expected credit losses that result from default events that are possible within the 12 months after the reporting date. The maximum period considered when estimating expected credit losses is the maximum contractual period over which the Group and the Company are exposed to credit risk.

The Group and the Company estimate the expected credit losses on trade receivables using a provision matrix with reference to historical credit loss experience.

An impairment loss in respect of financial assets measured at amortised cost is recognised in profit or loss and the carrying amount of the asset is reduced through the use of an allowance account.

An impairment loss in respect of debt investments measured at fair value through other comprehensive income is recognised in profit or loss and the allowance account is recognised in other comprehensive income.

At each reporting date, the Group and the Company assess whether financial assets carried at amortised cost and debt securities at fair value through other comprehensive income are credit-impaired. A financial asset is credit-impaired when one or more events that have a detrimental impact on the estimated future cash flows of the financial asset have occurred.

The gross carrying amount of a financial asset is written off (either partially or full) to the extent that there is no realistic prospect of recovery. This is generally the case when the Group or the Company determines that the debtor does not have assets or sources of income that could generate sufficient cash flows to repay the amounts subject to the write-off. However, financial assets that are written off could still be subject to enforcement activities in order to comply with the Group's or the Company's procedures for recovery of amounts due.

2. Significant accounting policies (continued)

(l) Impairment (continued)

(ii) Other assets

The carrying amounts of other assets (except for inventories, deferred tax asset and assets arising from employee benefits) 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 goodwill and intangible assets that have indefinite useful lives or that are not yet available for use, the recoverable amount is estimated each year at the same time.

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. Subject to an operating segment ceiling test, for the purpose of goodwill impairment testing, cash-generating units to which goodwill has been allocated are aggregated so that the level at which impairment testing is performed reflects the lowest level at which goodwill is monitored for internal reporting purposes. The goodwill acquired in a business combination, for the purpose of impairment testing, is allocated to a cash-generating unit or a group of cash-generating units that are expected to benefit from the synergies of the combination.

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 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 (groups of cash-generating units) and then to reduce the carrying amounts of the other assets in the cash-generating unit (groups of cash-generating units) on a *pro rata* basis.

An impairment loss in respect of goodwill is not reversed. In respect of other assets, impairment losses recognised in prior years 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 profit or loss in the financial year in which the reversals are recognised.

2. Significant accounting policies (continued)

(m) Equity instruments

Instruments classified as equity are measured at cost on initial recognition and are not remeasured subsequently.

(i) Issue expenses

Costs directly attributable to the issue of instruments classified as equity are recognised as a deduction from equity.

(ii) Ordinary shares

Ordinary shares are classified as equity.

(iii) Preference share capital

Preference share capital is classified as equity if it is non-redeemable, or is redeemable but only at the Company's option, and any dividends are discretionary. Dividends thereon are recognised as distributions within equity.

Preference share capital is classified as financial liability if it is redeemable on a specific date or at the option of the equity holders, or if dividend payments are not discretionary. Dividends thereon are recognised as interest expense in profit or loss as accrued.

(iv) Distributions of assets to owners of the Company

The Group measures a liability to distribute assets as a dividend to the owners of the Company at the fair value of the assets to be distributed. The carrying amount of the dividend is remeasured at each reporting period and at the settlement date, with any changes recognised directly in equity as adjustments to the amount of the distribution. On settlement of the transaction, the Group recognises the difference, if any, between the carrying amount of the assets distributed and the carrying amount of the liability in profit or loss.

(n) Employee benefits

(i) Short-term employee benefits

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 or profit-sharing plans if the Group 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.

2. Significant accounting policies (continued)

(n) Employee benefits (continued)

(ii) State plans

The Group's contributions to statutory pension funds are charged to profit or loss in the financial year to which they relate. Prepaid contributions are recognised as an asset to the extent that a cash refund or a reduction in future payments is available.

(iii) Defined benefit plan

Obligations for retirement benefits are recognised using the best estimate method at the reporting date.

(o) Provisions

A provision is recognised if, as a result of a past event, the Group has a present legal or constructive obligation that can be estimated reliably, and it is probable that an outflow of economic benefits will be required to settle the obligation. Provisions are determined by discounting the expected future cash flows at a pre-tax rate that reflects current market assessments of the time value of money and the risks specific to the liability. The unwinding of the discount is recognised as finance cost.

(p) Revenue and other income

Revenue is measured based on the consideration specified in a contract with a customer in exchange for transferring product or services to a customer, excluding amounts collected on behalf of third parties. The Group or the Company recognises revenue when (or as) it transfers control over a product or services to a customer. An asset is transferred when (or as) the customer obtains control of the asset.

The Group or the Company transfers control of a good or service at a point in time unless one of the following over time criteria is met:

(a) the customer simultaneously receives and consumes the benefits provided as the Group or the Company performs;

(b) the Group's or the Company's performance creates or enhances an asset that the customer controls as the asset is created or enhanced; or

(c) the Group's or the Company's performance does not create an asset with an alternative use and the Group or the Company has an enforceable right to payment for performance completed to date.

A performance obligation is the unit of account for revenue recognition where the Group assesses the goods or services promised to transfer to a customer that is stated explicitly in a contract or implied in the Group's customary business practices. The transaction price will be allocated to each of the separate performance obligations based on the relative stand-alone selling prices of each distinct goods or services promised in the contract. Depending on the substance of the contract, revenue is recognised when performance obligation is satisfied, which may be at a point in time or over time.

2. Significant accounting policies (continued)

(p) Revenue and other income (continued)

(i) Hotel operations, room rental and related revenue

Room rental revenue is recognised over the period of the guests' stay at the hotel. Any cancellations of hotel reservation during the non-refundable periods are immediately recognised as room revenue. Revenue from the sales of food and beverage is recognised when the customer receives and consumes, and the Group has a present right to payment for the food and beverage product. Hotel room rental and food and beverages revenue are recorded based on the published rates, net of discounts and collectability is reasonably certain. Revenue for rendering of other services is recognised when the services are provided or on a straight-line basis over the term of the service and ultimate collection is reasonably assumed.

The Group's sale of hotel related goods and services are either on cash terms, or on credit terms of up to 90 days.

(ii) Sales of properties

Revenue from property development is recognised as and when the control of the asset is transferred to the customer and collection of consideration by the Group is probable in exchange for the asset that will be transferred to the customer. Depending on the terms of the contract and the laws that apply to the contract, control of the asset may transfer over time or at a point in time.

Goods or services are distinct if they meet both of the following criteria:

(a) If they are capable of being distinct:

The customer can benefit from the goods or services on its own or together with their readily available resources; and

(b) If they are distinct within the context of the contract:

The Group's promise to transfer the goods or services is separately identifiable from other promises in the contract. The objective of this criteria is to determine whether the nature of the promise is to transfer each of those goods or services individually or whether the promise is to transfer a combined item or items to which promised goods or services are inputs.

The transaction price is allocated at contract inception to each performance obligation to depict the amount of consideration to which an entity expects to be entitled in exchange for transferring the promised goods or services to the customer. The transaction price is allocated to each performance obligation in proportion to its stand-alone selling price.

The revenue from property development is measured at the fixed transaction price agreed under the sale and purchase agreement, net of rebates and discounts.

2. Significant accounting policies (continued)

(p) Revenue and other income (continued)

(ii) Sales of properties (continued)

Revenue recognised over time

The promised properties are specifically identified by its plot, lot and parcel number and its attributes (such as its size and location) in the sale and purchase agreement and the attached layout plan. The purchasers could enforce its rights to the promised properties if the Group seeks to sell the units to another purchaser. As the contractual restriction on the Group's ability to direct the promised properties for another use is substantive, the promised properties sold to the purchasers do not have an alternative use to the Group. The Group has a right to payment for performance completed to date.

The Group recognises revenue over time using the input method, which is based on the property development costs incurred up to the end of the reporting period as a percentage of total estimated costs for complete satisfaction of the contract.

The contractual billing period for sales of properties recognised over time are made progressively.

Revenue recognised at a point in time

There are also contracts with customers, whereby the Group recognises revenue at a point in time when contracts are exchanged and the building work is physically complete. The legal completion of the sale, being the point at which the balance of the sale consideration is paid for and title transfers, remains dependent on the transfer of control of the assets to customers.

The Group's sales of properties recognised at a point in time are based on terms as stipulated in sale and purchase agreement, with upfront deposit billed upon signing of agreement, and the remaining balances are to be billed upon completion of construction.

There are goods or services such as white goods, common areas or other facilities given to purchasers when they purchase the property. If control of the asset transfers over time, revenue is recognised over the period of the contract by reference to the progress towards complete satisfaction of that performance obligation. Otherwise, revenue is recognised at point in time when the customer obtains the control of the asset.

2. Significant accounting policies (continued)

(p) Revenue and other income (continued)

(iii) Sale of goods

Revenue from the sale of goods in the course of ordinary activities is measured at fair value of the consideration received or receivable, net of returns and allowances, trade discounts and volume rebates. Revenue is recognised when persuasive evidence exists, usually in the form of an executed sales agreement, that the control of the goods have been transferred to the customer and recovery of the consideration is probable. If it is probable that discounts will be granted and the amount can be measured reliably, then the discount is recognised as a reduction of revenue as the sales are recognised.

(iv) Management fees

Management fees are charged on the services for finance-related services, administrative support works or the maintenance of the buildings in accordance with the substance of the relevant agreements.

The Group and the Company recognise revenue from management fees over time using the input method when the services are simultaneously received and consumed by the recipient.

Management fees earned are billed on a monthly, half-yearly or yearly basis depending on the payment term as stipulated in the Management Service Agreement.

(v) Properties rental income

Rental income from investment property is recognised in profit or loss on a straight-line basis over the term of lease. Lease incentives granted are recognised as an integral part of the total rental income, over the term of the lease. Rental income from subleased property is recognised as other income.

(vi) Interest income

Interest income is recognised as it accrues using the effective interest method in profit or loss except for interest income arising from temporary investment of borrowings taken specifically for the purpose of obtaining a qualifying asset which is accounted for in accordance with the accounting policy on borrowing costs.

2. Significant accounting policies (continued)

(p) Revenue and other income (continued)

(vii) Dividend income

Dividend income is recognised in profit or loss on the date that the Group's or the Company's right to receive payment is established, which in the case of quoted securities is the ex-dividend date.

(viii) Sales of electricity

Revenue from electricity sales are recognised upon supply and distribution of electricity (acting as an agent of an electricity company) to tenants and the tenants receive and consume the electrical energy.

The Group recognises revenue from sales of electricity over time net of utilities cost paid to the electricity company based on consumption by the tenants.

(ix) Government grants

Government grants are recognised initially as deferred income at fair value when there is a reasonable assurance that they will be received and that the Group will comply with the conditions associated with the grant; they are then recognised in profit or loss as other income on a systematic basis over the useful life of the asset.

Grants that compensate the Group for expenses incurred are recognised in profit or loss as other income on a systematic basis in the same period in which the expenses are recognised.

(q) Borrowing costs

Borrowing costs that are not directly attributable to the acquisition, construction or production of a qualifying asset are recognised in 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 asset is being incurred, borrowing costs are being incurred and activities that are necessary to prepare the asset for its intended use or sale are in progress. Capitalisation of borrowing costs is suspended or ceases when substantially all the activities necessary to prepare the qualifying asset for its intended use or sale are interrupted or completed.

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

2. Significant accounting policies (continued)

(r) Income tax

Income tax expense comprises current and deferred tax. Current tax and deferred tax are recognised in profit or loss except to the extent that it relates to a business combination or items recognised directly in equity or other comprehensive income.

Current tax is the expected tax payable or receivable on the taxable income or loss for the year, using tax rates enacted or substantively enacted by the end of the reporting period, and any adjustment to tax payable in respect of previous financial years.

Deferred tax is recognised using the liability method, providing for temporary differences between the carrying amounts of assets and liabilities in the statements of financial position and their tax bases. Deferred tax is not recognised for the following temporary differences: the initial recognition of goodwill, 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 reverse, based on the laws that have been enacted or substantively enacted by the end of the reporting period.

The amount of deferred tax recognised is measured based on the expected manner of realisation or settlement of the carrying amount of the assets and liabilities, using tax rates enacted or substantively enacted at the reporting date. Deferred tax assets and liabilities are not discounted.

Deferred tax assets and liabilities are offset if there is a legally enforceable right to offset current tax assets and liabilities, 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 assets and liabilities 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.

2. Significant accounting policies (continued)

(s) Contingencies

Contingent liabilities

Where it is not probable that an outflow of economic benefits will be required, or the amount cannot be estimated reliably, the obligation is not recognised in the statements of financial position and is disclosed as a contingent liability, unless the probability of outflow of economic benefits is remote. Possible obligations, whose existence will only be confirmed by the occurrence or non-occurrence of one or more future events, are also disclosed as contingent liabilities unless the probability of outflow of economic benefits is remote.

(t) Fair value measurements

Fair value of an asset or a liability, except for share-based payment and lease transactions, is determined as the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. The measurement assumes that the transaction to sell the asset or transfer the liability takes place either in the principal market or in the absence of a principal market, in the most advantageous market.

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

When measuring the fair value of an asset or a liability, the Group uses observable market data as far as possible. Fair value is categorised into different levels in a fair value hierarchy based on the input used in the valuation technique as follows:

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

The Group recognises transfers between levels of the fair value hierarchy as of the date of the event or change in circumstances that caused the transfers.

3. Property, plant and equipment

Group	Note	Freehold land RM'000	Buildings RM'000	Renovations RM'000	Renovations in-progress RM'000	Furniture and fittings RM'000	Motor vehicles RM'000	Equipment and computers RM'000	Total RM'000
Cost									
At 1 January 2020		428,723	1,899,191	105,529	117	111,921	8,197	274,470	2,828,148
Reclassification		-	-	-	(199)	-	-	199	-
Additions		-	374	1,370	5,887	1,578	1,063	2,188	12,460
Write-off		-	(482)	(382)	-	(454)	-	(1,057)	(2,375)
Deconsolidation of a subsidiary		-	-	-	-	(12,053)	-	(10)	(12,063)
Disposals		-	-	-	-	(34)	(1,164)	(39)	(1,237)
Effect of foreign exchange translation		2,539	44,709	6,051	8	1,280	10	8,568	63,165
At 31 December 2020/1 January 2021		431,262	1,943,792	112,568	5,813	102,238	8,106	284,319	2,888,098
Reclassification		-	979	36,063	(3,664)	90	-	(33,468)	-
Transfer to intangible assets	7	-	-	-	(63)	-	-	-	(63)
Additions		-	26	1,526	15,445	1,160	948	2,551	21,656
Write-off		-	(1,098)	-	-	(98)	-	(1,406)	(2,602)
Adjustments		-	-	(16)	-	-	-	-	(16)
Disposals		-	-	-	-	-	(1,201)	(11)	(1,212)
Effect of foreign exchange translation		(18,474)	(14,958)	(1,809)	(793)	2,924	77	(1,713)	(34,746)
At 31 December 2021		412,788	1,928,741	148,332	16,738	106,314	7,930	250,272	2,871,115

3. Property, plant and equipment (continued)

Group	Note	Freehold land RM'000	Buildings RM'000	Renovations RM'000	Renovations in-progress RM'000	Furniture and fittings RM'000	Motor vehicles RM'000	Equipment and computers RM'000	Total RM'000
Accumulated depreciation and impairment loss									
At 1 January 2020									
Accumulated depreciation		-	393,117	71,528	-	74,012	4,779	175,036	718,472
Accumulated impairment loss		-	65,332	-	-	4,593	975	1,086	71,986
		-	458,449	71,528	-	78,605	5,754	176,122	790,458
Adjustment		-	2,015	-	-	-	-	-	2,015
Depreciation for the year		-	41,475	5,506	-	9,078	606	20,758	77,423
Impairment loss for the year	3.1	-	148,713	11	588	8,507	121	3,952	161,892
Write-off		-	(482)	(382)	-	(449)	-	(1,057)	(2,370)
Deconsolidation of a subsidiary		-	-	-	-	(11,771)	-	(2)	(11,773)
Disposals		-	-	-	-	(34)	(1,006)	(39)	(1,079)
Effect of foreign exchange translation		-	16,695	5,030	-	839	3	8,144	30,711
At 31 December 2020									
Accumulated depreciation		-	447,427	81,682	-	71,368	4,381	202,737	807,595
Accumulated impairment loss		-	219,438	11	588	13,407	1,097	5,141	239,682
At 31 December 2020/1 January 2021		-	666,865	81,693	588	84,775	5,478	207,878	1,047,277

3. Property, plant and equipment (continued)

Group	Note	Freehold land RM'000	Buildings RM'000	Renovations RM'000	Renovations in-progress RM'000	Furniture and fittings RM'000	Motor vehicles RM'000	Equipment and computers RM'000	Total RM'000
Accumulated depreciation and impairment loss (continued)									
Reclassification		-	-	34,068	-	-	-	(34,068)	-
Depreciation for the year		-	39,656	6,963	-	5,402	589	15,538	68,148
Write-off		-	(115)	-	-	(72)	-	(530)	(717)
Adjustments		-	-	(4)	-	-	-	-	(4)
Disposals		-	-	-	-	-	(469)	(11)	(480)
Effect of foreign exchange translation		-	(6,724)	(2,072)	(41)	2,319	31	(1,411)	(7,898)
At 31 December 2021									
Accumulated depreciation		-	482,755	120,638	-	78,273	4,533	182,276	868,475
Accumulated impairment loss		-	216,927	10	547	14,151	1,096	5,120	237,851
At 31 December 2021		-	699,682	120,648	547	92,424	5,629	187,396	1,106,326
Carrying amounts									
At 1 January 2020		428,723	1,440,742	34,001	117	33,316	2,443	98,348	2,037,690
At 31 December 2020/1 January 2021		431,262	1,276,927	30,875	5,225	17,463	2,628	76,441	1,840,821
At 31 December 2021		412,788	1,229,059	27,684	16,191	13,890	2,301	62,876	1,764,789

3. Property, plant and equipment (continued)

Company	Buildings RM'000	Renovations RM'000	Furniture and fittings RM'000	Motor vehicles RM'000	Equipment and computers RM'000	Total RM'000
Cost						
At 1 January 2020	15,850	1,312	587	5,178	968	23,895
Additions	-	868	27	-	65	960
At 31 December 2020/1 January 2021	15,850	2,180	614	5,178	1,033	24,855
Additions	-	73	-	109	47	229
At 31 December 2021	15,850	2,253	614	5,287	1,080	25,084
Accumulated depreciation and impairment loss						
At 1 January 2020						
Accumulated depreciation	4,305	628	295	2,769	741	8,738
Accumulated impairment loss	-	-	-	957	-	957
	4,305	628	295	3,726	741	9,695
Depreciation for the year	420	332	91	237	99	1,179
Impairment loss for the year	-	-	-	87	-	87
At 31 December 2020/1 January 2021						
Accumulated depreciation	4,725	960	386	3,006	840	9,917
Accumulated impairment loss	-	-	-	1,044	-	1,044
	4,725	960	386	4,050	840	10,961

3. Property, plant and equipment (continued)

Company	Buildings RM'000	Renovations RM'000	Furniture and fittings RM'000	Motor vehicles RM'000	Equipment and computers RM'000	Total RM'000
Accumulated depreciation and impairment loss (continued)						
Depreciation for the year	420	352	79	207	86	1,144
At 31 December 2021						
Accumulated depreciation	5,145	1,312	465	3,213	926	11,061
Accumulated impairment loss	-	-	-	1,044	-	1,044
	5,145	1,312	465	4,257	926	12,105
Carrying amounts						
At 1 January 2020	11,545	684	292	1,452	227	14,200
At 31 December 2020/1 January 2021	11,125	1,220	228	1,128	193	13,894
At 31 December 2021	10,705	941	149	1,030	154	12,979

3. Property, plant and equipment (continued)

3.1 Impairment loss

The World Health Organization ("WHO") declared Coronavirus (e.g. COVID-19) a 'Pandemic' on 11 March 2020. The COVID-19 pandemic has caused varying degrees of travel restrictions and social distancing practices, which has led to plummeting demand in the hospitality sector. As a result, the hotels of the Group are experiencing a decline in occupancy rate and average room rate. The decline has led to impairment loss being recognised on certain hotel properties as their recoverable amounts have been assessed to be lower than their carrying amounts. In prior year, the impairment loss was reported under hotel operations segment and was included in impairment loss of property, plant and equipment caption in the statements of profit or loss and other comprehensive income. Following the impairment in hotel properties, the recoverable amount was equal to the carrying amount at the end of reporting period of prior year.

There is no impairment recorded in the current year.

Significant judgement and assumptions in relation to impairment of hotel properties in prior year

In prior year, the assumptions used in performing the impairment test had considered the potential impact of the COVID-19 pandemic and a delay in the return to the pre-crisis levels of turnover and profitability. There is an increased risk that the value assessed may change significantly and unexpectedly over a relatively short period of time. As a result of this increased uncertainty, the assessment of impairment on hotel properties involved significant judgement and estimation due to the high level of uncertainty surrounding the COVID-19 pandemic's impact on the hotel's future operations.

3.1.1 Swissotel Kunshan, China

An impairment loss of RM34,825,000 was recognised in prior year as the carrying amount of the hotel property exceeded its estimated recoverable amount of RM62,024,000 at the end of the reporting period of prior year.

The recoverable amount of the hotel property had been determined by estimating its value in use using discounted cash flow to be generated by the hotel. The discounted cash flow was based on the following key assumptions:

a) 23 years projected cash flow using a pre-tax discount rate of 9.50% and terminal growth rate of 3.00%.

b) Occupancy rates were estimated to be 62% for 23 years.

c) Average room rate and revenue per available room for 23 years were projected to be ranging from RMB379 to RMB528 and RMB236 to RMB329 respectively.

3. Property, plant and equipment (continued)

3.1 Impairment loss (continued)

3.1.2 Trump International Hotel, Vancouver

An impairment loss of RM15,239,000 was recognised as the carrying amount of the hotel property exceeded its estimated recoverable amount of RM253,825,000 at the end of the reporting period of prior year.

The recoverable amount of the Trump International Hotel in Vancouver of prior year was based on its fair value less cost of disposal performed by an accredited independent valuer. The independent valuer had adopted the value which falls within the range as indicated by the relevant market transactions and discounted cash flows to be generated by the hotel after an adjustment of current market conditions. The fair value measurement was categorised as a Level 3 fair value based on key assumptions in the valuation technique used by the independent valuer. The discounted cash flow was based on the following key assumptions:

a) 10 years projected cash flow using a pre-tax discount rate of 7.50% and terminal growth rate of 1.00%.

b) Occupancy rates were estimated to range from 40% to 72% for the next 10 years.

c) Average room rate and revenue per available room for 10 years were projected to be ranging from CAD175 to CAD362 and CAD70 to CAD261 respectively.

3.1.3 Movenpick Karon Beach Resort, Thailand

An impairment loss of RM99,199,000 was recognised as the carrying amount of the hotel property exceeded its estimated recoverable amount of RM256,667,000 at the end of the reporting period of prior year.

The key assumptions used for the recoverable amount are disclosed in Note 7.1.3.

3.1.4 Four Points by Sheraton, Bangkok

An impairment loss of RM12,542,000 was recognised as the carrying amount of the hotel property exceeded its estimated recoverable amount of RM246,878,000 at the end of the reporting period of prior year.

The key assumptions used for the recoverable amount are disclosed in Note 7.1.4.

3. Property, plant and equipment (continued)

3.2 Pledged assets

The net carrying amount of certain land and buildings pledged to financial institutions for credit facilities granted to the Group at the end of the financial year as disclosed in Note 21 are as follows:

	Group 2021 RM'000	Group 2020 RM'000
Freehold land	42,435	43,390
Buildings	371,064	385,741
	413,499	429,131

4. Investment properties

Group	Freehold land RM'000	Buildings RM'000	Capital work in progress RM'000	Total RM'000
Cost				
At 1 January 2020	245,453	571,784	6,575	823,812
Additions	-	586	18,428	19,014
Borrowing costs capitalised at average 3.61% per annum	-	-	42	42
Reclassification	-	15,920	(15,920)	-
Write-off	-	(4,748)	-	(4,748)
Derecognition upon commencement of finance lease	-	(7,445)	-	(7,445)
Effect of foreign exchange translation	320	1,329	-	1,649
At 31 December 2020/ 1 January 2021	245,773	577,426	9,125	832,324
Additions	64	585	7,196	7,845
Borrowing costs capitalised at average 3.08% per annum	-	-	13	13
Adjustment	(2)	(453)	-	(455)
Effect of foreign exchange translation	2,365	10,548	-	12,913
At 31 December 2021	248,200	588,106	16,334	852,640

4. Investment properties (continued)

Group	Freehold land RM'000	Buildings RM'000	Capital work in progress RM'000	Total RM'000
Accumulated depreciation and impairment loss				
At 1 January 2020				
Accumulated depreciation	-	243,594	-	243,594
Accumulated impairment loss	-	138	-	138
	-	243,732	-	243,732
Depreciation for the year	-	14,789	-	14,789
Write-off	-	(4,748)	-	(4,748)
Effect of foreign exchange translation	-	1,093	-	1,093
At 31 December 2020/ 1 January 2021				
Accumulated depreciation	-	254,728	-	254,728
Accumulated impairment loss	-	138	-	138
	-	254,866	-	254,866
Depreciation for the year	-	15,639	-	15,639
Effect of foreign exchange translation	-	5,995	-	5,995
At 31 December 2021				
Accumulated depreciation	-	276,362	-	276,362
Accumulated impairment loss	-	138	-	138
	-	276,500	-	276,500
Carrying amounts				
At 1 January 2020	245,453	328,052	6,575	580,080
At 31 December 2020/ 1 January 2021	245,773	322,560	9,125	577,458
At 31 December 2021	248,200	311,606	16,334	576,140

Investment properties comprise a number of commercial properties that are leased to third parties. Each of the lease contains an initial non-cancellable period ranging from 1 to 10 years. Subsequent renewals are negotiable with the lessee and the average renewal periods are 2 years.

Included in buildings are deferred leasing commissions amounting to RM4,539,000 (2020: RM4,658,000) to be amortised over the lease term.

4. Investment properties (continued)

The following are recognised in profit or loss in respect of investment properties:

	Group 2021 RM'000	Group 2020 RM'000
Lease income	60,341	59,293
Direct operating expenses (exclude depreciation):		
- income generating investment properties	(29,406)	(29,133)
- non-income generating investment properties	(979)	(979)

The operating lease income to be received are as follows:

	Group 2021 RM'000	Group 2020 RM'000
Less than one year	56,857	57,062
Between one and two years	42,961	48,619
Between two and three years	38,053	34,668
Between three and four years	30,805	28,355
Between four and five years	29,423	23,069
Later than five years	100,638	88,198
Total undiscounted lease income to be received	298,737	279,971

Fair value information

Fair value of investment properties are categorised as follows:

Group	Level 3 RM'000
2021	
Land and buildings	1,698,214
2020	
Land and buildings	1,646,433

Fair value information does not include capital work in-progress.

Level 3 fair value

Valuation processes applied by the Group for Level 3 fair value

Level 3 fair values of buildings have been generally derived using the income approach and sales comparison approach (2020: income approach and sales comparison approach).

4. Investment properties (continued)

Level 3 fair value (continued)

Valuation processes applied by the Group for Level 3 fair value (continued)

For income approach, this valuation method considers the present value of net cash flows to be generated from property, taking into account expected annual net income. The expected net cash flows are discounted using capitalisation rate or risk-adjusted discount rates. Among other factors, the discount rate estimation considers the quality of a building and its location (prime vs secondary), tenant credit quality and lease term.

For sales comparison approach, sales price of comparable properties in close proximity are adjusted for difference in key attributes such as property size. The most significant input into this valuation approach is price per square feet of comparable properties.

Properties pledged as security

Investment properties of the Group with carrying amount of RM535,671,000 (2020: RM540,267,000) have been charged to secure banking facilities granted to the Group at the end of the financial year as disclosed in Note 21.

5. Right-of-use assets

The Group leases assets including land, dormitory, office and mall space, motor vehicles and equipment. Information about leases for which the Group or the Company is a lessee is presented below.

	Land RM'000	Dormitory, office and mall space RM'000	Motor vehicles RM'000	Equipment RM'000	Total RM'000
Group					
At 1 January 2020	350,247	955	219	158	351,579
Additions	-	454	-	24	478
Depreciation for the year	(5,073)	(659)	(115)	(83)	(5,930)
Derecognition due to extension option not exercised	-	-	-	(13)	(13)
Deconsolidation of a subsidiary	-	-	(89)	(55)	(144)
Adjustment	2,015	-	-	-	2,015
Effect of foreign exchange translation	156	18	2	-	176
At 31 December 2020/1 January 2021	347,345	768	17	31	348,161
Additions	-	953	-	-	953
Depreciation for the year	(5,039)	(495)	(18)	(24)	(5,576)
Effect of foreign exchange translation	2,332	19	1	-	2,352
At 31 December 2021	344,638	1,245	-	7	345,890

5. Right-of-use assets (continued)

Company	Leasehold land RM'000	Warehouse RM'000	Office space RM'000	Total RM'000
At 1 January 2020	9,266	141	-	9,407
Additions	-	183	6,390	6,573
Depreciation for the year	(174)	(107)	(976)	(1,257)
At 31 December 2020/1 January 2021	9,092	217	5,414	14,723
Additions	-	-	-	-
Adjustment during the year	-	(23)	-	(23)
Depreciation for the year	(174)	(100)	(1,065)	(1,339)
At 31 December 2021	8,918	94	4,349	13,361

The table below describes the nature of the Group's and of the Company's leasing activities by type of right-of-use assets:

Right-of-use assets	No. of right-of-use assets	Range of remaining term
Land	4	20 – 72 years
Dormitory, office and mall space	43	1 – 3 years
Equipment	2	0 – 1 year

5.1 Extension options

Some leases of dormitory and office space contain extension options exercisable by the Group and the Company. The Group and the Company assess at lease commencement whether it is reasonably certain to exercise the extension options. The Group and the Company reassess whether it is reasonably certain to exercise the options if there is a significant event or significant change in circumstances within its control.

As of 31 December 2021, the Group and the Company have included all potential future cash flows of exercising the extension options in the lease liability.

5.2 Pledged assets

Right-of-use land of the Group with carrying amount of RM328,443,000 (2020: RM331,183,000) has been charged to secure banking facilities granted to the Group at the end of the financial year as disclosed in Note 21.

6. Inventories

	Note	Group 2021 RM'000	Group 2020 RM'000
At cost			
Non-current			
Land held for property development	6.1	652,917	644,421
Current			
Properties under construction	6.2	175,169	169,591
Completed properties		37,540	38,138
Land held for resale		6,279	6,279
Food and beverages		709	730
Consumables		2,760	3,159
		222,457	217,897
Total inventories		875,374	862,318
Recognised in profit or loss:			
Inventories recognised as cost of inventories		15,473	21,948
Write-down to net realisable value - completed properties		693	-

The write-down of completed properties is included in other expenses.

6.1 Land held for property development

Land held for property development with carrying amount of RM218,894,000 (2020: RM218,534,000) has been pledged as security for credit facilities granted to the Group as disclosed in Note 21.

6.2 Properties under construction

Properties under construction with carrying amount of RM32,738,000 (2020: RM34,101,000) has been pledged as security for credit facilities granted to the Group as disclosed in Note 21.

7. Intangible assets

Group	Note	Goodwill RM'000	Software RM'000	Total RM'000
Cost				
At 1 January 2020		351,550	5,867	357,417
Additions		-	26	26
Effect of foreign exchange translation		11,300	81	11,381
At 31 December 2020		362,850	5,974	368,824
Transfer from property, plant and equipment	3	-	63	63
Additions		-	45	45
Effect of foreign exchange translation		(4,915)	(106)	(5,021)
At 31 December 2021		357,935	5,976	363,911
Accumulated amortisation and impairment loss				
At 1 January 2020				
Accumulated amortisation		-	4,737	4,737
Accumulated impairment loss		24,848	48	24,896
		24,848	4,785	29,633
Amortisation for the year		-	241	241
Impairment loss for the year		44,969	47	45,016
Effect of foreign exchange translation		745	76	821
At 31 December 2020/1 January 2021				
Accumulated amortisation		-	5,053	5,053
Accumulated impairment loss		70,562	96	70,658
		70,562	5,149	75,711
Amortisation for the year		-	166	166
Effect of foreign exchange translation		(3,077)	(118)	(3,195)
At 31 December 2021				
Accumulated amortisation		-	5,096	5,096
Accumulated impairment loss		67,485	101	67,586
		67,485	5,197	72,682
Carrying amounts				
At 1 January 2020		326,702	1,082	327,784
At 31 December 2020/1 January 2021		292,288	825	293,113
At 31 December 2021		290,450	779	291,229
		Note 7.1		

7. Intangible assets (continued)

Company	Software RM'000
Cost	
At 1 January 2020	524
Additions	10
At 31 December 2020/1 January 2021	534
Additions	3
At 31 December 2021	537
Accumulated amortisation	
At 1 January 2020	189
Amortisation for the year	57
At 31 December 2020/1 January 2021	246
Amortisation for the year	58
At 31 December 2021	304
Carrying amounts	
At 1 January 2020	335
At 31 December 2020/1 January 2021	288
At 31 December 2021	233

7.1 Impairment testing for cash-generating units containing goodwill

For the purpose of impairment testing, goodwill is allocated to the Group's hotel operations which represent the lowest level of cash-generating units within the Group at which the goodwill is monitored for internal management purposes.

The carrying amounts of goodwill allocated to each unit are as follows:

	Group	
	2021 RM'000	2020 RM'000
<u>Hotel operations</u>		
Westin Melbourne, Australia	161,837	165,580
Swissotel, Singapore	128,613	126,708
	290,450	292,288

7. Intangible assets (continued)

7.1 Impairment testing for cash-generating units containing goodwill (continued)

Significant judgement and assumptions in relation to impairment of goodwill

The assumptions used in performing the impairment test have considered the potential impact of the COVID-19 pandemic and a delay in the return to the pre-crisis levels of turnover and profitability. There is an increased risk that the value assessed may change significantly and unexpectedly over a relatively short period of time. As a result of this increased uncertainty, the assessment of impairment on hotel properties involved significant judgement and estimation due to the high level of uncertainty surrounding the COVID-19 pandemic's impact on the hotel's future operations.

7.1.1 Westin Melbourne, Australia

The recoverable amount of the Westin Melbourne, Australia was based on its value in use determined by discounting future cash flows to be generated by the hotel. The estimated recoverable amount exceeded the carrying amount of the unit (including goodwill).

In prior year, the recoverable amount of the Westin Melbourne, Australia was assessed on its fair value less cost of disposal performed by an accredited independent valuer. The independent valuer has adopted the value which falls within the range as indicated by the relevant market transactions, after taken into consideration the indicated figures under the capitalisation approach and discounted cash flows to be generated by the hotel and an adjustment of current market conditions. The estimated recoverable amount exceeded the carrying amount of the unit (including goodwill). The fair value measurement was categorised as a Level 3 fair value based on key assumptions used by the independent valuer in the valuation technique.

The discounted cash flow was based on the following key assumptions:

a) 5 (2020: 10) years projected cash flows using a pre-tax discount rate of 8.50% (2020: 7.75%) and terminal growth rate of 2.50% (2020: 2.00%).

b) Occupancy rates were estimated to be 54% to 90% (2020: 30% to 91%) for 5 (2020: 10) years.

c) Average room rates and revenue per available room for 5 (2020: 10) years were projected to be AUD280 to AUD324 (2020: AUD266 to AUD335) and AUD152 to AUD292 (2020: AUD79 to AUD303) respectively.

7. Intangible assets (continued)

7.1 Impairment testing for cash-generating units containing goodwill (continued)

7.1.1 Westin Melbourne, Australia (continued)

A reasonable possible change in the above key assumptions would not result in an impairment loss except as disclosed below:

A decrease of 4% (2020: 1%) in the occupancy rate across the projected period with the rest of the key assumptions remain the same, would result the recoverable amount to be equal with the carrying amount.

7.1.2 Swissotel, Singapore

The recoverable amount of the Swissotel Singapore was based on its fair value less cost of disposal performed by an accredited independent valuer derived from comparison approach. The independent valuer has considered transactions of comparable hotels within the immediate and surrounding localities in arriving at the market value of the Subject Property based on Comparison Approach. Adjustments are made for differences in tenure of leasehold land, condition, location, size, zoning of the building, market sentiment and other factors in order to arrive at a common basis for comparison. The estimated recoverable amount exceeded the carrying amount of the unit (including goodwill). The fair value measurement was categorised as a Level 3 fair value based on key assumptions used by the independent valuer in the valuation technique.

The following adjustment has been made in deriving the recoverable amount:

a) Adjustments were made based on when the buildings were built or most recently had additions and alterations works done, the quality of fittings and finishes used in the buildings and the hotel tier.

b) A 5% (2020: 5%) adjustment was made for every doubling of Gross Floor Area to account for differences in size, as smaller areas command higher per square metre/feet rates as per market norms.

c) Adjustments were made after considering the proximity of each property to the Central Business District core area and to Mass Rapid Transit Stations.

d) According to Urban Redevelopment Authority’s Masterplan zoning in Singapore, ‘Hotel’ zoning is priced at a premium as compared to ‘White’ and ‘Commercial’ sites that have wider range of uses.

e) As COVID-19 has significantly affected Singapore’s Hotel industry, a minus 10% (2020: 10%) has been adjusted in deriving the adjusted fair value for the hotel.

7. Intangible assets (continued)

7.1 Impairment testing for cash-generating units containing goodwill (continued)

7.1.2 Swissotel, Singapore (continued)

A reasonable possible change in the above key assumptions would not result in an impairment loss except as disclosed below:

A decrease of 47% (2020: 44%) in the transacted room rate per key would result the recoverable amount to be equal with the carrying amount.

7.1.3 Movenpick Karon Beach Resort, Thailand

In prior year, the recoverable amount of the Movenpick Karon Beach Resort was based on its fair value less cost of disposal determined by discounting future cash flows to be generated by the hotel performed by an accredited independent valuer. The fair value measurement was categorised as a Level 3 fair value based on key assumptions in the valuation technique used.

The discounted cash flow was based on the following key assumptions:

a) 10 years projected cash flows using a pre-tax discount rate of 8.00% and terminal growth rate of 0.50%.

b) Occupancy rates were estimated to be 0% to 72% for 10 years.

c) Average room rate and revenue per available room were projected to be THB3,300 to THB4,832 and THB0 to THB3,479 respectively.

The carrying amount of the unit (including goodwill) exceeded the estimated recoverable amount. The goodwill allocated to Movenpick Karon Beach Resort of RM6,816,000 was fully impaired in prior year.

The remaining impairment losses were allocated to the identifiable assets of Movenpick Karon Beach Resort on a pro-rata basis in prior year as disclosed in Note 3.1.3.

7. Intangible assets (continued)

7.1 Impairment testing for cash-generating units containing goodwill (continued)

7.1.4 Four Points by Sheraton, Bangkok

In prior year, the recoverable amount of the Four Points by Sheraton, Bangkok was based on its value in use determined by discounting future cash flows to be generated by the hotel.

The discounted cash flow was based on the following key assumptions:

a) 15 years projected cash flows using a pre-tax discount rate of 7.50% and terminal growth rate of 2.00%.

b) Occupancy rates were estimated to be 0% to 86% for 15 years.

c) Average room rate and revenue per available room were projected to be THB0 to THB4,265 and THB0 to THB3,668 respectively.

The carrying amount of the unit (including goodwill) exceeded the estimated recoverable amount. The goodwill allocated to Four Points by Sheraton of RM38,153,000 was fully impaired in prior year.

The remaining impairment losses were allocated to the identifiable assets of Four Points by Sheraton on a pro-rata basis in prior year as disclosed in Note 3.1.4.

8. Investments in subsidiaries

		Company	
	Note	2021 RM'000	2020 RM'000
Cost of investment	8.1	3,700,608	2,761,074
Less: Accumulated impairment losses	8.2	(104,213)	(104,213)
		3,596,395	2,656,861

8.1 The changes in cost of investment is mainly due to:

(i) During the year, the Company has capitalised an unsecured intercompany loan of RM818,006,000 into ordinary shares.

(ii) During the year, the Company has capitalised unsecured intercompany loans of RM121,317,000 into non-cumulative redeemable preference shares ("NCRPS").

Cost of investment amounting to RM367,000 (2020: RM367,000) has been pledged as security for credit facilities granted to the Group as disclosed in Note 21.

8. Investments in subsidiaries (continued)

8.2 Significant judgements and assumptions in relation to impairment of investment in subsidiaries

The estimation of the recoverable amount of the subsidiaries involved estimation of the expected future cash flows from the cash-generating units. The assumptions used in performing the impairment test have considered the potential impact of the COVID-19 pandemic and a delay in the return to the pre-crisis levels of turnover and profitability. There is an increased risk that the value assessed may change significantly and unexpectedly over a relatively short period of time. As a result of this increased uncertainty, the assessment of impairment on investment in subsidiaries involved significant judgement and estimation due to the high level of uncertainty surrounding the COVID-19 pandemic's impact on the subsidiaries' future operations.

Net allowance for impairment loss in prior year

(i) In line with the impairment assessment performed on Movenpick Karon Beach Resort and Four Points by Sheraton, Bangkok as disclosed in Note 7.1.3 and Note 7.1.4, the carrying amount of the investment in subsidiary exceeded its recoverable amount.

The key assumptions used for the recoverable amount are disclosed in Note 7.1.3 and Note 7.1.4.

As at 31 December 2020, the Company's carrying amount of cost of investment in the subsidiary was RM166,565,000. Based on the outcome of the impairment assessment, a total impairment loss of RM102,665,000 was recognised during prior year.

(ii) An impairment loss amounting to RM5,972,000 was reversed during prior year as the recoverable amount of a subsidiary was assessed as higher than its carrying amount.

The net allowance for impairment loss on investment in subsidiaries was included in other expenses.

8. Investments in subsidiaries (continued)

8.3 Subsidiaries

The details of the subsidiaries are as follows:

Name of entity	Principal place of business	Principal activities	Effective ownership interest (O) and voting interest (V) 2021 %	2020 %
TA Properties Sdn. Bhd.	Malaysia	Investment holding, property development and property management services	100	100
TA Global Development Pty. Ltd.* ~	Australia	Project management services (deregistered on 10 February 2022)	100	100
Raintree Amalgamated Sdn. Bhd.*	Malaysia	Investment holding	100	100
TA Ascents (M) Sdn. Bhd.*	Malaysia	Investment holding	100	100
Metro Ingenious Sdn. Bhd.*	Malaysia	General trading, investment and property investment	100	100
Quaywest Ltd.*	Mauritius	Investment holding	100	100
Quayside Gem Ltd.*	Mauritius	Investment holding	100	100
Swiss Liberty Sdn. Bhd.*	Malaysia	Investment holding	100	100
Crystal Ingenious Sdn. Bhd.*	Malaysia	General trading, investment and property development	100	100
Grace Plus Enterprises Limited*	Hong Kong	Investment holding	100	100

8. Investments in subsidiaries (continued)

8.3 Subsidiaries (continued)

Name of entity	Principal place of business	Principal activities	Effective ownership interest (O) and voting interest (V) 2021 %	2020 %
Subsidiaries of TA Properties Sdn. Bhd.				
Cosmic Legion Sdn. Bhd.*	Malaysia	Investment holding	100	100
TA Binaprestij Sdn. Bhd.*	Malaysia	General construction	100	100
Wales House Hotel Ltd.*	Australia	Hotel management services	100	100
Idaman Parkland Sdn. Bhd.*	Malaysia	Property investment and development	100	100
Wales House Nominees Pty. Ltd.*	Australia	Trustee of Wales House Trust	100	100
TA Team Stars Sdn. Bhd.*	Malaysia	Property investment and development	100	100
Menara TA Sdn. Bhd.	Malaysia	Property investment	100	100
Indo Aman Bina Sdn. Bhd.	Malaysia	Property investment and development	100	100
Orchard Park Sdn. Bhd.	Malaysia	Property investment and development	100	100
Astra Dinamik Sdn. Bhd.	Malaysia	Property investment and development	100	100
TA Gemilang Trading Sdn. Bhd.*	Malaysia	Trading in building materials and investment holding	100	100
Binaprestij Maju Sdn. Bhd.*	Malaysia	Dormant	100	100

8. Investments in subsidiaries (continued)

8.3 Subsidiaries (continued)

Name of entity	Principal place of business	Principal activities	Effective ownership interest (O) and voting interest (V) 2021 %	2020 %
Subsidiaries of TA Properties Sdn. Bhd. (continued)				
Ample Equities Sdn. Bhd.*	Malaysia	Property investment and development	100	100
TA Property Development (Philippines) Inc.*#	The Republic of the Philippines	Dormant	99.99	99.99
Ample Era Sdn. Bhd.*	Malaysia	Property investment and development	100	100
Star Winners Sdn. Bhd.*	Malaysia	Property investment and development	100	100
Beta Vector Sdn. Bhd.*	Malaysia	Property investment and development	100	100
TA Ventures Sdn. Bhd.*	Malaysia	Dormant	100	100
Factor Synergy Sdn. Bhd.	Malaysia	Property investment and development	100	100
TA Project Management Sdn. Bhd.*	Malaysia	Dormant	100	100
TA Property Management Sdn. Bhd.*	Malaysia	Property management	100	100
TA First Credit Sdn. Bhd.	Malaysia	Property investment and development, money lending (resumption of money lending activities on 28 April 2021)	100	100

8. Investments in subsidiaries (continued)

8.3 Subsidiaries (continued)

Name of entity	Principal place of business	Principal activities	Effective ownership interest (O) and voting interest (V) 2021 %	2020 %
Subsidiaries of TA Properties Sdn. Bhd. (continued)				
Ativo Plaza Sdn. Bhd.*	Malaysia	Property investment and development	100	100
Pure Factor Sdn. Bhd.*	Malaysia	Property investment and development, hotel management services	100	100
Golden Artistic Sdn. Bhd.*^	Malaysia	Investment holding (struck off on 26 March 2021)	-	100
Harmony Sanctuary Sdn. Bhd.*^	Malaysia	Property investment and development (struck off on 26 March 2021)	-	100
Subsidiaries of TA Ascents (M) Sdn. Bhd.				
Ascents Hotel Pty. Ltd.*	Australia	Hotel management services	100	100
TA Covenant Pty. Ltd.*	Australia	Trustee of Ascents Trust	100	100
Subsidiary of Quaywest Ltd.				
Paradox Clarke Quay Pte. Ltd. (formerly known as Merchant Court Pte. Ltd.)$*	Singapore	Hotel management services	100	100

8. Investments in subsidiaries (continued)

8.3 Subsidiaries (continued)

Name of entity	Principal place of business	Principal activities	Effective ownership interest (O) and voting interest (V) 2021 %	2020 %
Subsidiary of Quayside Gem Ltd.				
Merchant Quay Pte. Ltd.&*	Singapore	Dormant (dissolved on 26 October 2021)	-	100
Subsidiary of Swiss Liberty Sdn. Bhd.				
TA Global Kunshan Ltd.*	Cayman Island	Investment holding	100	100
Subsidiaries of TA Global Kunshan Ltd.				
Shanghai Global Hotel Group Ltd.*	The British Virgin Islands	Investment holding	100	100
Sino Dragon Asset Ltd.*	The British Virgin Islands	Investment holding	100	100
Subsidiary of Shanghai Global Hotel Group Ltd.				
Kunshan Mamlaka Hotel Co., Ltd.$*	The People's Republic of China	Hotel management services	100	100
Subsidiary of Crystal Ingenious Sdn. Bhd.				
TA Little Bay Pty Limited*	Australia	Property development	100	100

8. Investments in subsidiaries (continued)

8.3 Subsidiaries (continued)

Name of entity	Principal place of business	Principal activities	Effective ownership interest (O) and voting interest (V) 2021 %	2020 %
Subsidiaries of Crystal Caliber Sdn. Bhd.				
TAG 195 Ltd.*	Cayman Island	Investment holding	100	100
TAG 194 Ltd.*	Cayman Island	Investment holding	100	100
Subsidiary of TAG 195 Ltd.				
TA Global (Thailand) Ltd. $*	Thailand	Dormant	(O)100/ (V) 95.05	(O)100/ (V)95.05
Subsidiary of TA Global (Thailand) Ltd.				
Siam Recovery Holdings Company Ltd. $*	Thailand	Investment holding	100	100
Subsidiary of Siam Recovery Holdings Company Ltd.				
Siam Resorts Company Ltd. $*	Thailand	Hotel and residential apartment operations	100	100
Subsidiaries of TAG 194 Ltd.				
TA Global Phuket Ltd.*	The British Virgin Islands	Dormant	100	100
Able Global Investments Ltd.*	The British Virgin Islands	Dormant	100	100
Accord Delta Investments Ltd.*	The British Virgin Islands	Dormant	100	100

8. Investments in subsidiaries (continued)

8.3 Subsidiaries (continued)

Name of entity	Principal place of business	Principal activities	Effective ownership interest (O) and voting interest (V) 2021 %	2020 %
Subsidiaries of TAG 194 Ltd. (continued)				
St. Lukes Holdings Ltd.*	The British Virgin Islands	Dormant	100	100
Data Choice Investments Ltd.*	The British Virgin Islands	Dormant	100	100
Ecovision Investments Ltd.*	The British Virgin Islands	Dormant	100	100
Grand Classic Investment Ltd.*	The British Virgin Islands	Dormant	100	100
Summit Results Ltd.*	The British Virgin Islands	Dormant	100	100
Triumph Time Investments Ltd.*	The British Virgin Islands	Dormant	100	100
Mistletoe Holdings Ltd.*	The British Virgin Islands	Dormant	100	100
Subsidiary of TA Global Phuket Ltd.				
Siam Resorts Fund $*	Thailand	Closed-end property and loan fund	100	100
Subsidiary of Factor Synergy Sdn. Bhd.				
Peramah Setia (M) Sdn. Bhd.*	Malaysia	Dormant	100	100

8. Investments in subsidiaries (continued)

8.3 Subsidiaries (continued)

Name of entity	Principal place of business	Principal activities	Effective ownership interest (O) and voting interest (V) 2021 %	2020 %
Subsidiary of TA First Credit Sdn. Bhd.				
TFC Nominees (Asing) Sdn. Bhd.^*	Malaysia	Dormant (struck off on 9 April 2021)	-	100
Subsidiaries of Cosmic Legion Sdn. Bhd.				
Sanjung Padu (M) Sdn. Bhd.	Malaysia	Investment holding	100	100
Parallel Legion Sdn. Bhd.*	Malaysia	Investment holding	100	100
ERF Properties Sdn. Bhd.*	Malaysia	Investment holding	100	100
Subsidiaries of Sanjung Padu (M) Sdn. Bhd.				
Fine Legion Sdn. Bhd.*	Malaysia	Investment holding	100	100
TA Properties (Canada) Ltd.*	Canada	Dormant	100	100
Subsidiaries of Parallel Legion Sdn. Bhd.				
TA Optimum Investment Limited	The British Virgin Islands	Investment in securities	100	100

8. Investments in subsidiaries (continued)

8.3 Subsidiaries (continued)

Name of entity	Principal place of business	Principal activities	Effective ownership interest (O) and voting interest (V) 2021 %	2020 %
Subsidiaries of ERF Properties Sdn. Bhd.				
No. 205 Cathedral Ventures Ltd.*	Canada	Dormant	100	100
Maxfine International Limited*	Hong Kong	Investment holding	100	100
Subsidiaries of Fine Legion Sdn. Bhd.				
TA Canada Holdings Ltd.*	Canada	Dormant	100	100
1187792 B.C Ltd.*	Canada	Dormant	100	100
TA Management Ltd.*	Canada	Management services	100	100
Subsidiary of Maxfine International Limited				
West Georgia Holdings Inc.*	Canada	Dormant	100	100
Subsidiary of TA Canada Holdings Ltd.				
TA West Georgia Development Ltd.*	Canada	Property development	100	100
Subsidiaries of TA Management Ltd.				
TA F&B GP Ltd.*	Canada	Hotel partnership	100	100

8. Investments in subsidiaries (continued)

8.3 Subsidiaries (continued)

Name of entity	Principal place of business	Principal activities	Effective ownership interest (O) and voting interest (V) 2021 %	2020 %
Subsidiaries of TA Management Ltd. (continued)				
WG Restaurant GP Ltd.*	Canada	Dormant	100	100
Aava Whistler Hotel GP Ltd.*	Canada	Hotel partnership	100	100
Subsidiary of TA F&B GP Ltd.				
TA F&B Limited Partnership*	Canada	Hotel management services	100	100
Subsidiary of WG Restaurant GP Ltd.				
WG Restaurant Limited Partnership*	Canada	Dormant	100	100
Subsidiary of Aava Whistler Hotel GP Ltd.				
Aava Whistler Hotel Limited Partnership*	Canada	Hotel management services	100	100

8. Investments in subsidiaries (continued)

8.3 Subsidiaries (continued)

In addition, the Group is the beneficiary of the following trusts where the trusts' financial statements have been consolidated into the Group's financial statements using the line-by-line reporting format:

Name of Trust	Country of incorporation	Effective ownership interest (O) and voting interest (V) 2021 %	2020 %
ERF Properties Sdn. Bhd. has trust beneficiary interest in:			
Aava (Canada) Trust*	Barbados	100	100
Raintree Amalgamated Sdn. Bhd. has trust beneficiary interest in:			
Wales House Trust*	Australia	100	100
TA Ascents (M) Sdn. Bhd. has trust beneficiary interest in:			
Ascents Trust*	Australia	100	100

* Not audited by KPMG PLT.
$ Audited by member firms of KPMG International.
# This subsidiary filed for dissolution with the Bureau of Internal Revenue of Philippines in previous financial years.
^ These subsidiaries had been dissolved by way of voluntary strike off.
& These subsidiaries had been dissolved by way of voluntary liquidation.
~ This subsidiary had commenced deregistration in 2021.

9. Investment in an associate

	Group 2021 RM'000	2020 RM'000
Investment in shares	13,010	13,010
Share of post-acquisition reserves	2,387	2,482
	15,397	15,492
Group's share of results for the year ended 31 December		
Group's share of loss, net of tax	(95)	(97)

Summarised financial information has not been included as the associate are not individually material to the Group.

9. Investment in an associate (continued)

Details of the Group's associate are as follows:

Name of associate	Country of incorporation	Nature of the relationship	Effective ownership interest and voting interest 2021 %	2020 %
Dinar Ehsan Sdn. Bhd.@	Malaysia	Dinar Ehsan has a wholly owned subsidiary, Panca Resmi Sdn. Bhd. owns a parcel of land which provide strategic opportunity to the property development activities of the Group	25	25

@ Datuk Tiah Thee Kian effectively owns 75% of Dinar Ehsan Sdn. Bhd..

10. Investments in joint ventures

	Note	Group 2021 RM'000	Group 2020 RM'000
Investment in shares	10.1	4,773	4,773
Share of post-acquisition reserves		701	653
		5,474	5,426
Group's share of results for the year ended 31 December			
Group's share of (loss)/profit, net of tax		(6)	476
Group's adjustment		-	(545)
		(6)	(69)

10. Investments in joint ventures (continued)

10.1 Return of capital contribution

On 6 August 2020, West Georgia Development Limited Partnership ("WGDLP") has distributed return of capital contribution to the Group by way of:

i) Transfer beneficial ownership of three penthouses with a fair value of CAD33,000,000 (RM102,150,000 equivalent) to TA West Georgia Development Ltd ("Limited Partner"), and indirect subsidiary of the Company; and

ii) Issue a non-interest bearing demand promissory note in the aggregate amount of CAD4,750,000 (RM14,703,000 equivalent) to TA West Georgia Development Ltd.

These three penthouses are currently classified as property under construction as disclosed in Note 6.

Summarised financial information has not been included as the joint ventures are not individually material to the Group.

Details of the Group's joint ventures are as follows:

Name of entity	Country of incorporation	Principal activities
West Georgia Development Limited Partnership (West Georgia Project)	Canada	Property development
Nusa Lagenda Development Sdn. Bhd. (Kuala Langat Project)	Malaysia	Project investment and housing development

11. Investments in securities

Group 2021	FVTPL RM'000	FVOCI – Debt instrument RM'000	Total RM'000
Non-current			
Bonds	-	567	567
Current			
Shares	660,737	-	660,737
Unit trusts	1,179	-	1,179
	661,916	-	661,916
Total investments in securities	661,916	567	662,483
2020			
Non-current			
Bonds	-	935	935
Current			
Shares	533,763	-	533,763
Unit trusts	1,956	-	1,956
	535,719	-	535,719
Total investments in securities	535,719	935	536,654

11.1 Pledged assets

The investment securities portfolio of the Group amounting to RM661,304,000 (2020: RM534,416,000) are charged to the financial institutions for the facilities granted to the Group's entities as disclosed in Note 21.

12. Deferred tax assets/(liabilities)

Recognised deferred tax assets/(liabilities)

Deferred tax assets and liabilities are attributable to the following:

	Assets		Liabilities		Net	
	2021	**2020**	**2021**	**2020**	**2021**	**2020**
	RM'000	**RM'000**	**RM'000**	**RM'000**	**RM'000**	**RM'000**
Group						
Property, plant and equipment	3,468	4,020	(185,683)	(191,751)	(182,215)	(187,731)
Right-of-use assets	-	-	(1,415)	(2,040)	(1,415)	(2,040)
Unutilised tax losses	10,616	7,503	-	-	10,616	7,503
Property development	10,296	2,134	-	-	10,296	2,134
Inventories	-	-	(92)	(92)	(92)	(92)
Lease liabilities	1,480	2,097	-	-	1,480	2,097
Other items	1,762	2,418	-	-	1,762	2,418
Tax assets/ (liabilities)	27,622	18,172	(187,190)	(193,883)	(159,568)	(175,711)
Set off of tax	(1,485)	(2,125)	1,485	2,125	-	-
Net tax assets/ (liabilities)	26,137	16,047	(185,705)	(191,758)	(159,568)	(175,711)

	2021	2020
	RM'000	**RM'000**
Company		
Right-of-use assets	(1,066)	(1,351)
Property, plant and equipment	(60)	(58)
Lease liabilities	1,114	1,380
Other items	-	-
Net tax liabilities	(12)	(29)

Unrecognised deferred tax assets

Deferred tax assets have not been recognised in respect of the following items (stated at gross):

	Group	
	2021	**2020**
	RM'000	**RM'000**
Unabsorbed capital allowances	9,813	9,670
Unutilised tax losses	319,169	557,009
Other deductible temporary differences	102,697	94,589
	431,679	661,268

12. Deferred tax assets/(liabilities) (continued)

Unrecognised deferred tax assets (continued)

Certain unutilised tax losses and all the unabsorbed capital allowances of the subsidiaries are available indefinitely to offset against future taxable profits of the subsidiaries. The unutilised tax losses of RM222,041,000 (2020: RM419,571,000) expire between 2022 to 2040 (2020: 2021 to 2040). There were unutilised tax losses of certain subsidiaries of RM47,000 (2020: RM53,876,000) which had expired during the year.

Movement in temporary differences during the year

	At 1.1.2020 RM'000	Recognised in profit or loss (Note 29) RM'000	Effect of movement in exchange rates RM'000	At 31.12.2020/ 1.1.2021 RM'000	Recognised in profit or loss (Note 29) RM'000	Effect of movement in exchange rates RM'000	At 31.12.2021 RM'000
Group							
Property, plant and equipment	(199,559)	11,548	280	(187,731)	5,627	(111)	(182,215)
Right-of-use assets	(473)	(1,567)	-	(2,040)	625	-	(1,415)
Unutilised tax losses	3,631	3,876	(4)	7,503	3,366	(253)	10,616
Property development	2,728	(595)	1	2,134	8,162	-	10,296
Inventories	(92)	-	-	(92)	-	-	(92)
Lease liabilities	491	1,606	-	2,097	(618)	1	1,480
Other items	2,269	(526)	675	2,418	(78)	(578)	1,762
	(191,005)	14,342	952	(175,711)	17,084	(941)	(159,568)

12. Deferred tax assets/(liabilities) (continued)

Movement in temporary differences during the year (continued)

	At 1.1.2020 RM'000	Recognised in profit or loss (Note 29) RM'000	At 31.12.2020/ 1.1.2021 RM'000	Recognised in profit or loss (Note 29) RM'000	At 31.12.2021 RM'000
Company					
Right-of-use assets	(33)	(1,318)	(1,351)	285	(1,066)
Property, plant and equipment	(79)	21	(58)	(2)	(60)
Lease liabilities	35	1,345	1,380	(266)	1,114
Other items	2	(2)	-	-	-
	(75)	46	(29)	17	(12)

13. Receivables

	Note	Group 2021 RM'000	Group 2020 RM'000	Company 2021 RM'000	Company 2020 RM'000
Non-current					
Trade receivables		1,717	-	-	-
Deferred tenant inducements		17,887	19,774	-	-
Finance lease receivables	13.2	6,096	6,807	-	-
Operating lease receivables		12,646	497	-	-
Due from subsidiaries	13.3	-	-	343,938	1,223,589
		38,346	27,078	343,938	1,223,589
Current					
Financial receivables	13.1	55,685	10,134	-	-
Trade receivables		25,871	32,127	-	-
Deferred tenant inducements		2,765	3,297	-	-
Other receivables		16,430	13,808	428	432
Finance lease receivables	13.2	711	637	-	-
Operating lease receivables		545	11,646	-	-
Due from ultimate holding company, subsidiaries and other related companies	13.3	1,016	1,004	7,078	120,485
Due from an associate		-	-	-	-
Due from a joint venture		26	26	-	-
Due from a deconsolidated subsidiary	13.4	13,544	13,104	-	-
		116,593	85,783	7,506	120,917
Less: Allowance for impairment		(28,887)	(28,158)	-	-
		87,706	57,625	7,506	120,917
Total receivables		126,052	84,703	351,444	1,344,506

13. Receivables (continued)

13.1 Financial receivables

	Group	
	2021	**2020**
	RM'000	**RM'000**
Current		
Loan receivables	55,685	10,134
Less: Allowance for impairment	(10,736)	(10,121)
	44,949	13

The Group's financial receivables bear interest ranging from:

	2021	**2020**
	% per annum	% per annum
Performing loans	10.0	-
Overdue interests	8.0 – 12.0	-

13.2 Finance lease receivables

The Group leases out a building for a lease term of 8 years with a fit-out period of 2 months both commencing from Handover Date of 1 November 2020. This lease transfers substantially all the risk and rewards incidental to ownership of the building. The lease does not include buy-back agreements or residual value guarantees.

The lease payments to be received are as follows:

Group	**2021**	**2020**
	RM'000	**RM'000**
Less than one year	1,416	1,416
One to two years	1,416	1,416
Two to three years	1,416	1,416
Three to four years	1,416	1,416
Four to five years	1,416	1,416
More than five years	2,596	4,012
Total undiscounted lease payments	9,676	11,092
Unearned interest income	(2,869)	(3,648)
Net investment in lease	6,807	7,444

The following are recognised in profit or loss:

	2021	**2020**
	RM'000	**RM'000**
Gain on new finance lease entered into	-	2,700

13. Receivables (continued)

13.3 Due from ultimate holding company, subsidiaries and other related companies

	Group		Company	
	2021 RM'000	2020 RM'000	2021 RM'000	2020 RM'000
Non-current				
Due from subsidiaries	-	-	343,938	1,223,589
Current				
Due from ultimate holding company	17	70	-	-
Due from subsidiaries	-	-	6,712	120,115
Due from other related companies	999	934	366	370
	1,016	1,004	7,078	120,485
	1,016	1,004	351,016	1,344,074

Due from subsidiaries
RM335,103,000 (2020: RM978,620,000) is subject to interest charge ranging from 0.69% to 3.68% (2020: 1.31% to 7.50%) per annum. The remaining balances are the interest receivables on the balances due from subsidiaries which are unsecured and repayable on demand.

Due from other related companies
RM366,000 (2020: RM370,000) of the Group and the Company is subject to interest charge of 3.15% (2020: 3.14%) per annum. The remaining balances are unsecured and repayable on demand.

13.4 Due from a deconsolidated subsidiary

Amount due from a deconsolidated subsidiary relates to the amount due from TA Hotel Management Limited Partnership ("TAHMLP"). The Group has measured the credit loss allowance on this receivable to be 100% of the outstanding balance.

14. Contract assets/(contract liabilities)

	Note	Group 2021 RM'000	Group 2020 RM'000	Company 2021 RM'000	Company 2020 RM'000
Contract assets					
Contract assets from sales of properties	14.1	23,450	16,262	-	-
Other contract assets		584	551	-	-
		24,034	16,813	-	-
Less: Allowance for impairment		(214)	(214)	-	-
		23,820	16,599	-	-
Contract liabilities					
Contract liabilities from:					
- sales of properties	14.1	(20,415)	(29,987)	-	-
- hotel operation	14.2	(7,828)	(7,162)	-	-
Other contract liabilities		-	-	(973)	(1,692)
		(28,243)	(37,149)	(973)	(1,692)

The contract assets primarily relate to the Group's rights to consideration for work completed on sales of properties but not yet billed at the reporting date.

The Group's contract liabilities are mainly related to sale of properties and hotel room rental received in advance where progress billings or invoice were issued in advance, which revenue is recognised over time.

The contractual billings period for property development ranges between 1 to 4 years. Nevertheless, the schedule of billings does not correspond with the revenue recognition which is determined using actual construction costs incurred over budgeted construction costs.

14.1 Contract assets/(liabilities) from sales of properties

The Group's contract assets and contract liabilities relating to the sales of properties as at year end can be summarised as follows:

	Group 2021 RM'000	Group 2020 RM'000
Contract assets	23,450	16,262
Contract liabilities	(20,415)	(29,987)
	3,035	(13,725)
At 1 January	(13,725)	33,291
Net revenue recognised during the year	159,823	107,191
Net progress billings during the year	(143,063)	(154,207)
At 31 December	3,035	(13,725)

14. Contract assets/(contract liabilities) (continued)

14.2 Contract liabilities from hotel operations

Reconciliation of contract liabilities movement relating to hotel operation:

	Group 2021 RM'000	Group 2020 RM'000
At 1 January	(7,162)	(19,641)
Revenue recognised that was included in the contract liability balance at the beginning of the period	7,162	19,641
Increase in cash received, excluding amounts recognised as revenue during the period	(7,979)	(7,014)
Effect of foreign exchange translation	151	(148)
At 31 December	(7,828)	(7,162)

15. Contract costs

	Note	Group 2021 RM'000	Group 2020 RM'000
Cost to fulfil a contract	15.1		
- Land costs		3,812	5,691
- Development costs		25,982	348
Cost to obtain a contract	15.2	11,428	10,348
Total contract costs		41,222	16,387

15.1 Cost to fulfil a contract

Land costs and development costs that are attributable to the sold units are capitalised as contract costs during the year. The capitalised costs are expensed to profit or loss following the progress of revenue recognition. The development costs included in the cost to fulfil a contract are the furnishing costs to be recognised at point in time when the customer obtains the control of the asset.

15.2 Cost to obtain a contract

Sales commission fees that are attributable to the sold units are capitalised as contract costs during the financial year. The capitalised sales commission fees are expensed to profit or loss over time based on the percentage of completion of the properties sold. The amount amortised during the year was RM4,239,000 (2020: RM3,490,000).

The Group applies the practical expedient in Para 94 of MFRS 15 and recognises the incremental cost of obtaining contracts as an expense when incurred if the amortisation period of the assets that the Group otherwise could have recognised is one year or less.

15. Contract costs (continued)

15.3 Land pledged as securities

Freehold land has been pledged as securities for credit facilities granted to the Group as disclosed in Note 21.

16. Derivatives

Group	Note	Nominal value RM'000	Assets RM'000	Liabilities RM'000
2021				
Derivatives held for trading at fair value through profit or loss				
- Geared currency accumulators	16.1	163,910	110	(835)
- Geared equity accumulators	16.2	93,121	418	(7,097)
- Geared equity decumulators	16.2	530	-	(3,932)
		257,561	528	(11,864)
2020				
Derivatives held for trading at fair value through profit or loss				
- Geared currency accumulators	16.1	171,221	-	(1,500)
- Geared currency decumulators	16.1	22,381	-	(1,243)
- Forward exchange contracts	16.3	312,830	-	(1,479)
- Stock options	16.4	25,987	46	-
		532,419	46	(4,222)

The Group entered into geared currency/equity accumulators, decumulators and stock options contracts as part of the Group's investment portfolio with a view to maximise the Group's performance.

16.1 Geared currency accumulators and decumulators

The key risk of investing in an accumulator/decumulator with gearing feature is that the Group will be obliged to buy/sell periodically the agreed amount of the underlying currency (at the strike rate) when the market price falls below/goes above the strike rate. There is a risk where the exchange rate of the relevant foreign currency may move in an unfavourable direction.

16.2 Geared equity accumulators and decumulators

The key risk of investing in an accumulator/decumulator with gearing feature is that the Group will be obliged to accumulate/decumulate the geared quantity of the underlying share at the forward price throughout the tenure of the product, even if the prevailing share price is lower/higher than the forward price.

16. Derivatives (continued)

16.3 Forward exchange contracts

The Group uses forward exchange contracts to manage some of the exposures arising from transactions denominated in currencies other than the functional currencies of Group entities. These contracts are not designated as cash flow nor fair value hedges but are entered into for periods consistent with currency transaction exposures or fair value change exposures. Most of the forward exchange contracts have maturities of less than one year after the end of the reporting period. When necessary, the forward exchange contracts are rolled over at maturity.

16.4 Stock options

The key risk of investing in a stock option is the risk of losses in entire capital invested if the underlying stock drops. There are risks in stock options transactions, where in the underlying shares price may move in unfavourable direction. The Group maintains a portfolio of diversified investments with different risk profiles to manage its price risks from these derivatives products.

17. Other investment

	Group	
	2021 RM'000	**2020 RM'000**
Fixed and call deposits with financial institutions with maturity more than three months	3,900	3,900

Included in other investment of the Group are fixed and call deposits of RM3,900,000 pledged for bank guarantee granted to a subsidiary.

The average maturity period as at reporting date for the deposits with financial institutions is 12 months with interest rate of 1.85% (2020: 1.85%) per annum.

18. Cash and bank balances

	Note	Group 2021 RM'000	Group 2020 RM'000	Company 2021 RM'000	Company 2020 RM'000
Cash and bank balances	18.1	249,039	631,159	20,969	27,886
Deposits and placements with financial institutions	18.2	16,301	116,478	1,157	-
		265,340	747,637	22,126	27,886
Less: Allowance for impairment		(14)	(662)	-	-
		265,326	746,975	22,126	27,886

18.1 Included in cash and bank balances of the Group are:

(i) An amount of RM11,383,000 (2020: RM365,988,000) pledged for bank facilities granted to a subsidiary.

(ii) An amount of RM46,842,000 (2020: RM71,637,000) held pursuant to Section 7A of the Housing Development (Control and Licensing) Act, 1966 and therefore restricted from use in other operations.

(iii) Reserve fund denominated in AUD, SGD, RMB, THB and CAD totalling RM33,870,000 equivalent (2020: RM46,535,000 equivalent) is for hotel capital replacement purposes.

18.2 Included in the deposits and placements with financial institutions of the Group is an amount of RM4,440,000 (2020: RM105,135,000) pledged for credit facilities granted to subsidiaries.

19. Capital and reserves

Share capital

	Group and Company Amount 2021 RM'000	Number of shares 2021 '000	Amount 2020 RM'000	Number of shares 2020 '000
Issued and fully paid shares with no par value classified as equity instruments:				
Ordinary shares				
At 1 January/31 December	2,660,862	5,321,724	2,660,862	5,321,724

19. Capital and reserves (continued)

Share capital (continued)

19.1 Ordinary shares

The holders of ordinary shares are entitled to receive dividends as declared from time to time, and are entitled to one vote per share at meetings of the Company.

19.2 Merger deficit

Merger deficit is the difference between the nominal value of ordinary and preference shares issued by the Company as compared to the nominal value of ordinary shares, preference shares, trust units of the subsidiaries and trusts acquired.

19.3 Capital reserve

Capital reserve relates to capital redemption reserve transferred from the retained profits of subsidiaries, Fine Legion Sdn. Bhd. and Sanjung Padu (M) Sdn. Bhd., as a result of the redemption of preference shares by these subsidiaries in prior years.

19.4 Fair value reserve

Fair value reserve represents the cumulative fair value changes, net of tax of financial assets measured at fair value through other comprehensive income until the assets are derecognised or impaired.

19.5 Exchange translation reserve

Exchange translation reserve includes:

(i) Foreign exchange differences arising from the translation of the financial statements of foreign operations whose functional currencies are different from that of the Group's presentation currency; and

(ii) Foreign exchange differences arising from designated intra-group monetary items that are considered to form part of the Group’s net investment in foreign operations when settlement of the monetary items is neither planned nor likely to occur in the foreseeable future.

20. Non-controlling interests

	Note	Group 2021 RM'000	Group 2020 RM'000
Preference shares issued by:			
TA Gemilang Trading Sdn. Bhd., a wholly-owned subsidiary incorporated in Malaysia	20.1	50,000	50,000
TA First Credit Sdn. Bhd., a wholly-owned subsidiary incorporated in Malaysia	20.2	12,000	-
		62,000	50,000

20.1 The preference shares issued by TA Gemilang Trading Sdn. Bhd. is related to 50,000 units of 5,000% non-cumulative redeemable preference shares ("NCRPS") of RM1 each, issued to TA Enterprise Berhad ("TAE"), at RM1,000 each. The preference shares grant TAE the right to receive notice of and attend all general meetings of TA Gemilang Trading Sdn. Bhd. but with no rights to vote at such meetings except where their rights and privileges are affected.

The 5,000% NCRPS have no fixed cumulative preferential dividend. If the directors so recommend the payment of preferential dividend, the dividend rate of the 5,000% NCRPS shall be 5,000% on its nominal amount. The holder of the 5,000% NCRPS has no right of redemption in respect of these shares except when the redemption of these shares is initiated by TA Gemilang Trading Sdn. Bhd.. The redemption price of the 5,000% NCRPS is RM1,000 per share.

20.2 The preference shares issued by TA First Credit Sdn. Bhd. is related to 12,000,000 units of non-cumulative redeemable preference shares ("NCRPS") issued to TA Enterprise Berhad ("TAE"), at RM1.00 each. The preference shares grant TAE the right to receive notice of and attend all general meetings of TA First Credit Sdn. Bhd. but with no rights to vote at such meetings except where their rights and privileges are affected. The holder of the NCRPS has no right of redemption in respect of these shares except when the redemption of these shares is initiated by TA First Credit Sdn. Bhd..

21. Borrowings

	Group		Company	
	2021 RM'000	2020 RM'000	2021 RM'000	2020 RM'000
Non-current				
Secured				
Term loans	536,977	688,669	-	296,969
Bridging loans	-	12,183	-	-
	536,977	700,852	-	296,969
Current				
Secured				
Term loans	314,175	11,067	301,841	422
Revolving credits	91,263	91,191	-	-
Bridging loans	14,304	23,662	-	-
Other bank borrowings	585,046	982,461	-	-
	1,004,788	1,108,381	301,841	422
Unsecured				
Revolving credits	71,737	94,478	71,737	94,477
	1,076,525	1,202,859	373,578	94,899
Total borrowings	1,613,502	1,903,711	373,578	391,868

21.1 Interest rate

Group

Term loans
The term loans of the Group are subject to interest rates ranging from 0.74% to 3.05% (2020: 1.48% to 3.35%) per annum.

Non-current term loans of the Group are repayable over the next 9 years (2020: 10 years).

Other bank borrowings
Other bank borrowings are subject to interest rates ranging from 0.36% to 1.89% (2020: 0.40% to 1.80%) per annum.

Revolving credits
The revolving credits are subject to interest rates ranging from 2.91% to 3.32% (2020: 2.84% to 3.26%) per annum.

21. Borrowings (continued)

21.1 Interest rate (continued)

Group (continued)

Bridging loans
The bridging loans of the Group are subject to the following:

i) included in previous year was an amount of RM22,987,000 bearing interest rate of 3.00% per annum. The facility had been fully settled during the year; and

ii) an amount of RM14,304,000 (2020: RM12,858,000) bearing interest rate of 3.53% (2020: 3.50%) per annum and repayable by redemption sums from sale of development units.

Company

Term loans
The term loans are subject to interest rates of 1.59% (2020: 1.48%) per annum. Non-current term loans of the Company are repayable over the next 1 year (2020: 2 years).

Revolving credits
The revolving credits are subject to interest rates ranging from 2.91% to 3.32% (2020: 2.84% to 3.26%) per annum.

21.2 Security

Group

Term loans
The term loans are secured by:
i) investment properties;
ii) land and buildings classified as property, plant and equipment;
iii) land classified as right-of-use assets;
iv) the assignment of rentals and a general security agreement over a property;
v) first all-monies charged over the ordinary shares of certain subsidiaries;
vi) corporate guarantees by the Company; and
vii) deposits and bank balances.

Other bank borrowings
The other bank borrowings are secured by:
i) land and buildings classified as property, plant and equipment;
ii) investment securities; and
iii) deposits and bank balances.

21. Borrowings (continued)

21.2 Security (continued)

Group (continued)

Revolving credits
Revolving credits are secured by:
i) corporate guarantees by the Company;
ii) land and buildings classified as property, plant and equipment;
iii) investment properties;
iv) assignment of rentals; and
v) land held for property development.

Bridging loans
Bridging loans are secured by corporate guarantees by the Company and land held for property development classified as inventories and contract cost.

Company

Term loans
The term loans are secured by a hotel in Singapore.

21.3 Loan Covenant

COVID-19 pandemic has adversely impacted the hotel business, certain ratios set by the lenders prior to pandemic may not be achievable. The Group is actively monitoring its covenants with all its banks. Negotiations with the banks are carried out continuously to manage the risk during the year. The Group has negotiated with a bank to waive a Debt Service Coverage Ratio ("DSCR") of a short-term borrowing of RM396,346,000 (2020: RM444,405,000) which included non-cash depreciation and amortisation. On 15 April 2021, the Group has obtained waiver on this requirement until 31 December 2021 and the Group was able to meet this covenant as at 31 December 2021. This incidence does not affect the classification and other terms of the loan for both financial years.

22. Payables

	Note	Group 2021 RM'000	Group 2020 RM'000	Company 2021 RM'000	Company 2020 RM'000
Current					
Trade					
Trade payables	22.1	49,220	37,561	-	-
Trade accruals	22.2	958	23,040	-	-
		50,178	60,601	-	-
Non-trade					
Other payables		24,700	39,802	1,711	1,774
Deposits received		15,459	13,485	-	-
Accruals		25,004	55,346	353	365
Due to Directors		-	149	-	149
Due to ultimate holding company	22.3	5,299	59,262	4,534	58,792
Due to subsidiaries	22.4	-	-	243,305	285,463
Due to other related companies		87	122	39	38
Due to joint venture		-	165	-	-
		70,549	168,331	249,942	346,581
Total payables		120,727	228,932	249,942	346,581

22.1 Trade payables

Trade payables arise mainly from subsidiaries involved in property management, hotel operations and property development activities.

22.2 Trade accruals

Trade accruals mainly relate to the accruals for development and construction costs for the work completed but pending finalisation of account and billings in prior year.

These amounts will be reclassified to trade payables upon completion of the certification process and/or the receipts of final billings from the respective subcontractors.

22.3 Due to ultimate holding company

The amount due to ultimate holding company of the Group and the Company is subject to interest charge from 3.11% (2020: 3.08% to 3.09%) per annum, unsecured, and is repayable on demand.

22.4 Due to subsidiaries

An amount of RM31,092,000 (2020: RM29,181,000 due to subsidiaries is unsecured, subject to interest charge of 3.15% (2020: 3.14%) per annum and repayable on demand. The remaining balance in amount due to subsidiaries is unsecured, interest-free, and repayable on demand.

23. Provisions

	Employee benefits RM'000	Development/ construction costs RM'000	Total RM'000
Group			
At 1 January 2020	9,392	8,540	17,932
Provisions included under personnel costs	2,265	-	2,265
Reversal of provision under personnel costs	(4,806)	-	(4,806)
Exchange differences	410	-	410
At 31 December 2020/1 January 2021	7,261	8,540	15,801
Provisions included under personnel costs	1,416	-	1,416
Reversal of provision under personnel costs	(1,488)	-	(1,488)
Exchange differences	(184)	-	(184)
At 31 December 2021	7,005	8,540	15,545
2021			
Non-current	1,249	-	1,249
Current	5,756	8,540	14,296
	7,005	8,540	15,545
2020			
Non-current	3,692	-	3,692
Current	3,569	8,540	12,109
	7,261	8,540	15,801

Employee benefits

Provisions for employee benefits are in respect of annual leave and long service leave in certain group entities when it is probable that settlement will be required and the amount can be measured reliably.

Development/construction costs

Provisions for development/construction costs is in respect of the Group's obligation on the construction of common infrastructure. The estimated costs made were based on conceptual design of the common infrastructure. The required work is to be completed in an undetermined date upon completion of the project.

24. Revenue

Group 2021	Investment holding RM'000	Credit and lending RM'000	Property investment RM'000	Property development RM'000	Hotel operations RM'000	Total RM'000
Major products/service line						
Revenue from contracts with customers						
Hotel room rental and related revenue	-	-	-	-	154,849	154,849
Sales of food and beverage	-	-	-	-	42,327	42,327
Sales of properties	-	-	-	159,823	-	159,823
Maintenance charges recoveries from tenants	-	-	26,006	-	-	26,006
Sales of electricity	-	-	424	-	-	424
Others	2,610	-	14	-	-	2,624
	2,610	-	26,444	159,823	197,176	386,053
Other revenue						
Properties rental income from:						
- ultimate holding company	-	-	1,477	12	-	1,489
- related companies	-	-	4,971	-	-	4,971
- third parties	-	-	54,620	1,946	-	56,566
Service and administration charges	-	353	-	-	-	353
Interest income of financial assets calculated using the effective interest method that are:-						
At amortised cost						
- money lending	-	75	-	-	-	75
	-	428	61,068	1,958	-	63,454
Total revenue	2,610	428	87,512	161,781	197,176	449,507

24. Revenue (continued)

Group	Investment holding RM'000	Credit and lending RM'000	Property investment RM'000	Property development RM'000	Hotel operations RM'000	Total RM'000
2021						
Revenue from contracts with customers						
Primary geographical markets						
Malaysia	2,610	-	458	159,823	179	163,070
Australia	-	-	-	-	107,754	107,754
Canada	-	-	25,986	-	16,563	42,549
Singapore	-	-	-	-	47,999	47,999
China	-	-	-	-	22,905	22,905
Thailand	-	-	-	-	1,776	1,776
	2,610	-	26,444	159,823	197,176	386,053
Other revenue						
Malaysia	-	428	24,471	1,958	-	26,857
Canada	-	-	36,597	-	-	36,597
	-	428	61,068	1,958	-	63,454
Total revenue	2,610	428	87,512	161,781	197,176	449,507

24. Revenue (continued)

Group 2020	Investment holding RM'000	Property investment RM'000	Property development RM'000	Hotel operations RM'000	Total RM'000
Major products/service line					
Revenue from contracts with customers					
Hotel room rental and related revenue	-	-	-	174,032	174,032
Sales of food and beverage	-	-	-	53,767	53,767
Sales of properties	-	-	107,191	-	107,191
Maintenance charges recoveries from tenants	-	20,706	-	-	20,706
Sales of electricity	-	462	-	-	462
Others	3,906	16	-	-	3,922
	3,906	21,184	107,191	227,799	360,080
Other revenue					
Properties rental income from:					
- ultimate holding company	-	1,473	-	-	1,473
- related companies	-	4,852	-	-	4,852
- third parties	-	53,184	1,907	-	55,091
	-	59,509	1,907	-	61,416
Total revenue	3,906	80,693	109,098	227,799	421,496

24. Revenue (continued)

Group	Investment holding RM'000	Property investment RM'000	Property development RM'000	Hotel operations RM'000	Total RM'000
2020					
Revenue from contracts with customers					
Primary geographical markets					
Malaysia	3,906	489	107,191	168	111,754
Australia	-	-	-	85,616	85,616
Canada	-	20,695	-	27,843	48,538
Singapore	-	-	-	64,900	64,900
China	-	-	-	19,724	19,724
Thailand	-	-	-	29,548	29,548
	3,906	21,184	107,191	227,799	360,080
Other revenue					
Malaysia	-	24,319	1,907	-	26,226
Canada	-	35,190	-	-	35,190
	-	59,509	1,907	-	61,416
Total revenue	3,906	80,693	109,098	227,799	421,496

24. Revenue (continued)

	Company 2021 RM'000	Company 2020 RM'000
Major products/service line		
Revenue from contracts with customers		
Management fees from:		
- ultimate holding company	1,163	1,291
- subsidiaries	3,820	3,467
- related companies	650	1,605
	5,633	6,363
Other revenue		
Gross dividends from:		
- unquoted subsidiaries in Malaysia	-	45,108
	-	45,108
	5,633	51,471

24.1 Transaction price allocated to the remaining performance obligation

The following table shows revenue from performance obligations that are unsatisfied (or partially unsatisfied) at the reporting date. The disclosure is only providing information for contracts that have an original expected duration of more than one year.

	Group 2021 RM'000	Group 2020 RM'000
Remaining performance obligations at the reporting date:		
Sales of properties	384,617	387,992

The remaining performance obligations amounting to RM384,617,000 (2020: RM387,992,000) are expected to be recognised over 1 to 2 years (2020: 1 to 3 years). Included in the sales of properties are revenue allocated to the furniture and fittings amounting to RM62,340,000 (2020: RM51,667,000) given to the purchasers when they purchase the property which is expected to be recognised after 1 to 2 years (2020: 1 to 3 years) when the customers obtain control of the assets.

The Group applies the following practical expedients:

- exemption on disclosure of information on remaining performance obligations that have original expected durations of one year or less.

- exemption not to adjust the promised amount of consideration for the effects of a significant financing component when the period between the transfer of a promised good or service to a customer and when the customer pays for that good or service is one year or less.

24. Revenue (continued)

24.2 Significant judgements and assumptions arising from revenue recognition

The Group applied the following judgements and assumptions that significantly affect the determination of the amount and timing of revenue recognised from contracts with customers:

- For property development contracts, the Group measured the performance of construction work done by comparing actual work costs incurred with the estimated total costs required to complete the construction. Significant judgments are required to estimate the total contract costs to complete. In making these estimates, management relied on professionals' estimates and also on past experience of completed projects. A change in the estimates will directly affect the revenue to be recognised.

25. Net gain from investments in securities

	Group		Company	
	2021 RM'000	2020 RM'000	2021 RM'000	2020 RM'000
Net fair value gain/(loss) from investments in securities:				
At FVTPL				
- structured securities	635	(12,604)	-	-
- bonds	686	(3,792)	-	-
- shares	53,438	(12,749)	-	-
- unit trusts	450	47	-	-
- derivatives	3,935	(4,895)	-	-
	59,144	(33,993)	-	-
Interest income from investments in securities:				
At FVTPL				
- bonds	374	1,156	-	-
- structured securities	3,038	30,813	-	-
At FVOCI				
- bonds	471	2,060	-	-
	3,883	34,029	-	-
Gross dividend income from investments in securities:				
At FVTPL				
- shares	5,306	1,153	-	-
	5,306	1,153	-	-

25. Net gain from investments in securities (continued)

	Group 2021 RM'000	Group 2020 RM'000	Company 2021 RM'000	Company 2020 RM'000
(Loss)/Gain on disposal/redemption of investments in securities:				
At FVTPL				
- bonds	-	(1,481)	-	-
At FVOCI				
- bonds	(12,070)	4,787	-	-
	(12,070)	3,306	-	-
	56,263	4,495	-	-

26. Directors' remuneration

	Group 2021 RM'000	Group 2020 RM'000	Company 2021 RM'000	Company 2020 RM'000
Directors of the Company				
Executive:				
Salaries and other emoluments	5,703	5,682	5,703	5,682
Bonus	1,830	810	1,830	810
Benefits-in-kind	82	82	82	82
	7,615	6,574	7,615	6,574
Non-executive:				
Other emoluments	60	-	60	-
Fees	182	207	182	207
	242	207	242	207
Directors of the subsidiaries				
Executive:				
Salaries and other emoluments	275	823	-	-
	275	823	-	-
Non-executive:				
Salaries and other emoluments	356	281	-	-
Fees	85	156	-	-
	441	437	-	-
Total	8,573	8,041	7,857	6,781
Total excluding benefits-in-kind	8,491	7,959	7,775	6,699

The above Directors' remuneration is excluding legal or consultancy fees paid to firms where certain former Directors (who had resigned during the financial year) have interest as disclosed in Note 35.

27. Finance income

	Group		Company	
	2021	2020	2021	2020
	RM'000	RM'000	RM'000	RM'000
Interest income of financial assets calculated using the effective interest method that are:				
At amortised costs:				
- bank balances, deposits and placements with financial institutions	931	2,602	402	38
- amount due from ultimate holding company	1	41	-	41
- amount due from subsidiaries	-	-	47,257	52,257
- amount due from related companies	8	40	1	40
Other finance income	1,132	979	-	137
	2,072	3,662	47,660	52,513

28. Finance costs

	Group		Company	
	2021	2020	2021	2020
	RM'000	RM'000	RM'000	RM'000
Interest expense of financial liabilities that are not at fair value through profit or loss:				
- amount due to ultimate holding company	754	2,383	722	2,347
- amount due to subsidiaries	-	-	896	1,193
- bank borrowings	31,194	42,761	6,872	9,195
Interest expense on lease liabilities	43	73	251	271
Other finance cost	1,235	2,256	1	187
	33,226	47,473	8,742	13,193
Recognised in profit or loss	33,213	47,431	8,742	13,193
Interest expense of financial liabilities that are not at fair value through profit or loss capitalised into qualifying assets:				
- investment property	13	42	-	-
	33,226	47,473	8,742	13,193

29. Tax expense

Recognised in profit or loss

	Note	Group 2021 RM'000	Group 2020 RM'000	Company 2021 RM'000	Company 2020 RM'000
Current tax expense					
Current year:					
- Malaysian income tax		21,248	6,523	1,004	999
- Foreign tax		23,750	13,040	-	-
		44,998	19,563	1,004	999
Under/ (over) provision in prior years:					
- Malaysian income tax		1,661	3,913	4	561
- Foreign tax		(90)	64	-	-
		1,571	3,977	4	561
		46,569	23,540	1,008	1,560
Deferred tax expense					
Origination and reversal of temporary differences	12	(17,084)	(14,342)	(17)	(46)
		(17,084)	(14,342)	(17)	(46)
Total tax expense		29,485	9,198	991	1,514

Reconciliation of tax expense

	Group 2021 RM'000	Group 2020 RM'000	Company 2021 RM'000	Company 2020 RM'000
Profit/(Loss) for the year	47,893	(223,284)	55,433	(45,731)
Tax expense	29,485	9,198	991	1,514
Profit/(Loss) excluding tax	77,378	(214,086)	56,424	(44,217)
Taxation at Malaysian statutory tax rate of 24%	18,571	(51,381)	13,542	(10,612)
Effect of different tax rates in foreign jurisdictions	(75,087)	655	-	-
Tax exempt income	(20,007)	(23,678)	(19,662)	(22,634)
Non-deductible expenses	18,975	57,333	7,107	34,199
Effect of liquidation of a subsidiary	137,692	-	-	-
Recognition of previously unrecognised tax losses and capital allowances	(54,826)	(1,768)	-	-
Temporary differences for which no deferred tax asset was recognised	2,596	24,060	-	-
Under provision of income tax in prior years	1,571	3,977	4	561
Tax expense	29,485	9,198	991	1,514

30. Profit/(Loss) for the year

	Note	Group 2021 RM'000	Group 2020 RM'000	Company 2021 RM'000	Company 2020 RM'000
Profit/(Loss) for the year is arrived at after charging/(crediting)					
Auditors' remuneration					
Audit fees:					
- KPMG PLT		500	531	278	320
- Overseas affiliates of KPMG PLT		500	926	-	-
- Other auditors		932	690	-	-
Non-audit fees:					
- KPMG PLT		18	21	-	-
- Local affiliates of KPMG PLT		54	37	14	15
- Overseas affiliates of KPMG PLT		32	102	-	-
- Other auditors		184	185	-	-
Material expenses/(income)					
Hotel operation costs (excluding personnel costs)		52,102	65,678	-	-
Management fees charged by hotel operators		6,618	9,165	-	-
Impairment loss on investment in subsidiaries		-	-	-	102,665
Reversal of impairment loss on investment in subsidiaries		-	-	-	(5,972)
Loss on liquidation of investment in a subsidiary			-		31,468
Gain on deconsolidation of subsidiaries		-	(16,609)	-	-
Personnel expenses (including key management personnel and Directors):	30.1				
- Wages, salaries, allowance and bonuses		90,642	103,412	14,174	12,214
- Contribution to defined contribution plan		7,095	7,192	1,196	1,026
- Social security costs		2,399	798	40	42
- Unutilised annual leave		2,230	5,077	-	-
- Other staff related expenses		9,853	17,313	217	226
Government grant	30.2	(21,758)	(32,769)	-	-
Expenses arising from leases					
Expenses relating to short-term leases		-	372	14	106
Expenses relating to low value assets		-	2	-	-

30.1 The above personnel costs include remuneration paid/payable to Directors of the Group and of the Company (excluding fees and benefits-in-kind that are not classified as personnel costs) that are disclosed in Note 26.

30. Profit/(Loss) for the year (continued)

30.2 The government grant relates to wage subsidy support scheme, business support fund, property tax relief/waiver, rent assistance and rent support scheme. The government grant is an unconditional grant that was provided by the government of Canada, Singapore and Australia to support the local businesses during COVID-19 pandemic.

31. Financial instruments

31.1 Categories of financial instruments

The table below provides an analysis of financial instruments categorised as follows:
(a) Amortised cost ("AC");
(b) Fair value through profit or loss ("FVTPL"); and
(c) Fair value through other comprehensive income ("FVOCI")
- Debt instrument ("DI")

2021	**Carrying amount**	**AC**	**FVTPL**	**FVOCI - DI**
Financial assets	**RM'000**	**RM'000**	**RM'000**	**RM'000**
Group				
Investments in securities	662,483	-	661,916	567
Receivables (excluding prepayments)	119,737	119,737	-	-
Derivatives	528	-	528	-
Other investment	3,900	3,900	-	-
Cash and bank balances	265,326	265,326	-	-
	1,051,974	388,963	662,444	567
Company				
Receivables (excluding prepayments)	351,444	351,444	-	-
Cash and bank balances	22,126	22,126	-	-
	373,570	373,570	-	-
Financial liabilities				
Group				
Borrowings	(1,613,502)	(1,613,502)	-	-
Payables	(120,727)	(120,727)	-	-
Derivatives	(11,864)	-	(11,864)	-
	(1,746,093)	(1,734,229)	(11,864)	-
Company				
Borrowings	(373,578)	(373,578)	-	-
Payables	(249,942)	(249,942)	-	-
	(623,520)	(623,520)	-	-

31. Financial instruments (continued)

31.1 Categories of financial instruments (continued)

2020 Financial assets	Carrying amount RM'000	AC RM'000	FVTPL RM'000	FVOCI - DI RM'000
Group				
Investments in securities	536,654	-	535,719	935
Receivables (excluding prepayments)	81,928	81,928	-	-
Derivatives	46	-	46	-
Other investment	3,900	3,900	-	-
Cash and bank balances	746,975	746,975	-	-
	1,369,503	832,803	535,765	935
Company				
Receivables (excluding prepayments)	1,344,506	1,344,506	-	-
Cash and bank balances	27,886	27,886	-	-
	1,372,392	1,372,392	-	-
Financial liabilities				
Group				
Borrowings	(1,903,711)	(1,903,711)	-	-
Payables	(228,932)	(228,932)	-	-
Derivatives	(4,222)	-	(4,222)	-
	(2,136,865)	(2,132,643)	(4,222)	-
Company				
Borrowings	(391,868)	(391,868)	-	-
Payables	(346,581)	(346,581)	-	-
	(738,449)	(738,449)	-	-

31. Financial instruments (continued)

31.2 Net gains and losses arising from financial instruments

	Group		Company	
	2021	2020	2021	2020
	RM'000	RM'000	RM'000	RM'000
Net gains/(losses) on:				
Financial assets at fair value through profit or loss	67,862	(2,352)	-	-
Debt instruments at fair value through other comprehensive income:				
- recognised in profit or loss	(2,679)	7,456	-	-
- recognised in other comprehensive income	(3,738)	5,270	-	-
- reclassified from equity to profit or loss	3,151	(5,396)	-	-
	(3,266)	7,330	-	-
Financial assets at amortised cost	2,302	55,415	88,014	65,244
Financial liabilities at amortised cost	(36,019)	(82,535)	(15,551)	(12,927)
	30,879	(22,142)	72,463	52,317

31.3 Financial risk management

The Group and the Company have exposure to the following risks from its use of financial instruments:

- Credit risk
- Liquidity risk
- Market risk

31.4 Credit risk

Credit risk is the risk of a financial loss if a customer or counterparty to a financial instrument fails to meet its contractual obligations. The Group's exposure to credit risk arises primarily from trade receivables, contract assets, financial receivables, cash and bank balances, and other receivables. The Company's exposure to credit risk arises primarily from loans and advances to subsidiaries and financial guarantees given to financial institutions for the borrowings granted to subsidiaries. There are no significant changes as compared to prior periods.

31. Financial instruments (continued)

31.4 Credit risk (continued)

31.4.1 Trade receivables, contract assets, finance lease receivables and financial receivables

Risk management objectives, policies and processes for managing the risk

The Group controls its exposure to credit risk by the application of credit approvals, limits and monitoring procedures. A credit approval limit structure approved by the Board of Directors is in place for all lending activities of the Group.

Financial receivables are monitored on an ongoing basis via group-wide management reporting procedures. For effective management of non-performing accounts ("NPAs"), a debt recovery unit has been established to focus on formulating and executing recovery action plan. As a whole, NPAs are monitored closely by the Group.

In managing credit risk of trade receivables, contract assets, finance lease receivables and financial receivables, the Group takes appropriate actions (including but not limited to legal actions) to recover long overdue balances.

Exposure to credit risk, credit quality and collateral

The credit risk of certain financial assets of the Group is mitigated by collaterals held against the financial assets. All trade receivables, contract assets, finance lease receivables and financial receivables are subject to impairment review at the end of the reporting period. The collateral mitigates credit risk and would reduce the extent of impairment allowance for the assets subject to impairment review.

The maximum exposure to credit risk is represented by the carrying amounts in the statements of financial position.

Concentration of credit risk

The exposure of credit risk for trade receivables, contract assets, finance lease receivables and financial receivables as at the end of the reporting period by country and business segment are as follows:

	Group			
	2021		**2020**	
	RM'000	**% of total**	**RM'000**	**% of total**
By country				
Malaysia	89,183	88	39,066	73
Singapore	5,707	6	5,395	10
Australia	2,748	3	6,291	12
Canada	2,378	2	2,220	4
Other countries	977	1	812	1
	100,993	100	53,784	100

31. Financial instruments (continued)

31.4 Credit risk (continued)

31.4.1 Trade receivables, contract assets, finance lease receivables and financial receivables (continued)

Concentration of credit risk (continued)

	Group			
	2021		2020	
	RM'000	% of total	RM'000	% of total
By business segment				
Hotel operations	9,585	9	12,837	24
Property investment	10,774	11	11,030	20
Finance and related services	44,949	45	13	<1
Property development	35,283	35	27,245	51
Others	402	<1	2,659	5
	100,993	100	53,784	100

(i) Trade receivables and contract assets

The Group has no significant concentration of credit risk from exposures to a single debtor or to groups of debtors within its trade receivables and contract assets.

(ii) Finance lease receivable

The Group has significant concentration of credit risk from exposures to a single debtor within its finance lease receivable.

(iii) Financial receivables

The 5 (2020: 5) largest financial receivables, which contributed 97% (2020: 77%) of the net financial receivables, representing the Group's significant concentration of credit risks, are summarised as follows:

Group	Gross RM'000	Impairment losses RM'000	Net RM'000
2021			
Five largest financial receivables	52,453	(8,835)	43,618
Others	3,232	(1,901)	1,331
	55,685	(10,736)	44,949
2020			
Five largest financial receivables	2,571	(2,561)	10
Others	7,563	(7,560)	3
	10,134	(10,121)	13

31. Financial instruments (continued)

31.4 Credit risk (continued)

31.4.1 Trade receivables, contract assets, finance lease receivables and financial receivables (continued)

Recognition and measurement of impairment loss

(i) Trade receivables, contract assets and finance lease receivables

In measuring the credit risk of trade receivables, contract assets and finance lease receivables, the Group applies the simplified approach prescribed by MFRS 9 which required expected lifetime losses to be recognised from initial recognition of the trade receivables, contract assets and finance lease receivables which are financial assets.

The Group uses an allowance matrix to measure ECLs of trade receivables for all segments. Loss rates are calculated using a 'roll rate' method based on the probability of a receivable progressing through successive stages of delinquency to 90 days past due. Loss rates are based on actual credit loss experienced over the past three years.

The following table provides information about the exposure to credit risk and ECLs for trade receivables, contract assets and finance lease receivables.

Group	Gross carrying amount RM'000	Loss allowance RM'000	Net balance RM'000
2021			
Not past due	50,304	(26)	50,278
Past due 1 – 30 days	1,863	(7)	1,856
Past due 31 – 60 days	1,118	(1)	1,117
Past due 61 – 90 days	982	(1)	981
Past due more than 90 days	10	-	10
	54,277	(35)	54,242
Credit impaired			
Individually impaired	4,152	(2,350)	1,802
	58,429	(2,385)	56,044
Trade receivables	27,588	(2,171)	25,417
Contract assets	24,034	(214)	23,820
Finance lease receivables	6,807	-	6,807
	58,429	(2,385)	56,044

31. Financial instruments (continued)

31.4 Credit risk (continued)

31.4.1 Trade receivables, contract assets, finance lease receivables and financial receivables (continued)

Recognition and measurement of impairment loss (continued)

(i) Trade receivables, contract assets and finance lease receivables (continued)

Group	**Gross carrying amount RM'000**	**Loss allowance RM'000**	**Net balance RM'000**
2020			
Not past due	45,915	-	45,915
Past due 1 – 30 days	2,756	-	2,756
Past due 31 – 60 days	1,959	-	1,959
Past due 61 – 90 days	195	(5)	190
Past due more than 90 days	50	(38)	12
	50,875	(43)	50,832
Credit impaired			
Individually impaired	5,509	(2,570)	2,939
	56,384	(2,613)	53,711
Trade receivables	32,127	(2,399)	29,728
Contract assets	16,813	(214)	16,599
Finance lease receivables	7,444	-	7,444
	56,384	(2,613)	53,711

31. Financial instruments (continued)

31.4 Credit risk (continued)

31.4.1 Trade receivables, contract assets, finance lease receivables and financial receivables (continued)

Recognition and measurement of impairment loss (continued)

(i) Trade receivables, contract assets and finance lease receivables (continued)

The movements in the allowance for impairment in respect of trade receivables, contract assets and finance lease receivables during the year are shown below:

	Lifetime ECL RM'000	**Credit impaired RM'000**	**Total RM'000**
Group			
Balance at 1 January 2020	115	336	451
Impairment loss recognised	-	2,242	2,242
Impairment loss reversed	(76)	-	(76)
Amount written off	-	(11)	(11)
Exchange difference	4	3	7
Balance at 31 December 2020/ 1 January 2021	43	2,570	2,613
Impairment loss recognised	-	23	23
Impairment loss reversed	(7)	(91)	(98)
Exchange difference	(1)	(152)	(153)
Balance at 31 December 2021	35	2,350	2,385

31. Financial instruments (continued)

31.4 Credit risk (continued)

31.4.1 Trade receivables, contract assets, finance lease receivables and financial receivables (continued)

Recognition and measurement of impairment loss (continued)

(ii) Financial receivables

The Group measures ECL of financial receivables individually. These financial receivables are impaired up to collaterised values according to the following approaches:

12-month ECL	For financial receivables that do not have significant increase in credit risk since initial recognition, the Group shall measure the loss allowance at an amount equal to the probability of default events occurring within the next 12 months and considering the loss given default of the financial assets.
Lifetime ECL	At each reporting date, the Group will assess whether there is a significant increase in credit risk for financial receivables since initial recognition by comparing risk of defaults on these financial assets as at the reporting date with the risk of defaults as at the date of initial recognition. The Group assessed the risk of loss of each customer individually based on past trend of payments, and other supportive information, where applicable.
Credit impaired	Financial receivables are considered credit impaired if they are past due 90 days and are unlikely to repay loans in full, loan rollover due to difficulty to repay on maturity, or it is becoming probable that receivable counterparty will enter bankruptcy.

31. Financial instruments (continued)

31.4 Credit risk (continued)

31.4.1 Trade receivables, contract assets, financial lease receivables and financial receivables (continued)

Recognition and measurement of impairment loss (continued)

(ii) Financial receivables (continued)

The following table provides information about the exposure to credit risk and ECLs for financial receivables.

Group	Gross carrying amount RM'000	Loss allowance RM'000	Net balance RM'000
2021			
Not past due	42,821	-	42,821
	42,821	-	42,821
Credit impaired			
Individually impaired	12,864	(10,736)	2,128
	55,685	(10,736)	44,949
Collaterised financial receivables			
- where no loss allowance recognised	42,821	-	42,821
- where loss allowance recognised	12,864	(10,736)	2,128
	55,685	(10,736)	44,949
2020			
Credit impaired			
Individually impaired	10,134	(10,121)	13
	10,134	(10,121)	13
Collaterised financial receivables			
- where loss allowance recognised	10,134	(10,121)	13
	10,134	(10,121)	13

31. Financial instruments (continued)

31.4 Credit risk (continued)

31.4.1 Trade receivables, contract assets, finance lease receivables and financial receivables (continued)

Recognition and measurement of impairment loss (continued)

(ii) Financial receivables (continued)

Financial receivables which are credit impaired amounting to RM12,864,000 (2020: RM10,134,000) are partially secured by collaterals. Impairment loss has been provided to the extent of the collateral value of RM2,128,000 (2020: RM13,000).

There are financial receivables where the Group has not recognised any loss allowance as the financial receivables are supported by collateral such as shares, land and property held as securities and other credit enhancement in managing exposure to credit risk.

The movements in the allowance for impairment in respect of financial receivables during the year are shown below:

	Credit impaired	
	2021	**2020**
Group	**RM'000**	**RM'000**
Balance at 1 January	10,121	10,232
Impairment loss recognised	1,618	5
Impairment loss reversed	(12)	(116)
Write off	(991)	-
Balance at 31 December	10,736	10,121

31.4.2 Inter-company loans and advances

Risk management objectives, policies and processes for managing the risk

The Company provides unsecured advances to its subsidiaries and related companies. The Company monitors the results of the subsidiaries and related companies regularly.

Exposure to credit risk, credit quality and collateral

As at the end of the reporting period, the maximum exposure to credit risk is represented by the carrying amounts in the statements of financial position.

Loans and advances provided are not secured by any collateral or supported by any other credit enhancement.

31. Financial instruments (continued)

31.4 Credit risk (continued)

31.4.2 Inter-company loans and advances (continued)

Recognition and measurement of impairment loss

Generally, the Company considers loans and advances to subsidiaries and related companies to have low credit risk. The Company assumes that there is a significant increase in credit risk when a subsidiary's or a related company's financial position deteriorates significantly. As the Company is able to determine the timing of payments of the subsidiaries' or related companies' loans and advances when they are payable, the Company considers the loans and advances to be in default when the subsidiaries or the related companies are not able to pay when demanded. The Company considers a subsidiary's or a related company's loan or advance to be credit impaired when:

- The subsidiary's or a related company's loan or advance is overdue for more than 90 days and the subsidiary or related company is unlikely to repay its loan or advance to the Company in full;
- Rollover of loans and advances due to difficulty to repay on maturity; or
- It is becoming probable that the subsidiary or the related company will enter bankruptcy.

The Company determines the probability of default for these loans and advances individually using internal information available.

The following table provides information about the exposure to credit risk and ECLs for subsidiaries' and related companies' loans and advances.

Company	**Gross carrying amount RM'000**	**Impairment loss allowance RM'000**	**Net balance RM'000**
2021			
Low credit risk	351,016	-	351,016
2020			
Low credit risk	1,344,074	-	1,344,074

As at year end, the Company did not recognise any allowance for impairment losses.

31. Financial instruments (continued)

31.4 Credit risk (continued)

31.4.3 Financial guarantees

Risk management objectives, policies and processes for managing the risk

The Company provides financial guarantees to banks in respect of banking facilities granted to certain subsidiaries. The Company monitors on an ongoing basis the results of the subsidiaries and repayments made by the subsidiaries.

Exposure to credit risk, credit quality and collateral

As at the end of the reporting period, the maximum exposure to credit risk as represented by the outstanding banking and credit facilities of the subsidiaries are as follows:

	Company	
	2021	**2020**
	RM'000	**RM'000**
Corporate guarantees issued to:		
- financial institutions for bank facilities granted to its subsidiaries	135,547	157,053

Recognition and measurement of impairment loss

The Company assumes that there is a significant increase in credit risk when a subsidiary's financial position deteriorates significantly. The Company considers a financial guarantee to be credit impaired when:

- The subsidiary is unlikely to pay its credit obligation to the bank in full; or
- The subsidiary is continuously loss making and is having a deficit shareholder's fund.

As at year end, the Company did not recognise any allowance for impairment losses.

31. Financial instruments (continued)

31.4 Credit risk (continued)

31.4.4 Cash, bank balances and deposits

Exposure to credit risk, credit quality and collateral

As at the end of the reporting period, the maximum exposure to credit risk is represented by the carrying amounts in the statements of financial position.

Recognition and measurement of impairment loss

The cash, bank balances and deposits are held with reputable banks and financial institutions. In addition, some of the bank balances are insured by government agencies. These banks and financial institutions have low credit risks.

The movement in the allowance for impairment in respect of cash, bank balances and deposits during the year is as follows:

Group	**12-month ECL RM'000**
Balance at 1 January 2020	1,139
Impairment loss recognised	349
Impairment loss reversed	(767)
Exchange difference	(59)
Balance at 31 December 2020/1 January 2021	662
Impairment loss reversed	(669)
Exchange difference	21
Balance at 31 December 2021	14

31. Financial instruments (continued)

31.4 Credit risk (continued)

31.4.5 Other receivables

Risk management objectives, policies and processes for managing the risk

Credit risks on other receivables are mainly arising from amount due from a deconsolidated subsidiary.

These receivables are considered to be held within a held-to-collect business model consistent with the Group's and the Company's continuing recognition of the receivables.

Exposure to credit risk, credit quality and collateral

As at the end of the reporting period, the maximum exposure to credit risk is represented by the carrying amounts in the statements of financial position.

Recognition and measurement of impairment loss

The Group has adopted lifetime ECL measurements for sundry receivables due to the expected lifetime period of sundry receivables are generally less than 12 months. The Group considers the amount due from deconsolidated subsidiary as credit impaired when the receivable is unlikely to repay the obligation in full.

The amount due from a deconsolidated subsidiary relates to the amount due from TA Hotel Management Limited Partnership ("TAHMLP"). The Group has measured the credit loss allowance on this receivable to be 100% of the outstanding balance.

The movements in the allowance for impairment in respect of other receivables and amount due from a deconsolidated subsidiary during the year are shown below:

Group	**Lifetime ECL RM'000**	**Credit impaired RM'000**	**Total RM'000**
Balance at 1 January 2020	329	1,112	1,441
Impairment loss recognised	-	14,417	14,417
Impairment loss reversed	(328)	-	(328)
Exchange difference	(1)	111	110
Balance at 31 December 2020/ 1 January 2021	-	15,640	15,640
Write off	-	(50)	(50)
Exchange difference	-	391	391
Balance at 31 December 2021	-	15,981	15,981

31. Financial instruments (continued)

31.5 Liquidity risk

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

The Group and the Company seek to achieve a balance between certainty of funding and a flexible cost-effective borrowing structure. Where possible, they consistently seek to maintain equitable cash level and adequate bank facilities to ensure sufficient liquidity to meet their liabilities when they fall due. The Group and the Company adopt regular financial review to ensure that the Group and the Company have adequate capacity to meet their cash and collateral obligations. The Group and the Company assess the impact to their financial condition, safety and soundness arising from their inability (whether real or perceived) to meet their contractual obligations regularly.

The Group and the Company also maintain a prudent borrowing policy aimed towards the following:

(a) maintaining sufficient cash for all cash flow requirement;
(b) managing investment portfolio maturity to match debt repayment;
(c) sourcing for a diverse range of funding sources and ample credit facilities to provide sufficient liquidity cushion; and
(d) managing projected net borrowing needs to be covered by committed facilities.

The Group's Centralised Treasury function manages the Group's funding needs by allocating sufficient funds to support all its business units in maintaining optimum levels of liquidity sufficient for their operations. Regular cash flow forecasts are conducted to manage all strategic funding requirements and invest surplus cash from operating cash cycles in appropriate investment instruments such as interest-bearing current account, time deposits, money market deposits, bonds and investment securities.

It is not expected that the cash flows included in the maturity analysis could occur significantly earlier, or at significantly different amounts.

31. Financial instruments (continued)

31.5 Liquidity risk (continued)

Maturity analysis

The table below summarises the maturity profile of the Group's and the Company's financial liabilities as at the end of the reporting period based on undiscounted contractual payments.

Group	Carrying amount RM'000	Contractual interest rate/ discount rate	Contractual cash flows RM'000	Under 1 year RM'000	1 – 2 years RM'000	2 – 5 years RM'000	More than 5 years RM'000
2021							
Non-derivative financial liabilities							
Borrowings	1,613,502	0.36% - 3.53%	1,713,181	1,106,339	59,793	204,998	342,051
Lease liabilities	1,281	3.16% - 5.42%	1,357	657	469	231	-
Payables	120,727	0% - 3.11%	120,893	120,893	-	-	-
	1,735,510		1,835,431	1,227,889	60,262	205,229	342,051
Derivative financial liabilities							
Geared currency accumulators	835	-	835	-	-	-	-
Geared equity accumulators	7,097	-	7,097	-	-	-	-
Geared equity decumulators	3,932	-	3,932	-	-	-	-
	11,864		11,864	-	-	-	-

31. Financial instruments (continued)

31.5 Liquidity risk (continued)

Maturity analysis (continued)

Group	Carrying amount RM'000	Contractual interest rate/ discount rate	Contractual cash flows RM'000	Under 1 year RM'000	1 – 2 years RM'000	2 – 5 years RM'000	More than 5 years RM'000
2020							
Non-derivative financial liabilities							
Borrowings	1,903,711	0.40% - 3.50%	2,018,723	1,171,473	336,710	162,346	348,194
Lease liabilities	1,005	2.11% - 5.94%	1,048	618	289	141	-
Payables	228,932	0% - 3.09%	230,758	230,758	-	-	-
	2,133,648		2,250,529	1,402,849	336,999	162,487	348,194
Derivative financial liabilities							
Geared currency accumulators	1,500	-	1,500	1,500	-	-	-
Geared currency decumulators	1,243	-	1,243	1,243	-	-	-
Forward exchange contracts (gross settled):							
Outflow	1,479	-	312,830	312,830	-	-	-
Inflow	-	-	(311,351)	(311,351)	-	-	-
	4,222		4,222	4,222	-	-	-

31. Financial instruments (continued)

31.5 Liquidity risk (continued)

Maturity analysis (continued)

Company	Carrying amount RM'000	Contractual interest rate/ discount rate	Contractual cash flows RM'000	Under 1 year RM'000	1 – 2 years RM'000	2 – 5 years RM'000	More than 5 years RM'000
2021							
Financial liabilities							
Borrowings	373,578	1.59% - 3.32%	380,251	380,251	-	-	-
Lease liabilities	4,643	3.73% - 5.84%	5,115	1,294	1,246	2,575	-
Payables	249,942	0% - 3.15%	251,061	251,061	-	-	-
Financial guarantees*	973	-	135,547	135,547	-	-	-
	629,136		771,974	768,153	1,246	2,575	-
2020							
Financial liabilities							
Borrowings	391,868	1.48% - 3.26%	403,237	102,239	300,998	-	-
Lease liabilities	5,750	4.77% - 5.84%	6,473	1,342	1,310	3,719	102
Payables	346,581	0% - 3.14%	349,308	349,308	-	-	-
Financial guarantees*	1,692	-	157,053	157,053	-	-	-
	745,891		916,071	609,942	302,308	3,719	102

* The disclosure represents the maximum amount of the guarantee and the amount is allocated to the earliest period in which the guarantee could be called.

31. Financial instruments (continued)

31.6 Market risk

Market risk is the risk that changes in market prices, such as foreign exchange rates, interest rates and other price risk that will affect the Group's financial position or cash flows.

31.6.1 Currency risk

The Group operates internationally and is exposed to foreign exchange risk arising from various currency exposures primarily with respect to Ringgit Malaysia ("RM"), United States Dollar ("USD"), Australian Dollar ("AUD"), Canadian Dollar ("CAD"), Hong Kong Dollar ("HKD"), Singapore Dollar ("SGD"), Euro ("EUR"), and Thai Baht ("THB"). The Group and the Company are exposed to foreign currency risk from external investing, borrowings and intra-group funding activities.

Risk management objectives, policies and processes for managing the risk

The Group's and the Company's exposure to foreign currency risk is monitored on an ongoing basis and hedges may be taken using derivative financial instruments for foreseeable significant exchange rate fluctuations and are managed by the Group's Treasury Department.

The Group and the Company maintain a natural hedge for certain subsidiaries/trusts, by borrowing in the currency of the country in which the property or investment is located or by borrowing in currencies that match the future revenue stream to be generated from the investment.

31. Financial instruments (continued)

31.6 Market risk (continued)

31.6.1 Currency risk (continued)

Exposure to foreign currency risk

The Group's exposures to foreign currency (a currency which is other than the functional currency of the Group entities) risk, based on carrying amounts as at the end of the reporting period are as follows:

	Denominating currencies									
Group	**MYR RM'000**	**USD RM'000**	**AUD RM'000**	**CAD RM'000**	**HKD RM'000**	**SGD RM'000**	**EUR RM'000**	**THB RM'000**	**Others RM'000**	**Total RM'000**
2021										
Cash, bank balances and deposits	568	1,324	26,202	12,263	3,859	530	324	25	1	45,096
Investment in securities	-	-	-	-	-	-	94,074	-	534	94,608
Other receivables	1	37	-	-	-	-	-	-	-	38
Borrowings	-	-	-	(91,332)	(55,760)	(301,434)	(81,620)	-	-	(530,146)
Other payables	(28)	(108)	(18)	(107)	(38)	-	(2)	-	(6)	(307)
Intra-group balances	(38)	(24,083)	237,038	1,037,410	-	1,089,434	-	498,132	-	2,837,893
Net currency exposures	503	(22,830)	263,222	958,234	(51,939)	788,530	12,776	498,157	529	2,447,182

Registration No. 200801027528 (828855-P)

31. Financial instruments (continued)

31.6 Market risk (continued)

31.6.1 Currency risk (continued)

Group	Denominating currencies MYR RM'000	USD RM'000	AUD RM'000	CAD RM'000	HKD RM'000	SGD RM'000	EUR RM'000	THB RM'000	Others RM'000	Total RM'000
2020										
Cash, bank balances and deposits	685	9,909	63,988	414,075	-	835	-	27	1	489,520
Other receivables	-	-	-	4	-	-	-	-	-	4
Investment in securities	-	-	-	-	56,029	-	142,240	-	480	198,749
Other receivables	-	-	-	4	-	-	-	-	-	4
Borrowings	-	-	-	(91,357)	(54,112)	(296,969)	(85,569)	-	-	(528,007)
Other payables	(21)	(782)	(32)	-	-	-	(144)	-	(17)	(996)
Intra-group balances	(719)	791,883	393,430	621,958	-	13,478	-	662,075	-	2,482,105
Net currency exposures	(55)	801,010	457,386	944,680	1,917	(282,656)	56,527	662,102	464	2,641,375

31. Financial instruments (continued)

31.6 Market risk (continued)

31.6.1 Currency risk (continued)

The net unhedged financial assets and liabilities of the Company presented in Ringgit Malaysia that are not denominated in its functional currency are as follows:

	|-------- Denominating currencies-------|				
	USD	**AUD**	**CAD**	**SGD**	**Total**
Company	**RM'000**	**RM'000**	**RM'000**	**RM'000**	**RM'000**
2021					
Cash, bank balances and deposits	349	17,066	596	268	18,279
Due from subsidiaries	62,662	250,689	-	3,089	316,440
Borrowings	-	-	-	(301,434)	(301,434)
Due to subsidiaries	-	-	-	(211,796)	(211,796)
Net currency exposures	63,011	267,755	596	(509,873)	(178,511)
2020					
Cash, bank balances and deposits	9,549	15,211	561	523	25,844
Due from subsidiaries	842,043	402,861	-	3,096	1,248,000
Borrowings	-	-	-	(297,391)	(297,391)
Due to subsidiaries	-	-	-	(256,096)	(256,096)
Net currency exposures	851,592	418,072	561	(549,868)	720,357

Currency risk sensitivity analysis

A 10% (2020:10%) strengthening of the respective functional currencies against the following currencies at the end of the reporting period would have increased/(decreased) equity and post-tax profit or loss by the amounts shown below. This analysis is based on foreign currency exchange rate variances that the Group and the Company considered to be reasonably possible at the end of the reporting period. The analysis assumes that all other variables, in particular interest rates, remained constant and ignores any impact of forecasted income and expenses.

31. Financial instruments (continued)

31.6 Market risk (continued)

31.6.1 Currency risk (continued)

Currency risk sensitivity analysis (continued)

	Equity		Profit or loss	
	2021 RM'000	2020 RM'000	2021 RM'000	2020 RM'000
Group				
MYR	(38)	4	(38)	4
USD	1,735	(60,876)	1,735	(729)
AUD	(20,005)	(34,761)	(20,005)	(34,761)
CAD	(72,826)	(71,796)	(54,118)	(62,421)
HKD	3,947	(146)	3,947	(146)
SGD	(59,928)	21,482	(38,133)	41,738
EUR	(971)	(4,296)	(971)	(4,296)
THB	(37,860)	(50,320)	(1,197)	-
Others	(41)	(35)	(41)	(35)
Company				
USD	(4,789)	(64,721)	(4,789)	(64,721)
AUD	(20,349)	(31,773)	(20,349)	(31,773)
CAD	(45)	(43)	(45)	(43)
SGD	38,750	41,790	38,750	41,790

A 10% (2020:10%) weakening of the respective functional currencies against the above currencies at the end of the reporting period would have had equal but opposite effect on the above currencies to the amounts shown above, on the basis that all other variables remained constant.

31.6.2 Interest rate risk

The Group's fixed rate instruments are exposed to a risk of change in their fair value due to changes in interest rates. The Group's and the Company's variable rate instruments are exposed to a risk of change in cash flows due to changes in interest rates. Short-term receivables and payables are not significantly exposed to interest rate risk.

Risk management objectives, policies and processes for managing the risk

The Group and the Company adopt a policy to ensure that the interest rates on investments and borrowings obtained are competitive. The Group and the Company do not hedge their investments in fixed income securities. Management monitors the exposure for these fixed income securities closely.

31. Financial instruments (continued)

31.6 Market risk (continued)

31.6.2 Interest rate risk (continued)

Risk management objectives, policies and processes for managing the risk (continued)

The Group's and the Company's policy is to borrow principally on a floating rate basis but to retain a proportion of fixed rate debt. The objective for the mix of fixed and floating rate borrowings is to reduce the impact of an upward change in interest rates while enabling benefits to be enjoyed if interest rates fall. The mix between fixed and floating rate borrowings is monitored and varied according to changes in interest rates to ensure that the Group's cost of financing is kept at the lowest possible.

Exposure to interest rate risk

The interest rate profile of the Group's and the Company's significant interest-earning and interest-bearing financial instruments, based on carrying amounts as at the end of the reporting period were:

	Group		Company	
	2021 RM'000	**2020 RM'000**	**2021 RM'000**	**2020 RM'000**
Fixed rate instruments				
Investments in securities:				
- Bonds	567	935	-	-
Financial receivables	55,685	10,134	-	-
Finance lease receivables	6,807	7,444	-	-
Fixed deposits placed with financial institutions	20,201	120,378	1,157	-
Borrowings	(370,725)	(366,233)	-	-
Lease liabilities	(1,281)	(1,005)	(4,643)	(5,750)
	(288,746)	(228,347)	(3,486)	(5,750)
Floating rate instruments				
Amount due from subsidiaries	-	-	335,103	978,620
Amount due from related parties	-	-	366	370
Amount due to ultimate holding company	(5,299)	(59,262)	(4,534)	(58,792)
Amount due to subsidiaries	-	-	(31,092)	(29,181)
Amount due to related parties	(40)	(75)	(39)	(38)
Borrowings	(1,242,777)	(1,537,478)	(373,578)	(391,868)
	(1,248,116)	(1,596,815)	(73,774)	499,111

31. Financial instruments (continued)

31.6 Market risk (continued)

31.6.2 Interest rate risk (continued)

Interest rate risk sensitivity analysis

Fair value sensitivity analysis for fixed rate instruments

The Group and the Company do not account for any fixed rate financial assets and liabilities at fair value through profit or loss. The Group and the Company do not designate derivatives as hedging instruments under a fair value hedge accounting model. Therefore, a change in interest rates at the end of the reporting period would not affect profit or loss.

A change of 100 basis points ("bp") in interest rates would have increased/(decreased) equity and post-tax profit or loss arising from interest bearing instruments classified as fair value through other comprehensive income by the amounts shown below:

	Equity		**Profit or loss**	
Group	**100 bp increase RM'000**	**100 bp decrease RM'000**	**100 bp increase RM'000**	**100 bp decrease RM'000**
2021				
Fixed rate instruments				
Investments in securities				
- Bonds	131	144	-	-
2020				
Fixed rate instruments				
Investments in securities				
- Bonds	315	338	-	-

Cash flow sensitivity analysis for variable rate instruments

A change of 100 bp in interest rates at the end of the reporting period would have increased/(decreased) equity and post-tax profit or loss by the amounts shown below. This analysis assumes that all other variables, in particular foreign currency rates, remain constant.

31. Financial instruments (continued)

31.6 Market risk (continued)

31.6.2 Interest rate risk (continued)

Interest rate risk sensitivity analysis (continued)

Cash flow sensitivity analysis for variable rate instruments (continued)

	Equity		Profit or loss	
	100 bp increase RM'000	100 bp decrease RM'000	100 bp increase RM'000	100 bp decrease RM'000
Group				
2021				
Floating rate instruments	(10,804)	10,804	(10,804)	10,804
2020				
Floating rate instruments	(14,494)	14,494	(14,494)	14,494
Company				
2021				
Floating rate instruments	(561)	561	(561)	561
2020				
Floating rate instruments	3,793	(3,793)	3,793	(3,793)

31.6.3 Other price risk

Equity price risk arises from the Group's investment in quoted equity instruments.

Risk management objectives, policies and processes for managing the risk

The risk of loss in value is minimised via thorough analysis before investing and continuous monitoring of the investments' performance and risk. The Group manages disposal of its investments to optimise returns on realisation.

Equity price risk sensitivity analysis

An increase of 10% in indices at the end of the reporting period would have increased equity and profit or loss by the amounts shown below. This analysis assumes that all other variables remain constant and the Group's equity instruments move in correlation according to the following indices:

	Equity		Profit or loss	
	2021 RM'000	2020 RM'000	2021 RM'000	2020 RM'000
Group				
- FTSE Bursa Malaysia KLCI	-	21	-	21
- S&P 500 Index	56,666	36,182	56,666	36,182
- Hang Seng	-	5,603	-	5,603
- Euro Stoxx 50	9,407	11,563	9,407	11,563

31. Financial instruments (continued)

31.6 Market risk (continued)

31.6.3 Other price risk (continued)

A decrease of 10% in indices at the end of the reporting period would have had equal but opposite effect of the above indices to the amounts shown above, on the basis that all other variables remained constant.

31.7 Fair value information

The carrying amounts of cash and bank balances, short-term receivables, payables and short-term borrowings approximate their fair values due to the relatively short-term nature of these financial instruments. It was not practicable to estimate the fair value of the Group's investments in associate and joint ventures due to the lack of comparable quoted market prices in an active market and the fair value cannot be reliably measured.

31. Financial instruments (continued)

31.7 Fair value information (continued)

The table below analyses financial instruments carried at fair value and those not carried at fair value for which fair value is disclosed, together with their fair values and carrying amounts shown in the statements of financial position.

	Fair value of financial instruments carried at fair value				Fair value of financial instruments not carried at fair value				Total fair value	Carrying amount
Group	**Level 1**	**Level 2**	**Level 3**	**Total**	**Level 1**	**Level 2**	**Level 3**	**Total**		
2021	**RM'000**	**RM'000**	**RM'000**	**RM'000**	**RM'000**	**RM'000**	**RM'000**	**RM'000**	**RM'000**	**RM'000**
Financial assets										
At FVTPL										
Shares	660,737	-	-	660,737	-	-	-	-	660,737	660,737
Unit trust	-	1,179	-	1,179	-	-	-	-	1,179	1,179
Geared currency accumulators	-	110	-	110	-	-	-	-	110	110
Geared equity accumulators		418		418					418	418
	660,737	1,707	-	662,444	-	-	-	-	662,444	662,444
At FVOCI										
Bonds	-	567	-	567	-	-	-	-	567	567
	-	567	-	567	-	-	-	-	567	567
At amortised cost										
Finance lease receivables – Non-current	-	-	-	-	-	-	7,999	7,999	7,999	6,096
	-	-	-	-	-	-	7,999	7,999	7,999	6,096
	660,737	2,274	-	663,011	-	-	7,999	7,999	671,010	669,107

31. Financial instruments (continued)

31.7 Fair value information (continued)

Group	Fair value of financial instruments carried at fair value				Fair value of financial instruments not carried at fair value				Total fair value	Carrying amount
2021	Level 1 RM'000	Level 2 RM'000	Level 3 RM'000	Total RM'000	Level 1 RM'000	Level 2 RM'000	Level 3 RM'000	Total RM'000	RM'000	RM'000
Financial liabilities										
At FVTPL										
Geared currency accumulators	-	(835)	-	(835)	-	-	-	-	(835)	(835)
Geared equity accumulators	-	(7,097)	-	(7,097)	-	-	-	-	(7,097)	(7,097)
Geared equity decumulators	-	(3,932)	-	(3,932)	-	-	-	-	(3,932)	(3,932)
	-	(11,864)	-	(11,864)	-	-	-	-	(11,864)	(11,864)
At amortised cost										
Borrowings – Non-current	-	-	-	-	-	-	(520,566)	(520,566)	(520,566)	(536,977)
	-	(11,864)	-	(11,864)	-	-	(520,566)	(520,566)	(532,430)	(548,841)

31. Financial instruments (continued)

31.7 Fair value information (continued)

Group 2020	Fair value of financial instruments carried at fair value				Fair value of financial instruments not carried at fair value				Total fair value	Carrying amount
	Level 1 RM'000	Level 2 RM'000	Level 3 RM'000	Total RM'000	Level 1 RM'000	Level 2 RM'000	Level 3 RM'000	Total RM'000	RM'000	RM'000
Financial assets										
At FVTPL										
Shares	533,763	-	-	533,763	-	-	-	-	533,763	533,763
Unit trust	-	1,956	-	1,956	-	-	-	-	1,956	1,956
Stock options	-	46	-	46	-	-	-	-	46	46
	533,763	2,002	-	535,765	-	-	-	-	535,765	535,765
At FVOCI										
Bonds	-	935	-	935	-	-	-	-	935	935
	-	935	-	935	-	-	-	-	935	935
At amortised cost										
Finance lease receivables – Non-current	-	-	-	-	-	-	9,209	9,209	9,209	6,807
	533,763	2,937	-	536,700	-	-	9,209	9,209	545,909	543,507
Financial liabilities										
At FVTPL										
Geared currency accumulators	-	(1,500)	-	(1,500)	-	-	-	-	(1,500)	(1,500)
Geared currency decumulators	-	(1,243)	-	(1,243	-	-	-	-	(1,243)	(1,243)
Forward exchange contracts	-	(1,479)	-	(1,479)	-	-	-	-	(1,479)	(1,479)
	-	(4,222)	-	(4,222)	-	-	-	-	(4,222)	(4,222)
At amortised cost										
Borrowings – Non-current	-	-	-	-	-	-	(700,852)	(700,852)	(700,852)	(700,852)
	-	(4,222)	-	(4,222)	-	-	(700,852)	(700,852)	(705,074)	(705,074)

31. Financial instruments (continued)

31.7 Fair value information (continued)

	Fair value of financial instruments carried at fair value				Fair value of financial instruments not carried at fair value				Total fair value	Carrying amount
	Level 1 RM'000	Level 2 RM'000	Level 3 RM'000	Total RM'000	Level 1 RM'000	Level 2 RM'000	Level 3 RM'000	Total RM'000	RM'000	RM'000
Company										
2021										
Financial assets										
At amortised cost										
Amount due from subsidiaries										
- Non-current	-	-	-	-	-	-	343,938	343,938	343,938	343,938
Financial liabilities										
At amortised cost										
Borrowings – Non-current	-	-	-	-	-	-	-	-	-	-
2020										
Financial assets										
At amortised cost										
Amount due from subsidiaries										
- Non-current	-	-	-	-	-	-	1,223,589	1,223,589	1,223,589	1,223,589
Financial liabilities										
At amortised cost										
Borrowings – Non-current	-	-	-	-	-	-	(296,969)	(296,969)	(296,969)	(296,969)

31. Financial instruments (continued)

31.7 Fair value information (continued)

Level 2 fair value

Unit trust
The unit trusts are valued based on Net Asset Value (NAV) of the fund, as reported by the managers of such funds.

Stock options
The fair value of stock options is estimated based on Black-Scholes model and market implied volatility, taking into consideration variables such as expected life of options, risk-free interest rate and expected dividend yield.

Bonds
The fair values of bonds were obtained from a financial institution and are determined based on risk-free interest rate at reporting date.

Geared equity accumulators and decumulators
The fair value of geared equity accumulators and decumulators are estimated by considering primarily on knockout percentage, discount percentage, volatilities of the underlying stock, and the overall market trends, commonly used by financial institutions.

Geared currency accumulators and decumulators
The fair value of geared currency accumulators and decumulators are estimated based on option pricing model including but not limited to current spot rate, time-to-maturity, volatilities, strike rate and risk-free interest rate, commonly used by financial institutions.

Forward exchange contracts
The fair value of forward exchange contracts is estimated by incorporating various inputs such as the foreign exchange spot and forward rates.

Transfers between Level 1 and Level 2 fair values

There has been no transfer between Level 1 and Level 2 values during the financial year (2020: no transfer in either directions).

31. Financial instruments (continued)

31.7 Fair value information (continued)

Level 3 fair value
There has been no transfer between Level 2 and Level 3 values during the financial year.

The following table shows the valuation techniques and inputs used in the determination of fair value within Level 3.

Financial instruments not carried at fair value

Type	Description of valuation technique and inputs used
Borrowings	Discounted cash flows using a rate based on the current market rate of borrowing of the respective Group entities at the reporting date.
Due from subsidiaries	Discounted cash flows using a rate based on the current market rate of borrowing of the respective Group entities at the reporting date.
Finance lease receivables	Discounted cash flows using a rate based on the current market rate of borrowing of the respective Group entities at the reporting date.

Valuation processes applied by the Group and the Company for Level 3 fair value

Treasury team regularly monitors the fair value of the instruments by obtaining expert advice from the issuer banks and reports directly to the Investment Committee.

32. Capital management

The Group's and the Company's objectives when managing capital are to maintain a strong capital base and safeguard the Group's and the Company's ability to continue as a going concern, so as to maintain bankers, creditors and market confidence and to sustain future development of the business. The Directors monitor and maintain an optimal gearing ratio that complies with debt covenants requirements.

32. Capital management (continued)

The gearing ratios were as follows:

	Group		Company	
	2021 RM'000	2020 RM'000	2021 RM'000	2020 RM'000
Borrowings	1,613,502	1,903,711	373,578	391,868
Lease liabilities	1,281	1,005	4,643	5,750
Total debts	1,614,783	1,904,716	378,221	397,618
Equity attributable to equity holders of the Company	2,974,478	2,935,998	3,367,728	3,312,295
Gearing ratio (times)	0.54	0.65	0.11	0.12

There was no change in the Group's and the Company's approach to capital management during the financial year.

33. Commitments

	Group	
	2021 RM'000	2020 RM'000
Capital expenditure commitments		
Plant and equipment		
Contracted but not provided for	12,588	7,790
Investment properties		
Contracted but not provided for	2,012	11,008
	14,600	18,798

34. Contingencies

Contingent liabilities

(i) On 13 October 2020, Menara TA Sdn. Bhd. (“MTA”) (“Defendant”), a wholly-owned subsidiary of the Group received a copy of the Writ of Summons and Statement of Claim both dated 25 September 2020 from the solicitors of Tien Entertainment Sdn. Bhd. (“Plaintiff”), a former tenant of MTA.

The suit arose from the alleged breaches on the following agreements:-

(a) Tenancy Agreement dated 22 February 2013 between the Plaintiff and TA Properties Sdn. Bhd. (“TAP”), the holding company of MTA (“the Original Tenancy Agreement”); and

(b) Novation and Amendment Agreement dated 6 October 2016 between TAP, the Plaintiff and MTA (“the Amended Tenancy Agreement”).

The Plaintiff claims that the Defendant wrongfully terminated the Original Tenancy Agreement and the Amended Tenancy Agreement and that the Defendant had also breached certain clauses in both Agreements.

The total quantified sum claimed against MTA is RM38,570,657, comprising potential loss of profit by the Plaintiff amounting to RM31,049,670 and the refund of rentals, deposits, payroll and other expenses incurred by the Plaintiff during the tenancy period.

On 8 March 2021, High Court has allowed MTA’s application for security for cost of RM50,000 to be paid by Plaintiff to an account jointly held by both solicitors as co-stakeholders within 21 days from the date of decision from High Court and cost of RM4,000 to be paid by Plaintiff to MTA. On 13 April 2021, MTA has filed an application in the High Court to strike out the Plaintiff’s claim.

On 24 November 2021, High Court dismissed MTA’s application to strike out the Plaintiff’s claim with cost of RM1,000. MTA’s appeal to the Court of Appeal against the High Court’s decision on 24 November 2021 is fixed for case management on 11 August 2022. MTA’s application for a Stay of Proceedings is fixed for hearing on 25 August 2022. The full trial is fixed on 27 and 28 March 2023.

Based on the current facts and evidence available, it is the opinion of the Group’s solicitors that there are merits to the appeal.

34. Contingencies (continued)

Contingent liabilities (continued)

(ii) On 16 February 2022, the Inland Revenue Board ("IRB") issued a notice of additional assessment for the Years of Assessment 2016 to 2019 to Sanjung Padu (M) Sdn. Bhd. ("SP"), a wholly-owned subsidiary of the Group. The IRB has regarded SP's interest payments to non-residents subject to withholding tax under the Income Tax Act 1967, even though the interests are not derived from Malaysia. The amount of additional taxes assessed amounted to RM7,517,950, inclusive of tax penalties amounted to RM683,450.

SP did not agree with the basis applied by the IRB and had on 17 March 2022, filed a judicial review application for an order to challenge the notice of demand raised by Ketua Pengarah Hasil Dalam Negeri. The leave hearing for the judicial review application is fixed on 27 June 2022.

SP has obtained legal advice from its tax solicitors on the merits of the case and on this basis the Directors are of the opinion that no provision is required in the financial statements for the potential tax liability up to the reporting date.

Other than disclosed above, the Group and its subsidiaries are not engaged in any material litigation, either as plaintiff or defendant, which had material effect on the financial position of the Group and its subsidiaries, and the Directors are not aware of any proceedings pending or threatened or of any fact likely to give rise to any proceedings which might materially and/or adversely affect the position or business of the Group or its subsidiaries.

35. Related parties

Identity of related parties

For the purposes of these financial statements, parties are considered to be related to the Group or the Company if the Group or the Company 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 Company and the parties are subject to common control. Related parties may be individuals or other entities.

Related parties also include key management personnel defined as those persons having authority and responsibility for planning, directing and controlling the activities of the Group either directly or indirectly. The key management personnel include all the Directors of the Group, and certain members of senior management of the Group.

The Group has related party relationship with its holding company, significant investors, subsidiaries, associate, joint ventures and key management personnel.

35. Related parties (continued)

Significant related party transactions

Related party transactions have been entered into in the normal course of business. The significant related party transactions of the Group and the Company are shown below. The balances related to the below transactions are shown in Note 13 and Note 22.

	Group		Company	
	2021 RM'000	2020 RM'000	2021 RM'000	2020 RM'000
A. Ultimate holding company				
Rental income	1,489	1,473	-	-
Management fee income	1,163	1,291	1,163	1,291
Property maintenance fee income	1	1	-	-
Management fee expenses	(3,040)	(2,084)	(1,564)	(645)
Interest expense	(754)	(2,383)	(722)	(2,347)
Interest income	1	41	-	41
B. Subsidiaries				
Gross dividend income	-	-	-	45,108
Management fee income	-	-	3,820	3,467
Deemed fee income from provision of financial guarantee	-	-	928	942
Interest income	-	-	47,257	52,257
Management fee expenses	-	-	(503)	(485)
Lease payment	-	-	(1,334)	(1,238)
Rental of office premises paid	-	-	(12)	(106)
Rental of signage paid	-	-	(5)	-
Parking fee paid	-	-	(76)	(68)
Property maintenance fee paid	-	-	(1)	(1)
Interest expense	-	-	(896)	(1,193)
Loan advancement to	-	-	(59,466)	(35,033)
Loan received	-	-	3,500	5,332
C. Related companies				
Rental income	4,971	4,852	-	-
Rental of office premises paid	(1)	(1)	-	-
Lease payment	(12)	(8)	-	-
Property management fee income	13	374	-	-
Property management fee paid	(3,010)	-	-	-
Management fee income	868	1,605	650	1,605
Management fee expenses	(98)	-	-	-
Property maintenance fee income	8	13	-	-
Interest income	8	40	1	40

35. Related parties (continued)

Significant related party transactions (continued)

	Group 2021 RM'000	Group 2020 RM'000	Company 2021 RM'000	Company 2020 RM'000
D. Key management personnel				
Directors				
Rental income for a property let to:				
- Christopher Koh Swee Kiat, a former Director of the Company has interest	90	87	-	-
- Datuk Tiah Thee Kian, a Director of the Company has interest	360	360	360	360
Utilities fee income				
- Christopher Koh Swee Kiat, a former Director of the Company has interest	13	13	-	-
Legal fees paid to a firm where:				
- Christopher Koh Swee Kiat, a former Director of the Company has interest	(137)	(66)	-	-
- Datuk Leong Kam Weng, a former Director of the Company has interest	(79)	(91)	-	-
- Ngiam Kee Tong, a former Director of the ultimate holding company has interest	(56)	(123)	-	-
Sale of property to:				
- Datin Tan Kuay Fong, a Director of the Company	-	2,537	-	-

35. Related parties (continued)

Compensation of key management personnel

The remuneration of the Directors are disclosed in Note 26. The remuneration of other key management personnel during the financial year are as follows:

	Group		Company	
	2021 RM'000	**2020 RM'000**	**2021 RM'000**	**2020 RM'000**
Other key management personnel				
Short-term employee benefits and fees	3,979	3,187	2,756	244
Post-employment benefits:				
Defined contribution plan	411	323	317	27
	4,390	3,510	3,073	271

Other key management personnel comprise persons other than the Directors of Group entities, having authority and responsibility for planning, directing and controlling the activities of the Group entities either directly or indirectly.

TA Global Berhad
(Registration No. 200801027528 (828855-P))
(Incorporated in Malaysia)
and its subsidiaries

Statement by Directors pursuant to Section 251(2) of the Companies Act 2016

In the opinion of the Directors, the financial statements set out on pages 7 to 155 are drawn up in accordance with Malaysian Financial Reporting Standards, International Financial Reporting Standards and the requirements of the Companies Act 2016 in Malaysia so as to give a true and fair view of the financial position of the Group and of the Company as of 31 December 2021 and of their financial performance and cash flows for the financial year then ended.

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

……………………………………………
Datin Tan Kuay Fong
Director

……………………………………………
Khoo Poh Kim @ Kimmy
Director

Kuala Lumpur

Date: 08 June 2022

TA Global Berhad
(Registration No. 200801027528 (828855-P))
(Incorporated in Malaysia)
and its subsidiaries

Statutory declaration pursuant to Section 251(1)(b) of the Companies Act 2016

I, **Lee Lin Chyuan** (MIA membership number: 36722), the officer primarily responsible for the financial management of TA Global Berhad, do solemnly and sincerely declare that the financial statements set out on pages 7 to 155 are, to the best of my knowledge and belief, correct and I make this solemn declaration conscientiously believing the declaration to be true, and by virtue of the Statutory Declarations Act, 1960.

Subscribed and solemnly declared by the abovenamed Lee Lin Chyuan, NRIC: 841108-04-5013 at Kuala Lumpur in the Federal Territory on 08 June 2022.

………………………………..
Lee Lin Chyuan

Before me:

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(LLP0010081-LCA & AF 0758)
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INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF TA GLOBAL BERHAD

(Registration No. 200801027528 (828855-P))
(Incorporated in Malaysia)

Report on the Audit of the Financial Statements

Opinion

We have audited the financial statements of TA Global Berhad, which comprise the statements of financial position as at 31 December 2021 of the Group and of the Company, and the statements of profit or loss, statements of profit or loss and other comprehensive income, statements of changes in equity and statements of cash flows of the Group and of the Company for the financial year then ended, and notes to the financial statements, including a summary of significant accounting policies, as set out on pages 7 to 155.

In our opinion, the accompanying financial statements give a true and fair view of the financial position of the Group and of the Company as at 31 December 2021, and of their financial performance and their cash flows for the financial year then ended in accordance with Malaysian Financial Reporting Standards, International Financial Reporting Standards and the requirements of the Companies Act 2016 in Malaysia.

Basis for Opinion

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

Independence and Other Ethical Responsibilities

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

Information Other than the Financial Statements and Auditors' Report Thereon

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

Our opinion on the financial statements of the Group and of the Company does not cover the Director's Report and we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial statements of the Group and of the Company, our responsibility is to read the Director's Report and, in doing so, consider whether the Director's Report is materially inconsistent with the financial statements of the Group and of the Company or our knowledge obtained in the audit, or otherwise appears to be materially misstated. If, based on the work we have performed, we conclude that there is a material misstatement of the Director's Report, we are required to report that fact. We have nothing to report in this regard.

Responsibilities of the Directors for the Financial Statements

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

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

Auditors' Responsibilities for the Audit of the Financial Statements

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

Auditors' Responsibilities for the Audit of the Financial Statements (continued)

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

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

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

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

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

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

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

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

Report on Other Legal and Regulatory Requirements

In accordance with the requirements of the Companies Act 2016 in Malaysia, we report that the subsidiaries of which we have not acted as auditors are disclosed in Note 8 to the financial statements.

Other Matter

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

KPMG PLT
(LLP0010081-LCA & AF 0758)
Chartered Accountants

Chua See Guan
Approval Number: 03169/02/2023 J
Chartered Accountant

Petaling Jaya

Date: 8 June 2022