DIRECTORS' REPORT

The directors hereby present their report together with the audited financial statements of the Group and of the Company for the financial year ended 31 December 2020.

PRINCIPAL ACTIVITIES

The principal activity of the Company is investment holding. It also provides shared services for its subsidiaries.

The principal activities of the subsidiaries are property development, land trading, property investment, project procurement and management, hotel operations and investment holding.

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

Other information relating to the subsidiaries is disclosed in Note 45 to the financial statements.

RESULTS

	Group RM'000	Company RM'000
(Loss)/profit, net of tax	(276,716)	7,560
Attributable to:		
Owners of the parent	(277,284)	7,560
Non-controlling interests	568	-
	(276,716)	7,560

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

In the opinion of the directors, the results of the operations of the Group and of the Company during the financial year were not substantially affected by any item, transaction or event of a material and unusual nature other than disclosed in Note 2.5(a) to the financial statements in respect of COVID-19 pandemic.

DIVIDEND

Since the end of the previous financial year, no dividend has been paid or declared by the Company.

The directors do not recommend the payment of any dividend in respect of the current financial year.

DIRECTORS

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

Dato' Noorazman Abd Aziz	
Tan Sri Dr Azmil Khalili Dato' Khalid **	
Dato' Mohd Izani Ghani	
Zaida Khalida Shaari **	
Effizal Faiz Zulkifly	(appointed on 24 February 2020)
YM Ungku Suseelawati Ungku Omar	
Datin Teh Ija Mohd Jalil	
Christina Foo	
Chari Thandalam Veeravalli Thirumala	(appointed on 5 November 2020)
Poh Ying Loo	(appointed on 5 November 2020)
Tan Sri Dato' Sri Zamzamzairani Mohd Isa	(retired on 9 July 2020)
Lim Tian Huat	(retired on 9 July 2020)
Subimal Sen Gupta	(resigned on 7 October 2020)
Anwar Syahrin Abdul Ajib **	(resigned on 30 October 2020)

** Also directors of certain subsidiaries of the Company.

The names of the directors of the Company's subsidiaries in office since the beginning of the financial year to the date of this report (not including those directors listed above) are:

Kutbuddin Asgar Ali	
Liong Kok Kit	
Mohamad Faizal Mohamad	
Ong Chee Wei	
Paul Sandanasamy Richard	
Saw Seong Keat	
Wong Koon Keng	
Yaw Choon Yee	
Zadil Hanief Mohamad Zaidi	
Zamri Yusof	
Zulfa Ashida Zulkifli	
Siew Chee Seng	(appointed on 20 April 2020)
Raja Norasikin Tengku Aziz	(appointed on 19 October 2020)
Anuar Kasim	(appointed on 30 October 2020)
Chua Siew Pei	(appointed on 15 November 2020)
Liew Irene	(appointed on 15 November 2020)
Mohd Fahmi Zakaria	(appointed on 15 November 2020)
Sufian Abdullah	(appointed on 15 February 2021)
Lim Chwee Muei	(appointed on 3 January 2020 and resigned on 15 December 2020)
Mohamed Rastam Shahrom	(resigned on 2 January 2020)
Azmy Mahbot	(resigned on 2 January 2020)
Siti Emilia Mamat	(resigned on 19 October 2020)
Lee Heng Meng	(resigned on 15 November 2020)
Nor Din Abdullah	(resigned on 15 November 2020)
Dato' Tan Thean Thye	
Lee Wen Ling	
Lee Jia Zheng	

DIRECTORS' REPORT

DIRECTORS (CONT'D.)

The names of the directors of the Company in office since the beginning of the financial year to the date of this report are: (cont'd.)

Amalanathan Thomas	
Aminah Othman	
Stewart Tew Peng Eng	
Tan Sri Dato' Yap Suan Chee	
Lim Tong Hee	
Cheah Jit Peng	
Chan Chee Yean	
Professor Philip Sutton Cox	
Victor John Zacharias	
Dumisani Blessing Mnganga	
Virgine Guillaume	
Sophia Lim Siew Fay	
Meltem Amiot-Karakoc	(appointed on 6 January 2021)
Emmanuele Grippo	(appointed on 6 January 2021)
Annick Magermans	(appointed on 14 February 2020 and resigned on 6 January 2021)
Caroline Goergen	(resigned on 6 January 2021)
Olivier Richaud	(resigned on 14 February 2020)

DIRECTORS' BENEFITS

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

Since the end of the previous financial year, no director has received or become entitled to receive any benefit (other than benefits included in the aggregate amount of emoluments received or due and receivable by the directors or the fixed salary of a full-time employee of the Company as shown in Note 5(i) to the financial statements) by reason of a contract made by the Company or a related corporation with any director or with a firm of which the director is a member, or with a company in which the director has a substantial financial interest, except as disclosed in Note 39 to the financial statements.

DIRECTORS' INTERESTS

According to the register of directors' shareholdings, none of the directors in office at the end of the financial year had any interest in shares of the Company and its related corporations during the financial year.

DIRECTORS' INDEMNITY

During the financial year, the directors and officers of the Group are covered under the Directors' and Officers' Liability Insurance ("DOLI") in respect of liabilities arising from acts committed in their respective capacity as, inter alia, the directors and officers of the Group subject to the terms of the DOLI policy. The insurance coverage for the period from 1 January 2020 until 30 June 2020 was under the DOLI policy procured by UEM Group Berhad, its immediate holding company, for its group of companies, whilst coverage for the period from 1 July 2020 until 31 December 2020 was under the policy procured by the Company. The total insurance premium incurred by the Company was RM85,504.

REDEEMABLE CONVERTIBLE PREFERENCE SHARES ("RCPS")

On 24 April 2020, the Company had redeemed a total of 123,340,418 RCPS out of the share capital account for a redemption sum of RM150,000,000 at approximately RM1.22 for each RCPS following a redemption notice dated 17 April 2020 issued to UEM Group Berhad, the immediate holding company of the Company.

On 29 October 2020, all the outstanding 669,175,335 RCPS with value of RM833,664,000 matured and were automatically converted into 521,040,184 new ordinary shares at the conversion price of RM1.60 per RCPS for one (1) ordinary share. Upon issuance and allotment of the new ordinary shares on 30 October 2020, the issued share capital is RM4,960,276,000 comprising 5,058,476,221 ordinary shares.

OTHER STATUTORY INFORMATION

(a) Before the statements of comprehensive income and statements of financial position of the Group and of the Company were made out, the directors took reasonable steps:

  (i) to ascertain that proper action had been taken in relation to the writing off of bad debts and the making of allowance for impairment of receivables and satisfied themselves that there were no known bad debts and that adequate allowance for impairment had been made for receivables; and

  (ii) to ensure that any current assets which were unlikely to realise their values as shown in the accounting records in the ordinary course of business had been written down to an amount which they might be expected so to realise.

(b) At the date of this report, the directors are not aware of any circumstances which would render:

  (i) it necessary to write off any bad debts or the amount of the allowance for impairment of receivables in the financial statements of the Group and of the Company inadequate to any substantial extent; and

  (ii) the values attributed to the current assets in the financial statements of the Group and of the Company misleading.

(c) At the date of this report, the directors are not aware of any circumstances which have arisen which would render adherence to the existing method of valuation of assets or liabilities of the Group and of the Company misleading or inappropriate.

(d) At the date of this report, the directors are not aware of any circumstances not otherwise dealt with in this report or the financial statements of the Group and of the Company which would render any amount stated in the financial statements misleading.

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

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

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

DIRECTORS' REPORT

OTHER STATUTORY INFORMATION (CONT'D.)

(f) In the opinion of the directors:

(i) no contingent or other liability has become enforceable or is likely to become enforceable within the period of twelve months after the end of the financial year which will or may affect the ability of the Group or of the Company to meet their obligations when they fall due; and

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

SIGNIFICANT AND SUBSEQUENT EVENTS

There are no items, transactions or events of a material and unusual nature which have arisen during the financial year and since 31 December 2020 which would substantially affect the performance and financial position of the Group and of the Company, other than disclosed to Note 2.5(a) in the financial statements in respect of COVID-19 pandemic.

AUDITORS

The auditors, Ernst & Young PLT ("EY"), have expressed their willingness to continue in office.

Auditors' remuneration is as follows:

	Group RM'000	Company RM'000
EY and its affiliates	2,340	694
Other auditors	17	-
	2,357	694

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

Signed on behalf of the Board in accordance with a resolution of the directors dated 26 April 2021.

Dato' Noorazman Abd Aziz

Dato' Mohd Izani Ghani

STATEMENT BY DIRECTORS

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

We, Dato' Noorazman Abd Aziz and Dato' Mohd Izani Ghani, being two of the directors of UEM Sunrise Berhad, do hereby state that, in the opinion of the directors, the accompanying financial statements set out on pages 130 to 271 are drawn up in accordance with Malaysian Financial Reporting Standards, International Financial Reporting Standards and the Companies Act 2016 in Malaysia so as to give a true and fair view of the financial position of the Group and of the Company as at 31 December 2020 and of the results and the cash flows of the Group and of the Company for the year then ended.

Signed on behalf of the Board in accordance with a resolution of the directors dated 26 April 2021.

Dato' Noorazman Abd Aziz

Dato' Mohd Izani Ghani

STATUTORY DECLARATION

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

I, Siew Chee Seng, being the officer primarily responsible for the financial management of UEM Sunrise Berhad, do solemnly and sincerely declare that the accompanying financial statements set out on pages 130 to 271 are, to the best of my knowledge and belief, correct, and I make this solemn declaration conscientiously believing the same to be true and by virtue of the provisions of the Statutory Declarations Act 1960.

Subscribed and solemnly declared by the
abovenamed Siew Chee Seng
at Kuala Lumpur in the Federal Territory
on 26 April 2021

Siew Chee Seng
(MIA Membership No. 7928)

Before me,
Haji Abdul Azizni bin Abu Bakar (No. W502)
Commissioner of Oaths
Kuala Lumpur

INDEPENDENT AUDITORS' REPORT

to the members of UEM Sunrise Berhad (Incorporated in Malaysia)

REPORT ON THE AUDIT OF THE FINANCIAL STATEMENTS

Opinion

We have audited the financial statements of UEM Sunrise Berhad, which comprise the statements of financial position as at 31 December 2020 of the Group and of the Company, and the statements of profit or loss and statements of comprehensive income, statements of changes in equity and statements of cash flows of the Group and of the Company for the year then ended, and notes to the financial statements, including a summary of significant accounting policies, as set out on pages 130 to 271.

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 2020, and of their financial performance and their cash flows for the year then ended in accordance with Malaysian Financial Reporting Standards, International Financial Reporting Standards and the requirements of the Companies Act 2016, in Malaysia.

Basis for opinion

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

Independence and other ethical responsibilities

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

Key audit matters

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

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

Key audit matters in respect of the financial statements of the Group

1. *Impairment of goodwill*

As at 31 December 2020, the carrying amount of goodwill recognised by the Group stood at RM621,409,000 which represents 6.3% and 4.6% of the Group's total non-current assets and total assets respectively.

The annual impairment assessment of goodwill is considered to be an area of audit focus because the assessment process is complex, involves significant management judgement and is based on assumptions that are affected by expected future market and economic conditions. The Group estimated the recoverable amount of goodwill by assessing the cash generating unit ("CGU") comprising projects, landed and investment properties based on the higher of fair value less cost of disposal ("FVLCD") or value in use ("VIU").

Our procedures to address this area of audit focus include, amongst others, the following:

(i) obtained an understanding of the relevant internal controls over estimating the recoverable amount of the CGU or groups of CGUs;

(ii) assessed and tested the reasonableness of the key assumptions to which the recoverable amount of the CGUs are most sensitive such as estimated selling price, budgeted gross margin, market value of identifiable assets, the weighted average cost of capital, by comparing them to internal empirical data and external valuers' report;

(iii) evaluated the assumptions applied in estimating the expected take up rate for each development phase by comparing to the actual take up rate of similar completed development phases in previous years; and

(iv) considered the historical accuracy of management's estimates of profits for similar completed property development activities; and also assessed whether the future cash flows used were based on the Annual Operating Plan 2021– 2025 approved by the Board of Directors.

Given the complexity of judgement on which the key underlying assumptions are based, our internal valuation specialists have assisted us in performing the review of management's assessment.

Further, we have reviewed management's analysis of the sensitivity of the goodwill balance to changes in the key assumptions.

For recoverable amounts of land properties and investment properties that are based on FVLCD, the Group benchmarked the carrying values of land properties against recently transacted prices of properties at nearby locations. We have reviewed such comparison by making reference to property transactions registered with the local authorities.

We have also focused on the adequacy of the Group's disclosures in the audited financial statements concerning the key assumptions mentioned above. The disclosure on goodwill, key assumptions and sensitivities of these assumptions are included in Note 19 to the financial statements.

INDEPENDENT AUDITORS' REPORT

to the members of UEM Sunrise Berhad (Incorporated in Malaysia)

Key audit matters in respect of the financial statements of the Group (cont'd.)

2. *Revenue and cost of sales from property development activities recognised based on percentage-of-completion method*

A significant proportion of the Group's revenues and profits are derived from property development contracts which span more than one accounting period. For the financial year ended 31 December 2020, property development revenue of RM510,494,000 and cost of sales of RM381,136,000 accounted for approximately 44.9% and 45.5% of the Group's revenue and cost of sales respectively. The Group uses the percentage-of-completion method in accounting for these property development contracts.

The amount of revenue and profit recognised from property development activities are dependent on, amongst others, the extent of costs incurred to the total estimated costs of construction to derive the percentage-of-completion; the actual number of units sold and the estimated total revenue for each of the respective projects. We identified revenue and cost of sales from property development activities as area requiring audit focus as significant management judgement and estimates are involved in estimating the total property development costs which include the common infrastructure costs (which is used to determine gross profit margin of property development activities undertaken by the Group).

In assessing the appropriateness of the extent of costs incurred, total estimated costs of construction and total estimated revenue collectively, we have:

(i) obtained an understanding of the internal controls over the accuracy and timing of revenue recognised in the financial statements, including controls performed by management in estimating the total property development cost including the provisions and allocations of low-cost housing and common infrastructure costs over the life of township development, profit margin and percentage-of-completion of property development activities;

(ii) performed detailed procedures, for individually significant projects, on the contractual terms and conditions and their relationship to revenue and costs incurred. These procedures include, perusing the terms and conditions stipulated in the sale and purchase agreements entered into with customers to obtain an understanding of the specific terms and conditions. We also read the construction contracts including letters of award entered into with main and sub-contractors. We evaluated the determination of percentage-of-completion by examining supporting evidence such of contractors' progress claims and suppliers' invoice;

(iii) observed the progress of the property development phases by performing site visits and examined physical progress reports. We have also discussed the status of on-going property development phases with management, finance personnel and project officials; and

(iv) evaluated the estimates used, which include both budgeted gross development value and budgeted gross development cost for significant on-going projects by comparing the selling price and development cost per built up area and gross margin of the past similar projects.

Our assessment was performed after taking into consideration the historical accuracy of management estimates, identification and analysis of changes in assumptions from prior periods, and an assessment of the consistency of assumptions across other projects. We have assessed the achievability of the forecasted results of the projects, including the effect of variation orders, contingencies and known technical issues. We have also assessed the mathematical accuracy of the revenue and profit based on the percentage-of-completion calculations and considered the implications of identified errors and changes in estimates.

The Group's disclosure on property development costs recognised is included in Note 22 to the financial statements.

Key audit matters in respect of the financial statements of the Group (cont'd.)

3. *Net realisable value of completed property development units classified as inventories held for sale*

As at 31 December 2020, the carrying amount of completed property units of RM468,414,000 represents 12.9% and 3.5% of the Group's total current assets and total assets respectively. The Group has recorded a write down of inventories (completed property development units) of RM35,844,000 during the year.

The current economic outlook and property market environment posed challenges to the sale of these inventories. We considered the net realisable value of completed units to be an area of audit focus as such assessment includes estimates made by management and is influenced by assumptions concerning future market and economic conditions.

Our procedures to address this area of audit focus include, amongst others, the following:

(i) obtained an understanding of the internal controls performed by management in estimating the net realisable value of these inventories; and

(ii) evaluated the management's assessment of the estimated selling price (less estimated cost necessary to make the sale) of these inventories by comparing to the recent transacted prices of similar completed property development units within the vicinity.

The Group's disclosure on completed property units is included in Note 23(a) to the financial statements.

4. *Impairment of investment properties*

As at 31 December 2020, the carrying amount of investment properties amounted to RM823,932,000, representing approximately 8.4% and 6.1% is of the Group's total non-current assets and total assets respectively. The Group has recorded an impairment of investment properties of RM26,476,000 during the year.

The Group adopts the cost model for its completed investment properties. At the reporting date, the Group reviewed its investment properties for indications of impairment and where such indications exist, the Group performed an impairment assessment to determine the recoverable amounts of the investment properties. The Group has identified COVID-19 pandemic and/or continuous losses, as the indication of impairment for the investment properties. The Group has estimated the recoverable amounts of its investment properties based on the higher of FVLCD and VIU.

The Group has appointed independent professional valuers to perform valuations on its investment properties. The valuations are based on assumptions, amongst others, comparable historical transactions and adjustments factors to comparable transactions including location, size, condition, accessibility and design and market knowledge, estimated rental value per square feet, expected market rental growth and discount rate.

We consider the valuation of the investment properties as an area of audit focus as such valuation involves significant management judgement and estimates that are highly subjective.

INDEPENDENT AUDITORS' REPORT

to the members of UEM Sunrise Berhad (Incorporated in Malaysia)

Key audit matters in respect of the financial statements of the Group (cont'd.)

4. *Impairment of investment properties (cont'd.)*

Our procedures to address this area of audit focus include, amongst others, the following:

(i) Assessed the objectivity, competence and capabilities of the independent valuers;

(ii) Reviewed the methodology adopted by the independent valuers in estimating the fair value of the investment properties and assessed whether such methodology is consistent with those used in the industry;

(iii) Evaluated the data used by the independent valuers as input into their valuations. We interviewed the external valuers and assessed the key assumptions applied in their valuation process; and

(iv) Evaluated the key assumptions in which the Group has based its cash flow projections in deriving to the VIU, if the FVLCD of any of the investment properties is lower than their carrying amount.

The Group's disclosure on investment properties is included in Note 12 to the financial statements.

Key audit matters in respect of the financial statements of the Company

1. *Impairment of interests in subsidiaries and joint ventures*

As at 31 December 2020, the total carrying amount of the Company's interests in subsidiaries and joint ventures stood at RM4,317,681,000 and RM305,086,000 respectively which represents for 48.5% and 3.4% of the Company's total assets respectively. The Company had recorded an impairment of RM714,000 and RM34,877,000 for the interests in subsidiaries and joint ventures respectively during the year.

At the reporting date, the Company reviewed its interests in subsidiaries and joint ventures for indications of impairment and where such indications exist, the Company performed an impairment assessment to determine the recoverable amounts of investments in subsidiaries and joint ventures. The Group has identified COVID-19 pandemic and/or continuous loss as the indications of impairment for the interests in subsidiaries and joint ventures.

The Company estimated the recoverable amount of these investments by assessing their underlying CGU based on FVLCD or VIU, whichever is the higher. Estimating the VIU of the CGUs involved estimates made by management relating to the future cash inflows and outflows that will be derived from the CGU and discounting them at the appropriate rate. The cash flow forecasts included a number of significant judgements and estimated assumptions such as the revenue growth rates, discount rates and terminal growth rates.

We consider this to be an area of focus for our audit as the amounts involved are significant, the assessment process is complex and involves significant management's judgements about future market and economic conditions and changes in assumptions may lead to a significant change in the recoverable amount of the interests in subsidiaries and joint ventures.

Key audit matters in respect of the financial statements of the Company (cont'd.)

1. *Impairment of interests in subsidiaries and joint ventures (cont'd.)*

   Our procedures to address this area of focus for testing the recoverable amounts of CGUs that are valued based on VIU include the following:

   (i) Obtained an understanding of the relevant internal controls over the process of estimating the recoverable amounts VIU of the CGUs;

   (ii) Performed inquiries to management on the subsidiaries' and joint ventures' prospect;

   (iii) Assessed and tested the reasonableness of key assumptions to which the recoverable amount of the CGUs are most sensitive such as estimated selling price, budgeted gross margin, market value of identifiable assets, the weighted average cost of capital, by comparing them to internal empirical data and external valuers' report;

   (iv) Evaluated the assumptions applied in estimating the expected take up rate for each development phase by comparing to the actual take up rate of similar completed development phases in previous years; and

   (v) Considered the historical accuracy of management's estimates of profits for similar completed property development activities; and also assessed whether the future cash flows used were based on the Annual Operating Plan 2021 – 2025 approved by the Board of Directors.

   For recoverable amounts of land and investment properties included in the subsidiaries and joint ventures that are based on FVLCD, the Company benchmarked the carrying values of the said properties against recently transacted prices of properties at nearby locations. We have reviewed such comparison by making reference to property transactions registered with the local authorities.

   The Company's disclosure of interests in subsidiaries and joint ventures are included in Note 15 and 17(a) to the financial statements respectively.

Information other than the financial statements and auditors' report thereon

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

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

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

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

INDEPENDENT AUDITORS' REPORT

to the members of UEM Sunrise Berhad (Incorporated in Malaysia)

Responsibilities of the directors for the financial statements

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

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

Auditors' responsibilities for the audit of the financial statements

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

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

(i) 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.

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

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

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

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

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

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: (cont'd.)

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

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

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

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

REPORT ON OTHER LEGAL AND REGULATORY REQUIREMENTS

In accordance with the requirements of the Companies Act 2016 in Malaysia, we report that the subsidiaries of which we have not acted as auditors, are disclosed in Note 45 to the financial statements.

OTHER MATTERS

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

Ernst & Young PLT	Ong Chee Wai
202006000003 (LLP0022760-LCA) & AF: 0039	No. 02857/07/2022 J
Chartered Accountants	Chartered Accountant

Kuala Lumpur, Malaysia
26 April 2021

STATEMENTS OF PROFIT OR LOSS

For the financial year ended 31 December 2020

	Note	Group 2020 RM'000	Group 2019 RM'000 Restated	Company 2020 RM'000	Company 2019 RM'000
Revenue	3	**1,136,881**	2,909,461	**228,040**	210,559
Cost of sales	4	**(838,105)**	(2,103,636)	**(82,718)**	(105,700)
Gross profit		**298,776**	805,825	**145,322**	104,859
Other income		**76,150**	75,598	**136,427**	140,944
Selling and distribution expenses		**(24,883)**	(37,977)	**-**	-
Other expenses		**(347,846)**	(364,053)	**(109,181)**	(87,152)
Operating profit	5	**2,197**	479,393	**172,568**	158,651
Finance costs	6	**(132,850)**	(117,509)	**(164,936)**	(146,967)
Share of results of associates		**(7,628)**	(2,432)	**-**	-
Share of results of joint ventures		**(57,050)**	22,315	**-**	-
(Loss)/profit before zakat and income tax		**(195,331)**	381,767	**7,632**	11,684
Zakat	7	**(1,080)**	(2,006)	**-**	-
Income tax (expense)/benefit	8	**(80,305)**	(159,295)	**(72)**	506
(Loss)/profit for the year		**(276,716)**	220,466	**7,560**	12,190
Attributable to:					
Owners of the parent		**(277,284)**	221,597	**7,560**	12,190
Non-controlling interests		**568**	(1,131)	**-**	-
		(276,716)	220,466	**7,560**	12,190
(Loss)/earnings per share attributable to owners of the parent (sen):					
Basic, for (loss)/profit for the year	10	**(5.5)**	4.9		
Diluted, for (loss)/profit for the year	10	**(5.5)**	4.3		

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

STATEMENTS OF COMPREHENSIVE INCOME

For the financial year ended 31 December 2020

	Group		Company	
	2020 RM'000	2019 RM'000 Restated	2020 RM'000	2019 RM'000
(Loss)/profit for the year	**(276,716)**	220,466	**7,560**	12,190
Other comprehensive income/(expense) to be reclassified to profit or loss in subsequent period:				
- Foreign currency translation differences of foreign operations	**64,641**	500	**-**	-
- Transfer to profit or loss on settlement of cash flow hedge	**-**	942	**-**	-
- Cash flow hedge	**-**	(15,988)	**-**	-
Total comprehensive (expense)/income for the year	**(212,075)**	205,920	**7,560**	12,190
Total comprehensive (expense)/income attributable to:				
Owners of the parent	**(212,717)**	207,073	**7,560**	12,190
Non-controlling interests	**642**	(1,153)	**-**	-
	(212,075)	205,920	**7,560**	12,190

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

STATEMENTS OF FINANCIAL POSITION
As at 31 December 2020

Group	Note	2020 RM'000	2019 RM'000 Restated	As at 1 January 2019 RM'000 Restated
Assets				
Non-current assets				
Property, plant and equipment	11	**478,614**	456,056	445,552
Investment properties	12	**823,932**	845,611	728,703
Right-of-use assets	13	**17,411**	28,529	-
Land held for property development	14	**5,832,747**	5,611,632	4,706,729
Interests in associates	16(a)	**486,611**	495,254	497,317
Interests in joint ventures	17(a)	**989,012**	1,026,495	989,540
Amounts due from an associate	16(b)	**9,745**	-	-
Amounts due from joint ventures	17(b)	**173,252**	158,464	257,149
Other investments	18	**5,000**	-	-
Goodwill	19	**621,409**	621,409	621,409
Contract assets	25	**-**	2,752	10,168
Deferred tax assets	21	**255,760**	286,799	286,917
Long term receivables	24	**145,355**	166,052	113,434
		9,838,848	9,699,053	8,656,918
Current assets				
Interests in a joint venture		**-**	-	53,216
Property development costs	22	**958,232**	872,377	1,820,121
Inventories held for sale	23(a)	**468,414**	540,643	686,197
Inventories under contract of sale	23(b)	**112,118**	408,304	607,412
Receivables	24	**494,297**	641,741	948,761
Contract assets	25	**242,745**	175,988	106,726
Amounts due from associates	16(b)	**950**	14,938	1,537
Amounts due from joint ventures	17(b)	**61,104**	38,265	79,144
Derivative asset		**-**	-	15,956
Short term investments	27	**216,936**	329	49,741
Cash, bank balances and deposits	20	**1,086,269**	1,057,446	1,078,601
		3,641,065	3,750,031	5,447,412
Total assets		**13,479,913**	13,449,084	14,104,330

Group	Note	2020 RM'000	2019 RM'000 Restated	As at 1 January 2019 RM'000 Restated
Equity and liabilities				
Equity attributable to owners of the parent				
Share capital	28	**4,960,276**	5,110,276	5,110,276
Merger relief reserve	28	**34,330**	34,330	34,330
Other reserves	29(a)	**78,238**	13,671	64,216
Retained profits	29(b)	**1,828,763**	2,106,047	1,848,429
		6,901,607	7,264,324	7,057,251
Non-controlling interests	33	**468,974**	468,332	363,722
Total equity		**7,370,581**	7,732,656	7,420,973
Non-current liabilities				
Borrowings	34	**2,600,292**	2,337,883	2,394,812
Lease liabilities	13	**8,560**	19,714	-
Payables	36	**141,153**	170,241	6,080
Contract liabilities	25	**227,799**	258,646	291,116
Deferred income	37	**163,890**	164,193	151,864
Provisions	35	**68,317**	68,404	85,862
Deferred tax liabilities	21	**164,410**	238,426	234,762
		3,374,421	3,257,507	3,164,496
Current liabilities				
Provisions	35	**133,754**	177,675	295,070
Payables	36	**1,007,008**	1,083,888	845,790
Contract liabilities	25	**70,170**	66,240	39,522
Borrowings	34	**1,493,103**	1,048,978	2,288,689
Lease liabilities	13	**11,868**	10,380	-
Derivative liability		**-**	-	910
Tax payable		**19,008**	71,760	48,880
		2,734,911	2,458,921	3,518,861
Total liabilities		**6,109,332**	5,716,428	6,683,357
Total equity and liabilities		**13,479,913**	13,449,084	14,104,330

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

STATEMENTS OF FINANCIAL POSITION

As at 31 December 2020

Company	Note	2020 RM'000	2019 RM'000
Assets			
Non-current assets			
Property, plant and equipment	11	**30,637**	32,445
Right-of-use assets	13	**10,932**	17,200
Interests in subsidiaries	15	**4,317,681**	4,318,395
Interests in an associate	16(a)	**1,170**	1,170
Interests in joint ventures	17(a)	**305,086**	339,963
Amounts due from joint ventures	17(b)	**10,200**	-
Other investments	18	**5,000**	-
Amounts due from subsidiaries	26	**2,732,283**	2,503,305
		7,412,989	7,212,478
Current assets			
Receivables	24	**244,061**	143,612
Amounts due from subsidiaries	26	**971,470**	937,273
Amounts due from an associate	16(b)	**221**	221
Amounts due from joint ventures	17(b)	**25,620**	29,328
Short term investments	27	**216,929**	322
Cash, bank balances and deposits	20	**23,487**	76,777
		1,481,788	1,187,533
Total assets		**8,894,777**	8,400,011
Equity and liabilities			
Equity attributable to owners of the Company			
Share capital	28	**4,960,276**	5,110,276
Merger relief reserves	28	**34,330**	34,330
Retained profits	29(b)	**115,476**	107,916
Total equity		**5,110,082**	5,252,522
Non-current liabilities			
Borrowings	34	**2,470,000**	2,250,000
Amounts due to subsidiaries	26	**201,951**	144,165
Lease liabilities	13	**5,469**	13,069
		2,677,420	2,407,234

Company	Note	2020 RM'000	2019 RM'000
Current liabilities			
Payables	36	**46,645**	60,814
Amounts due to subsidiaries	26	**24,480**	4,702
Borrowings	34	**1,030,000**	670,000
Lease liabilities	13	**6,150**	4,739
		1,107,275	740,255
Total liabilities		**3,784,695**	3,147,489
Total equity and liabilities		**8,894,777**	8,400,011

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

STATEMENTS OF CHANGES IN EQUITY

For the financial year ended 31 December 2020

Group	Share capital (Note 28) RM'000	Merger relief reserve (Note 28) RM'000	Other reserves (Note 29) RM'000	Retained profits (Note 29) RM'000	Total RM'000	Non-controlling interests (Note 33) RM'000	Total equity RM'000
	← Attributable to owners of the parent →						
	← Non-distributable →			Distributable			
At 1 January 2020	**5,110,276**	**34,330**	**13,671**	**2,106,047**	**7,264,324**	**468,332**	**7,732,656**
Total comprehensive expense for the year	**-**	**-**	**64,567**	**(277,284)**	**(212,717)**	**642**	**(212,075)**
Redemption of RCPS (Note 28)	**(150,000)**	**-**	**-**	**-**	**(150,000)**	**-**	**(150,000)**
At 31 December 2020	**4,960,276**	**34,330**	**78,238**	**1,828,763**	**6,901,607**	**468,974**	**7,370,581**
At 1 January 2019 (restated)	5,110,276	34,330	64,216	1,848,429	7,057,251	363,722	7,420,973
Total comprehensive income for the year	-	-	(14,524)	221,597	207,073	(1,153)	205,920
Business combination (Note 48(b))	-	-	-	-	-	105,763	105,763
ESOS - expiry of vested employee share options	-	-	(36,021)	36,021	-	-	-
At 31 December 2019 (restated)	5,110,276	34,330	13,671	2,106,047	7,264,324	468,332	7,732,656

Company	Share capital (Note 28) RM'000	Merger relief reserve (Note 28) RM'000	Other reserve (Note 29) RM'000	Retained profits (Note 29) RM'000	Total equity RM'000
	← Non-distributable		→	Distributable	
At 1 January 2020	**5,110,276**	**34,330**	**-**	**107,916**	**5,252,522**
Total comprehensive income for the year	**-**	**-**	**-**	**7,560**	**7,560**
Redemption of RCPS (Note 28)	**(150,000)**	**-**	**-**	**-**	**(150,000)**
At 31 December 2020	**4,960,276**	**34,330**	**-**	**115,476**	**5,110,082**
At 1 January 2019	5,110,276	34,330	36,021	59,705	5,240,332
Total comprehensive income for the year	-	-	-	12,190	12,190
ESOS - expiry of vested employee share options	-	-	(36,021)	36,021	-
At 31 December 2019	5,110,276	34,330	-	107,916	5,252,522

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

STATEMENTS OF CASH FLOWS
For the financial year ended 31 December 2020

	Group		Company	
	2020 RM'000	**2019 RM'000**	**2020 RM'000**	**2019 RM'000**
Cash flows from operating activities				
Cash receipts from customers	**1,279,863**	3,057,907	**111**	2,774
Cash receipts from subsidiaries	**-**	-	**84,526**	106,370
Receipts from other related parties	**2,561**	24,374	**2,122**	6,982
Cash payments to suppliers	**(195,693)**	(148,010)	**-**	-
Cash payments to contractors	**(359,380)**	(584,413)	**-**	-
Cash payments for land and development related costs	**(302,905)**	(115,838)	**-**	-
Cash payments to other related parties	**(13,493)**	(16,493)	**(11,771)**	-
Cash payments to employees, for selling and distribution and for general expenses	**(324,665)**	(476,085)	**(156,443)**	(178,445)
Cash generated from/(used in) operations	**86,288**	1,741,442	**(81,455)**	(62,319)
Zakat paid	**(1,080)**	(2,006)	**-**	-
Net income tax (paid)/refunded	**(186,592)**	(101,062)	**(134)**	1,163
Interest received	**11,603**	21,859	**1,642**	458
Net cash (used in)/generated from operating activities	**(89,781)**	1,660,233	**(79,947)**	(60,698)
Cash flows from investing activities				
Dividend received from a joint venture	**500**	30,000	**-**	-
Dividend received from subsidiaries	**-**	-	**34,520**	84,280
Proceeds from disposals of:				
- investment property	**-**	2,810	**-**	-
- property, plant and equipment	**14**	5	**-**	-
Purchase of:				
- property, plant and equipment (Note (a))	**(16,834)**	(37,871)	**(3,906)**	(16,850)
- investment property	**(18,400)**	-	**-**	-
Advances to subsidiaries	**-**	-	**(415,694)**	(510,815)
Advances to joint ventures	**(36,824)**	(18,861)	**(2,784)**	(6,621)
Business combination (Note 48(b))	**-**	(214,074)	**-**	-
Deposit received for partial disposal of subsidiary	**12,785**	-	**-**	-
Deposit refunded for development rights of a land	**-**	10,000	**-**	-
Repayment from subsidiaries	**-**	-	**358,676**	498,787
Repayment from a joint venture	**4,500**	2,000	**-**	-
Investment in land held for property development	**(28,300)**	(45,000)	**-**	-
Investment in other investment	**(5,000)**	-	**(5,000)**	-
Net (investment)/redemption of short term investments	**(209,421)**	51,300	**(209,421)**	51,300
Net cash (used in)/generated from investing activities	**(296,980)**	(219,691)	**(243,609)**	100,081

	Group		Company	
	2020 RM'000	**2019 RM'000**	**2020 RM'000**	**2019 RM'000**
Cash flows from financing activities				
Drawdown of term loans	**41,306**	167,543	**-**	-
Drawdown of Commodity Murabahah Finance	**52,777**	44,659	**-**	-
Drawdown of Islamic Medium Term Notes ("IMTN")	**1,205,000**	300,000	**1,205,000**	300,000
Drawdown of structured commodity	**200,000**	140,000	**200,000**	140,000
Drawdown of revolving credits	**243,700**	638,300	**30,000**	450,000
Advance from a corporate shareholder	**2,000**	-	**-**	-
Redemption of Redeemable Convertible Preference Shares ("RCPS")	**(150,000)**	-	**(150,000)**	-
Repayment of term loans	**(19,987)**	(505,242)	**-**	-
Repayment of Commodity Murabahah Finance	**(110,650)**	(1,125,873)	**-**	-
Repayment of IMTN	**(550,000)**	(300,000)	**(550,000)**	(300,000)
Repayment to immediate holding company	**(55,555)**	-	**-**	-
Repayment of structured commodity	**(170,000)**	(70,000)	**(170,000)**	(70,000)
Repayment of revolving credits	**(135,000)**	(551,000)	**(135,000)**	(462,000)
Repayment of lease liabilities	**(3,866)**	(4,507)	**(5,943)**	(2,949)
Interest paid	**(172,855)**	(195,188)	**(153,799)**	(141,846)
Net cash generated from/(used in) financing activities	**376,870**	(1,461,308)	**270,258**	(86,795)
Net decrease in cash and cash equivalents	**(9,891)**	(20,766)	**(53,298)**	(47,412)
Effects of foreign exchange rate changes	**33,890**	556	**8**	2,970
Cash and cash equivalents at beginning of year	**1,056,733**	1,076,943	**76,777**	121,219
Cash and cash equivalents at end of year (Note 20)	**1,080,732**	1,056,733	**23,487**	76,777

Note (a):

Additions of property, plant and equipment (Note 11)	**9,786**	44,856	**6,215**	17,860
Interest capitalised (Note 6)	**(125)**	(438)	**-**	-
Net accruals	**7,173**	(6,547)	**(2,309)**	(1,010)
Cash outflow for acquisition of property, plant and equipment	**16,834**	37,871	**3,906**	16,850

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

NOTES TO THE FINANCIAL STATEMENTS
31 December 2020

1. CORPORATE INFORMATION

The Company is a public limited liability company, incorporated and domiciled in Malaysia and listed on the Main Market of Bursa Malaysia Securities Berhad. The registered office of the Company is located at Level U6, Block C5, Solaris Dutamas, No. 1, Jalan Dutamas 1, 50480 Kuala Lumpur and the principal place of business is at Level U2, Block C5, Solaris Dutamas, No. 1, Jalan Dutamas 1, 50480 Kuala Lumpur.

The principal activity of the Company is investment holding. It also provides shared services for its subsidiaries.

The principal activities of the subsidiaries are property development, land trading, property investment, project procurement and management, hotel operations as well as investment holding.

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

The immediate and ultimate holding companies are UEM Group Berhad ("UEM") and Khazanah Nasional Berhad ("Khazanah") respectively, both of which are incorporated in Malaysia.

The financial statements were authorised for issue by the Board of Directors in accordance with a resolution of the directors on 26 April 2021.

2. SIGNIFICANT ACCOUNTING POLICIES

2.1 Basis of preparation

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

The financial statements of the Group and of the Company have been prepared on the historical cost basis except as disclosed in the summary of significant accounting policies below.

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

2. SIGNIFICANT ACCOUNTING POLICIES (CONT'D.)

2.2 Changes in accounting policies

The accounting policies adopted are consistent with those of the previous financial year except as follows:

(a) On 1 January 2020, the Group and the Company adopted the following amended MFRS mandatory for annual financial periods beginning on or after 1 January 2020:

	Effective for the financial period beginning on or after
Amendments to MFRS 101 and MFRS 108: Definition of Material	1 January 2020
Amendments to MFRS 9, MFRS 139 and MFRS 7: Interest Rate Benchmark Reform	1 January 2020
Amendment to MFRS 16 Leases: COVID-19-Related Rent Concessions	1 January 2020

The adoption of the above amendments does not have any significant impact on the financial performance or position of the Group and of the Company.

(b) Early adoption of standards and interpretations that have been issued and effective for annual period beginning on or after 1 July 2020.

Interpretation to MFRS 123: Borrowing cost relating to over time transfer of constructed good (Agenda Decision ("AD4"))

In March 2019, the International Financial Reporting Standards Interpretation Committee concluded that interest cost should not be capitalised for assets created under the percentage-of-completion method i.e. receivables, contract assets and inventories as these assets do not meet the definition of qualifying assets.

On 20 March 2019, the Malaysian Accounting Standards Board allowed the affected entities to apply the changes in accounting policies to their financial statements in relation to Agenda Decision ("AD4") beginning on or after 1 July 2020.

The Group opts for early adoption of interpretation to MFRS 123 during the financial year. The Group has restated the comparative financial statements to amounts reflecting the adoption of AD4. The group applies full restrospective method. The impacts arising from the changes are disclosed in Note 48(a). There is no effect on the statements of cash flows.

NOTES TO THE FINANCIAL STATEMENTS

31 December 2020

2. SIGNIFICANT ACCOUNTING POLICIES (CONT'D.)

2.3 Standards and interpretations issued but not yet effective

The Group and the Company have not adopted the following standards and interpretations that have been issued but are not yet effective:

	Effective for the financial period beginning on or after
Amendments to MFRS 9, MFRS 139, MFRS 7, MFRS 4 and MFRS 16: Interest Rate Benchmark Reform - Phase 2	1 January 2021
Reference to the Conceptual Framework (Amendments to MFRS 3: Business Combinations)	1 January 2022
Property, Plant and Equipment: Proceeds before Intended Use (Amendments to MFRS 116: Property, Plant and Equipment)	1 January 2022
Onerous Contracts: Costs of Fulfilling a Contract (Amendments to MFRS 137: Provisions, Contingent Liabilities and Contingent Assets)	1 January 2022
Annual Improvements to MFRS Standards 2018-2020	1 January 2022
MFRS 17: Insurance Contracts	1 January 2023
Amendments to MFRS 101: Presentation of Financial Statements: Classification of Liabilities as Current or Non-current	1 January 2023
Amendments to MFRS 10 and MFRS 128: Sale or Contribution of Assets between an Investor and its Associate or Joint Venture	Deferred

The directors expect that the adoption of the above standards will have no significant impact to the financial statements in the period of initial application except for those discussed below.

(a) Amendments to MFRS 10 and MFRS 128: Sale or Contribution of Assets between an Investor and its Associate or Joint Venture

The amendments clarify that:

- gains and losses resulting from transactions involving assets that do not constitute a business, between investor and its associate or joint venture are recognised in the entity's financial statements only to the extent of unrelated investors' interests in the associate or joint venture; and

- gains and losses resulting from transactions involving the sale or contribution of assets to an associate of a joint venture that constitute a business is recognised in full.

As the amendments eliminate ambiguity in the wording of the standard, the directors of the Company do not expect the amendments to have any impact on the Group's and the Company's financial statements.

2. SIGNIFICANT ACCOUNTING POLICIES (CONT'D.)

2.4 Summary of significant accounting policies

(a) Basis of consolidation

Pursuant to the restructuring in 2008, the Company was introduced as a new parent company. The introduction of the Company constitutes a Group reconstruction and has been accounted for using merger accounting principles as the combination of the companies meets the relevant criteria for merger, thus depicting the combination of those entities as if they have been in the combination for the current and previous financial years.

Business combinations involving entities under common control are accounted for by applying the merger accounting method. The assets and liabilities of the combining entities are reflected at their carrying amounts reported in the consolidated financial statements of the controlling holding company. Any difference between the consideration paid and the share capital of the 'acquired' entity is reflected within equity as merger reserve/deficit. The profit or loss reflects the results of the combining entities for the full year, irrespective of when the combination takes place.

The consolidated financial statements comprise the financial statements of the Company and subsidiaries under its control as at 31 December 2020. Control is achieved when the Group is exposed, or has rights, to variable returns from its involvement with the investee and has the ability to affect those returns through its power over the investee. Specifically, the Group controls an investee if, and only if, the Group has:

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

Generally, there is a presumption that a majority of voting rights results in control. In order to support this presumption and when the Group has less than a majority of the voting or similar rights of an investee, the Group considers all relevant facts and circumstances in assessing whether it has power over the investee, including:

- The contractual arrangement with the other vote holders of the investee;
- Rights arising from other contractual arrangements; and
- The Group's voting rights and potential voting rights.

NOTES TO THE FINANCIAL STATEMENTS
31 December 2020

2. SIGNIFICANT ACCOUNTING POLICIES (CONT'D.)

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

(a) Basis of consolidation (cont'd.)

The Group re-assesses whether or not it controls an investee if facts and circumstances indicate that there are changes to one or more of the three elements of control.

(i) Subsidiaries

Subsidiaries are entities over which the Group has control. Subsidiaries are consolidated from the date on which control is obtained by the Group and are no longer consolidated from the date that control ceases. Total comprehensive income of subsidiaries is attributed to the owners of the parent and to the non-controlling interests even if this results in the non-controlling interests having a deficit balance.

The Group assessed whether an acquisition of a company is accounted for as business combinations or acquisition of an asset or a group of assets. A business consists of inputs and processes applied to those inputs that have the ability to create outputs, although outputs are not necessarily required as an integrated set to qualify as a business.

Business combinations are accounted for using the acquisition method. The cost of an acquisition is measured as the aggregate of the consideration transferred measured at acquisition date fair value and the amount of any non-controlling interests in the acquiree. For each business combination, the Group elects whether to measure non-controlling interests in the acquiree at fair value or at the proportionate share of the acquiree's identifiable net assets. Acquisition-related costs are expensed as incurred and included in administrative expenses.

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

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

Any contingent consideration to be transferred by the acquirer will be recognised at fair value at the acquisition date. Contingent consideration classified as an asset or liability that is a financial instrument and within the scope of MFRS 9: Financial Instruments, is measured at fair value with changes in fair value recognised either in profit or loss or as a change to other comprehensive income ("OCI"). If the contingent consideration is not within the scope of MFRS 9, it is measured at fair value at each reporting date with changes in fair value recognised in profit or loss. Contingent consideration that is classified as equity is not remeasured and subsequent settlement is accounted for within equity.

2. SIGNIFICANT ACCOUNTING POLICIES (CONT'D.)

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

(a) Basis of consolidation (cont'd.)

(i) Subsidiaries (cont'd.)

The results of subsidiaries acquired or disposed of during the year are included in profit or loss from the effective date of acquisition or up to the effective date of disposal, as appropriate.

Consistent accounting policies are applied to like transactions and events in similar circumstances.

Intragroup transactions, balances and resulting unrealised gains are eliminated upon consolidation and the consolidated financial statements reflect external transactions only. Unrealised losses are eliminated on consolidation unless cost cannot be recovered.

A change in the ownership interest of a subsidiary, without a loss of control, is accounted for as an equity transaction. The carrying amounts of the Group's interests and the non-controlling interests are adjusted to reflect the changes in their relative interests in the subsidiaries. Any difference between the amount by which the non-controlling interests are adjusted and the fair value of the consideration paid or received is recognised directly in equity.

If the Group losses control of a subsidiary, any gain or loss is recognised in profit or loss and any investment retained in the former subsidiary shall be measured at its fair value at the date when control is lost.

The gain or loss on disposal of a subsidiary is the difference between net disposal proceeds and the Group's share of its net fair value of the assets together with any balance of goodwill and exchange differences that were not previously recognised in profit or loss.

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

(ii) Associates and joint ventures

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

A joint venture is a type of joint arrangement whereby the parties that have joint control of the arrangement have rights to the net assets of the joint venture. Joint control is the contractually agreed sharing of control of an arrangement, which exists only when decisions about the relevant activities require the unanimous consent of the parties sharing control.

The considerations made in determining significant influence or joint control are similar to those necessary to determine control over subsidiaries.

The Group's interests in its associates and joint ventures are accounted for using the equity method.

NOTES TO THE FINANCIAL STATEMENTS
31 December 2020

2. SIGNIFICANT ACCOUNTING POLICIES (CONT'D.)

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

(a) Basis of consolidation (cont'd.)

(ii) Associates and joint ventures (cont'd.)

Under the equity method, the interests in an associate or a joint venture is initially recognised at cost. The carrying amount of the interests is adjusted to recognise changes in the Group's share of net assets of the associate or joint venture since the acquisition date. Goodwill relating to the associate or joint venture is included in the carrying amount of the interests and is neither amortised nor individually tested for impairment.

The profit or loss reflects the Group's share of the results of operations of the associate or joint venture. Any change in OCI of those investees is presented as part of the Group's OCI. In addition, when there has been a change recognised directly in the equity of the associate or joint venture, the Group recognises its share of any changes, when applicable, in the equity. Unrealised gains and losses resulting from transactions between the Group and the associate or joint venture are eliminated to the extent of the interests in the associate or joint venture.

The aggregate of the Group's share of profit or loss of an associate and joint venture is shown on the face of profit or loss outside operating profit and represents profit or loss after tax and non-controlling interests in the subsidiaries of the associate or joint venture.

The financial statements of the associate or joint venture are prepared for the same reporting period as the Group. Where necessary, adjustments are made to bring the accounting policies in line with those of the Group.

After application of the equity method, the Group determines whether it is necessary to recognise an impairment loss on its interests in its associate or joint venture. At each reporting date, the Group determines whether there is objective evidence that the interests in the associate or joint venture is impaired. If there is such evidence, the Group calculates the amount of impairment as the difference between the recoverable amount of the associate or joint venture and its carrying value, then recognises the loss in profit or loss.

Upon loss of significant influence over the associate or joint control over the joint venture, the Group measures and recognises any retained interests at its fair value. Any difference between the carrying amount of the associate or joint venture upon loss of significant influence or joint control and the fair value of the retained interests and proceeds from disposal is recognised in profit or loss.

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

2. SIGNIFICANT ACCOUNTING POLICIES (CONT'D.)

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

(b) Goodwill

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

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

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

The policy for the recognition and measurement of impairment losses is in accordance with Note 2.4(n). Impairment losses recognised for goodwill shall not be reversed in the subsequent year.

(c) Property, plant and equipment and depreciation

All items of property, plant and equipment are initially recorded at cost. Subsequent costs are included in the asset's carrying amount or recognised as a separate asset, as appropriate, only when it is probable that future economic benefits associated with the item will flow to the Group and the Company and the cost of the item can be measured reliably. The carrying amount of the replaced part is derecognised. All other repairs and maintenance are charged to profit or loss during the financial year in which they are incurred.

Subsequent to initial recognition, property, plant and equipment are stated at cost less accumulated depreciation and any accumulated impairment losses.

Freehold land and capital work in progress are not depreciated. Depreciation of other property, plant and equipment is provided on a straight-line basis to write off the cost of each asset to its residual value over the estimated useful life, at the following annual rates:

Building	2% - 5%
Plant and machinery	20%
Floating pontoons	10%
Motor vehicles	20% - 25%
Renovation, equipment and others	5% - 50%

NOTES TO THE FINANCIAL STATEMENTS
31 December 2020

2. SIGNIFICANT ACCOUNTING POLICIES (CONT'D.)

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

(c) Property, plant and equipment and depreciation (cont'd.)

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

The assets' residual values, useful lives and depreciation methods are reviewed, and adjusted if appropriate, at each financial year-end.

Upon the disposal of an item of property, plant and equipment, the difference between the net disposal proceeds and the carrying amount is charged or credited to profit or loss.

(d) Investment properties

Investment properties comprise completed properties and properties under construction which are held either to earn rental income or for capital appreciation or for both. Such properties are measured initially at cost, including transaction costs. Subsequent to initial recognition, completed investment properties are stated at cost less accumulated depreciation and any accumulated impairment losses while investment properties under construction are stated at cost less any accumulated impairment losses.

Depreciation of the completed investment properties is provided for at 2% to 10% per annum on a straight line basis to write off the cost of each asset to its residual value over the estimated useful life. Investment properties under construction are not depreciated.

Investment properties are derecognised when they have been disposed of or when they are permanently withdrawn from use and no future economic benefit is expected. Any gains or losses on the retirement or disposal of investment properties are recognised in profit or loss in the year in which they arise.

Transfers are made to or from investment property only when there is a change in use. For a transfer from investment property to owner-occupied property, the deemed cost for subsequent accounting is the net carrying amount at the date of change in use. For a transfer from owner-occupied property to investment property, the property is accounted for in accordance with the accounting policy for property, plant and equipment.

(e) Cash and cash equivalents

Cash and cash equivalents comprise cash and bank balances, demand and short-term deposits, and highly liquid investments that are readily convertible to known amount of cash and which are subject to an insignificant risk of changes in value, reduced by bank overdrafts that form an integral part of the Group's cash management.

2. SIGNIFICANT ACCOUNTING POLICIES (CONT'D.)

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

(f) Inventories

(i) Land held for property development

Land held for property development consists of land where no development activity has been carried out or where development activities are not expected to be completed within the normal operating cycle.

Land held for property development is classified as non-current assets and is stated at cost less impairment losses. Cost consists of land and development expenditure which include borrowing costs relating to the financing of the development. The policy for the recognition and measurement of impairment losses is in accordance with Note 2.4(n).

Land held for property development is transferred to property development cost when the development activities have commenced.

(ii) Property development costs

Property development costs are those assets on which significant works have been undertaken and are expected to be completed within the normal operating cycle.

Property development costs are initially stated at cost. Cost includes:

- Freehold and leasehold rights for land;
- Amounts paid to contractors for construction;
- Borrowing costs, planning and design costs, costs of site preparation, professional fees for legal services, property transfer taxes, construction overheads and other related costs; and
- Non-refundable commission cost.

Property development cost is recognised as an expense when the corresponding revenue is recognised as per accounting policy in Note 2.4(m)(i).

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

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

Property development cost of unsold units or units pending transfer of control is transferred to inventories held for sale or inventories under contract of sale once the development is completed.

Property development cost balance includes contract cost assets which comprise of costs to fulfil contracts and costs to obtain contracts in accordance with Note 2.4(ac).

NOTES TO THE FINANCIAL STATEMENTS

31 December 2020

2. SIGNIFICANT ACCOUNTING POLICIES (CONT'D.)

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

(f) Inventories (cont'd.)

(iii) Inventories held for sale

Units of development properties completed and held for sales are stated at the lower of cost and net realisable value ("NRV"). Costs comprise costs of land acquisition including all related costs incurred subsequent to the acquisition necessary to prepare the land for its intended use, related development costs to projects and direct building costs.

NRV is the estimated selling price in the ordinary course of the business, based on market prices at the reporting date less estimated costs of completion and the estimated costs necessary to make the sale, taking into account the time value of money if material.

(iv) Inventories under contract of sale

Completed inventories under contract of sale are recognised as cost of sales when the control is transferred to customers in accordance to the terms of the contract with customers. The related accounting policies in respect of inventories under contract of sale is similar to those under inventories held for sale.

(g) Provisions

Provisions are recognised when the Group has a present obligation (legal or constructive) as a result of a past event, it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation and a reliable estimate of the amount can be made. Provisions are reviewed at each reporting date and adjusted to reflect the current best estimate. If it is no longer probable that an outflow of economic resources will be required to settle the obligation, the provision is reversed. Where the effect of the time value of money is material, the amount of a provision is the present value of the expenditure expected to be required to settle the obligation. When discounting is used, the increase in the provision due to the passage of time is recognised as a finance cost.

(h) Income taxes

(i) Current tax

Current tax assets and liabilities are measured at the amount expected to be recovered from or paid to the taxation authorities. The tax rates and tax laws used to compute the amount are those that are enacted or substantively enacted by the reporting date.

Current taxes are recognised in profit or loss except to the extent that the tax relates to items recognised outside profit or loss, either in OCI or directly in equity.

(ii) Deferred tax

Deferred tax is provided using the liability method on temporary differences at the reporting date between the tax bases of assets and liabilities and their carrying amounts for financial reporting purposes.

2. SIGNIFICANT ACCOUNTING POLICIES (CONT'D.)

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

(h) Income taxes (cont'd.)

(ii) Deferred tax (cont'd.)

Deferred tax liabilities are recognised for all taxable temporary differences, except:

- where the deferred tax liability arises from the initial recognition of goodwill or of an asset or a liability in a transaction that is not a business combination and, at the time of the transaction, affects neither the accounting profit nor taxable profit or loss; and

- in respect of taxable temporary differences associated with interests in subsidiaries, associates and joint ventures, where the timing of the reversal of the temporary differences can be controlled and it is probable that the temporary differences will not reverse in the foreseeable future.

Deferred tax assets are recognised for all deductible temporary differences, carry forward of unused tax credits and unused tax losses, to the extent that it is probable that taxable profit will be available against which the deductible temporary differences, and the carry forward of unused tax credits and unused tax losses can be utilised except:

- where the deferred tax asset relating to the deductible temporary difference arises from the initial recognition of an asset or liability in a transaction that is not a business combination and, at the time of the transaction, affects neither the accounting profit nor taxable profit or loss; and

- in respect of deductible temporary differences associated with interests in subsidiaries, associates and joint ventures, deferred tax assets are recognised only to the extent that it is probable that the temporary differences will be reversed in the foreseeable future and taxable profit will be available against which the temporary differences can be utilised.

The carrying amount of deferred tax assets is reviewed at each reporting date and reduced to the extent that it is no longer probable that sufficient taxable profit will be available to allow all or part of the deferred tax asset to be utilised. Unrecognised deferred tax assets are reassessed at each reporting date and are recognised to the extent that it has become probable that future taxable profit will allow the deferred tax assets to be utilised.

Deferred tax assets and liabilities are measured at the tax rates that are expected to apply in the year when the asset is realised or the liability is settled, based on tax rates and tax laws that have been enacted or substantively enacted at the reporting date.

Deferred tax relating to items recognised outside profit or loss is recognised outside profit or loss. Deferred tax items are recognised in correlation to the underlying transaction either in OCI or directly in equity and deferred tax arising from a business combination is adjusted against goodwill on acquisition.

Deferred tax assets and deferred tax liabilities are offset, if a legally enforceable right exists to set off current tax assets against current tax liabilities and the deferred taxes relate to the same taxable entity and the same taxation authority.

NOTES TO THE FINANCIAL STATEMENTS
31 December 2020

2. SIGNIFICANT ACCOUNTING POLICIES (CONT'D.)

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

(h) Income taxes (cont'd.)

(ii) Deferred tax (cont'd.)

Tax benefits acquired as part of a business combination, but not satisfying the criteria for separate recognition at that date, are recognised subsequently if new information about facts and circumstances changes. The adjustment is either treated as a reduction to goodwill (as long as it does not exceed goodwill) if it was incurred during the measurement period or recognised in profit or loss.

(i) Sales and Service Tax ("SST") and Goods and Services Tax ("GST")

Revenue is recognised net of SST charged to customers. Expenses and assets are recognised inclusive of SST. The amount payable to taxation authority is included as payables in the statements of financial position.

Revenue, expenses and assets are recognised net of the amount of GST except:

- where the GST incurred in a purchase of assets or services is not recoverable from the taxation authority, in which case the GST is recognised as part of the cost of acquisition of the asset or as part of the expense item as applicable; and

- receivables and payables that are stated with the amount of GST included.

The net amount of GST recoverable from, or payable to, the taxation authority is included as part of receivables or payables in the statements of financial position.

The effective date for SST in Malaysia is on 1 September 2018. Prior to this date, Malaysia was under the GST regime.

(j) Zakat

The Group recognises its obligation towards the payment of zakat on business in profit or loss. Zakat is an obligation under the shariah principles and is computed based on a certain basis as approved by the Board of Directors.

(k) Employee benefits

(i) Short-term benefits

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

2. SIGNIFICANT ACCOUNTING POLICIES (CONT'D.)

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

(k) Employee benefits (cont'd.)

(ii) Defined contribution plans

Defined contribution plans are post-employment benefit plans under which the Group and the Company pay fixed contributions into separate entities or funds and will have no legal or constructive obligation to pay further contributions if any of the funds do not hold sufficient assets to pay all employee benefits relating to employee services in the current and preceding financial years. Such contributions are recognised as an expense in profit or loss as incurred. As required by law, companies in Malaysia make such contributions to the Employees Provident Fund ("EPF").

(iii) Employee share option plans

Employees of the Group receive remuneration in the form of share options as consideration for services rendered. The cost of these equity-settled transactions with employees is measured by reference to the fair value of the options at the date on which the options are granted. This cost is recognised in profit or loss, with a corresponding increase in the employee share option reserve over the vesting period. The cumulative expense recognised at each reporting date until the vesting date reflects the extent to which the vesting period has expired and the Group's best estimate of the number of options that will ultimately vest. The charge or credit to profit or loss for a period represents the movement in cumulative expense recognised at the beginning and end of that period.

No expense is recognised for options that do not ultimately vest, except for options where vesting is conditional upon a market or non-vesting condition, which are treated as vested irrespective of whether or not the market or non-vesting condition is satisfied, provided that all other performance and/or service conditions are satisfied. The employee share option reserve is transferred to retained profits upon expiry of the share options. When the options are exercised, the employee share option reserve is transferred to share capital if new shares are issued, or to treasury shares if the options are satisfied by the reissuance of treasury shares.

(l) Foreign currencies

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

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

NOTES TO THE FINANCIAL STATEMENTS
31 December 2020

2. SIGNIFICANT ACCOUNTING POLICIES (CONT'D.)

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

(l) Foreign currencies (cont'd.)

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

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

On consolidation, the assets and liabilities of foreign operations are translated at the rate of exchange prevailing at the reporting date and their profit or loss are translated at exchange rates prevailing at the dates of the transactions. The exchange differences arising on translation for consolidation are recognised in OCI. On disposal of foreign operation, the components of OCI relating to that particular foreign operation are reclassified in profit or loss.

(m) Revenue recognition

Revenue recognition from contracts with customers

Revenue from contracts with customers is recognised when control of the goods or services is transferred to the customer at an amount that reflects the consideration to which the Group expects to be entitled in exchange for those goods or services.

(i) Property development and strategic land sale

Revenue from property development is recognised as and when the control of the asset is transferred to the customer and it is probable that the Group will collect the consideration to which it will be entitled in exchange for the asset that will be transferred to the customer. 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. Control of the asset is transferred over time if the Group's performance does not create an asset with an alternative use to the Group and the Group has an enforceable right to payment for performance completed to date.

This is generally established when:

- 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 agreements and the attached layout plan and the purchasers could enforce its rights to the promised properties if the Group seeks to sell the unit to another purchaser. The contractual restriction on the Group's ability to direct the promised residential property for another use is substantive and the promised properties sold to the purchasers do not have an alternative use to the Group; and

- the Group has the right to payment for performance completed to date and is entitled to continue to transfer to the customer the development units promised and has the rights to complete the construction of the properties and enforce its rights to full payments.

2. SIGNIFICANT ACCOUNTING POLICIES (CONT'D.)

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

(m) Revenue recognition (cont'd.)

Revenue recognition from contracts with customers (cont'd.)

(i) Property development and strategic land sale (cont'd.)

If control of the asset is transferred 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 a point in time when the customer obtains control of the asset in accordance with Note 2.4(m)(ii).

The Group recognises revenue over time using the input method, which is based on the the level of completion in proportion of cost incurred to date against the expected total construction costs.

Contracts with customers may include multiple promises to customers and therefore accounted for as separate performance obligations. In this case, the transaction price will be allocated to each performance obligation based on the stand-alone selling prices. When these are not directly observable, they are estimated based on expected cost plus margin.

(ii) Completed properties and properties under contract of sale

The Group recognises the revenue at a point in time to the sale of completed properties and properties under contract of sale when the control of the properties has been transferred to the customers and it is probable that the Group will collect the consideration it is entitled to.

(iii) Assets and facilities management

Assets and facilities management income is derived from managing the residential, commercial and retail properties. The income is recognised when such services are rendered.

(iv) Project management

Revenue from provision of project management in relation to property development activities is recognised in the period in which the services are rendered, by reference to completion of the actual service provided as a proportion of the total services to be performed.

(v) Car park collections

Car park collections are recognised net of goods and service tax or sales and service tax and upon services being rendered.

NOTES TO THE FINANCIAL STATEMENTS
31 December 2020

2. SIGNIFICANT ACCOUNTING POLICIES (CONT'D.)

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

(m) Revenue recognition (cont'd.)

Revenue recognition from contracts with customers (cont'd.)

(vi) Hotel operations

Hotel operations generally consist of room rentals and food and beverage. Room rental revenue is accrued over time on customer-occupied rooms. Revenue from the sales of food and beverage is recognised when the customer receives and consumes, and the Company 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.

(vii) Management fees

Management fees on the provision of shared services to subsidiaries are accrued when the services are rendered.

Revenue from other sources

(i) Property investment

Rental income is accounted on a straight-line basis over the period of lease term.

(ii) Dividends

Dividends from subsidiaries, associates and other investments are included in profit or loss when the shareholders' right to receive payment has been established.

(n) Impairment of non-financial assets

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

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

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

2. SIGNIFICANT ACCOUNTING POLICIES (CONT'D.)

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

(n) Impairment of non-financial assets (cont'd.)

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

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

(o) Financial instruments: initial recognition and subsequent measurement

A financial instrument is any contract that gives rise to a financial asset of one entity and a financial liability or equity instrument of another entity.

(i) Financial assets

Initial recognition and measurement

Financial assets are classified, at initial recognition, as subsequently measured at amortised cost, fair value through OCI, and fair value through profit or loss.

The classification of financial assets at initial recognition depends on the financial asset's contractual cash flow characteristics and the Group's business model for managing them. With the exception of trade receivables that do not contain a significant financing component or for which the Group has applied the practical expedient, the Group initially measures a financial asset at its fair value plus, in the case of a financial asset not at fair value through profit or loss, transaction costs. Trade receivables that do not contain a significant financing component or for which the Group has applied the practical expedient are measured at the transaction price determined under MFRS 15.

In order for a financial asset to be classified and measured at amortised cost or fair value through OCI, it needs to give rise to cash flows that are 'solely payments of principal and interest ("SPPI") on the principal amount outstanding. This assessment is referred to as the SPPI test and is performed at an instrument level.

The Group's business model for managing financial assets refers to how it manages its financial assets in order to generate cash flows. The business model determines whether cash flows will result from collecting contractual cash flows, selling the financial assets, or both.

Purchases or sales of financial assets that require delivery of assets within a time frame established by regulation or convention in the market place (regular way trades) are recognised on the trade date, i.e., the date that the Group commits to purchase or sell the asset.

NOTES TO THE FINANCIAL STATEMENTS
31 December 2020

2. SIGNIFICANT ACCOUNTING POLICIES (CONT'D.)

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

(o) Financial instruments: initial recognition and subsequent measurement (cont'd.)

(i) Financial assets (cont'd.)

Subsequent measurement

For purposes of subsequent measurement, financial assets are classified in four categories:

- Financial assets at amortised cost (debt instruments);
- Financial assets at fair value through OCI with recycling of cumulative gains and losses (debt instruments);
- Financial assets designated at fair value through OCI with no recycling of cumulative gains and losses upon derecognition (equity instruments); and
- Financial assets at fair value through profit or loss.

Financial assets at amortised cost (debt instruments)

This category is the most relevant to the Group. The Group measures financial assets at amortised cost if both of the following conditions are met:

- The financial asset is held within a business model with the objective to hold financial assets in order to collect contractual cash flows; and
- The contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

Financial assets at amortised cost are subsequently measured using the effective interest rate ("EIR") method and are subject to impairment. Gains and losses are recognised in profit or loss when the asset is derecognised, modified or impaired.

The Group's financial assets at amortised cost include receivables and amounts due from associates and joint ventures included under other non-current financial assets.

Financial assets at fair value through OCI with recycling of cumulative gains and losses (debt instruments)

The Group measures debt instruments at fair value through OCI if both of the following conditions are met:

- The financial asset is held within a business model with the objective of both holding to collect contractual cash flows and selling; and
- The contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

2. SIGNIFICANT ACCOUNTING POLICIES (CONT'D.)

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

(o) Financial instruments: initial recognition and subsequent measurement (cont'd.)

(i) Financial assets (cont'd.)

Subsequent measurement (cont'd.)

Financial assets at fair value through OCI with recycling of cumulative gains and losses (debt instruments) (cont'd.)

For debt instruments at fair value through OCI, interest income, foreign exchange revaluation and impairment losses or reversals are recognised in profit or loss and computed in the same manner as for financial assets measured at amortised cost. The remaining fair value changes are recognised in OCI. Upon derecognition, the cumulative fair value change recognised in OCI is recycled to profit or loss.

The Group's debt instruments at fair value through OCI include investments in quoted debt instruments included under other non-current financial assets.

Financial assets designated at fair value through OCI (equity instruments)

Upon initial recognition, the Group can elect to classify irrevocably its equity investments as equity instruments designated at fair value through OCI when they meet the definition of equity under MFRS 132 Financial Instruments: Presentation and are not held for trading. The classification is determined on an instrument-by-instrument basis.

Gains and losses on these financial assets are never recycled to profit or loss. Dividends are recognised as other income in profit or loss when the right of payment has been established, except when the Group benefits from such proceeds as a recovery of part of the cost of the financial asset, in which case, such gains are recorded in OCI. Equity instruments designated at fair value through OCI are not subject to impairment assessment.

The Group elected to classify irrevocably its non-listed equity investments under this category.

Financial assets at fair value through profit or loss

Financial assets at fair value through profit or loss include financial assets held for trading, financial assets designated upon initial recognition at fair value through profit or loss, or financial assets mandatorily required to be measured at fair value. Financial assets are classified as held for trading if they are acquired for the purpose of selling or repurchasing in the near term. Derivatives, including separated embedded derivatives, are also classified as held for trading unless they are designated as effective hedging instruments. Financial assets with cash flows that are not solely payments of principal and interest are classified and measured at fair value through profit or loss, irrespective of the business model. Notwithstanding the criteria for debt instruments to be classified at amortised cost or at fair value through OCI, as described above, debt instruments may be designated at fair value through profit or loss on initial recognition if doing so eliminates, or significantly reduces, an accounting mismatch.

NOTES TO THE FINANCIAL STATEMENTS
31 December 2020

2. SIGNIFICANT ACCOUNTING POLICIES (CONT'D.)

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

(o) Financial instruments: initial recognition and subsequent measurement (cont'd.)

(i) Financial assets (cont'd.)

Subsequent measurement (cont'd.)

Financial assets at fair value through profit or loss (cont'd.)

Financial assets at fair value through profit or loss are carried in the statements of financial position at fair value with net changes in fair value recognised in profit or loss.

This category includes derivative instruments and listed equity investments which the Group had not irrevocably elected to classify at fair value through OCI. Dividends on equity investments are also recognised as other income in profit or loss when the right of payment has been established.

A derivative embedded in a hybrid contract, with a financial liability or non-financial host, is separated from the host and accounted for as a separate derivative if: the economic characteristics and risks are not closely related to the host; a separate instrument with the same terms as the embedded derivative would meet the definition of a derivative; and the hybrid contract is not measured at fair value through profit or loss. Embedded derivatives are measured at fair value with changes in fair value recognised in profit or loss. Reassessment only occurs if there is either a change in the terms of the contract that significantly modifies the cash flows that would otherwise be required or a reclassification of a financial asset out of the fair value through profit or loss category.

A derivative embedded within a hybrid contract containing a financial asset host is not accounted for separately. The financial asset host together with the embedded derivative is required to be classified in its entirety as a financial asset at fair value through profit or loss.

Derecognition

A financial asset (or, where applicable, a part of a financial asset or part of a group of similar financial assets) is primarily derecognised (i.e. removed from the statements of financial position) when:

- The rights to receive cash flows from the asset have expired; or

- The Group has transferred its rights to receive cash flows from the asset or has assumed an obligation to pay the received cash flows in full without material delay to a third party under a 'pass-through' arrangement; and either (a) the Group has transferred substantially all the risks and rewards of the asset, or (b) the Group has neither transferred nor retained substantially all the risks and rewards of the asset, but has transferred control of the asset.

When the Group has transferred its rights to receive cash flows from an asset or has entered into a pass-through arrangement, it evaluates if, and to what extent, it has retained the risks and rewards of ownership. When it has neither transferred nor retained substantially all of the risks and rewards of the asset, nor transferred control of the asset, the Group continues to recognise the transferred asset to the extent of its continuing involvement. In that case, the Group also recognises an associated liability. The transferred asset and the associated liability are measured on a basis that reflects the rights and obligations that the Group has retained.

2. SIGNIFICANT ACCOUNTING POLICIES (CONT'D.)

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

(o) Financial instruments: initial recognition and subsequent measurement (cont'd.)

(i) Financial assets (cont'd.)

Derecognition (cont'd.)

Continuing involvement that takes the form of a guarantee over the transferred asset is measured at the lower of the original carrying amount of the asset and the maximum amount of consideration that the Group could be required to repay.

Impairment of financial assets

The Group recognises an allowance for expected credit losses ("ECLs") for all debt instruments not held at fair value through profit or loss. ECLs are based on the difference between the contractual cash flows due in accordance with the contract and all the cash flows that the Group expects to receive, discounted at an approximation of the original effective interest rate. The expected cash flows will include cash flows from the sale of collateral held or other credit enhancements that are integral to the contractual terms.

ECLs are recognised in two stages. For credit exposures for which there has not been a significant increase in credit risk since initial recognition, ECLs are provided for credit losses that result from default events that are possible within the next 12-months ("a 12-month ECL"). For those credit exposures for which there has been a significant increase in credit risk since initial recognition, a loss allowance is required for credit losses expected over the remaining life of the exposure, irrespective of the timing of the default ("a lifetime ECL").

For trade receivables and contract assets, the Group applies a simplified approach in calculating ECLs. Therefore, the Group does not track changes in credit risk, but instead recognises a loss allowance based on lifetime ECLs at each reporting date. The Group has established a provision matrix that is based on its historical credit loss experience, adjusted for forward-looking factors specific to the debtors and the economic environment.

The Group considers a financial asset in default when contractual payments are 90 days past due. However, in certain cases, the Group may also consider a financial asset to be in default when internal or external information indicates that the Group is unlikely to receive the outstanding contractual amounts in full before taking into account any credit enhancements held by the Group. A financial asset is written off when there is no reasonable expectation of recovering the contractual cash flows.

(ii) Financial liabilities

Initial recognition and measurement

Financial liabilities are classified, at initial recognition, as financial liabilities at fair value through profit or loss, loans and borrowings, payables, or as derivatives designated as hedging instruments in an effective hedge, as appropriate.

NOTES TO THE FINANCIAL STATEMENTS
31 December 2020

2. SIGNIFICANT ACCOUNTING POLICIES (CONT'D.)

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

(o) Financial instruments: initial recognition and subsequent measurement (cont'd.)

(ii) Financial liabilities (cont'd.)

Initial recognition and measurement (cont'd.)

All financial liabilities are recognised initially at fair value and, in the case of loans and borrowings and payables, net of directly attributable transaction costs.

The Group's financial liabilities include trade and other payables, loans and borrowings including bank overdrafts, and derivative financial instruments.

Subsequent measurement

The measurement of financial liabilities depends on their classification, as described below:

Financial liabilities at fair value through profit or loss

Financial liabilities at fair value through profit or loss include financial liabilities held for trading and financial liabilities designated upon initial recognition as at fair value through profit or loss.

Financial liabilities are classified as held for trading if they are incurred for the purpose of repurchasing in the near term. This category also includes derivative financial instruments entered into by the Group that are not designated as hedging instruments in hedge relationships as defined by MFRS 9. Separated embedded derivatives are also classified as held for trading unless they are designated as effective hedging instruments.

Gains or losses on liabilities held for trading are recognised in profit or loss.

Financial liabilities designated upon initial recognition at fair value through profit or loss are designated at the initial date of recognition, and only if the criteria in MFRS 9 are satisfied. The Group has not designated any financial liability as at fair value through profit or loss.

Loans and borrowings

This is the category most relevant to the Group. After initial recognition, interest-bearing loans and borrowings are subsequently measured at amortised cost using the EIR method. Gains and losses are recognised in profit or loss when the liabilities are derecognised as well as through the EIR amortisation process.

Amortised cost is calculated by taking into account any discount or premium on acquisition and fees or costs that are an integral part of the EIR. The EIR amortisation is included as finance costs in profit or loss.

This category generally applies to interest-bearing loans and borrowings.

2. SIGNIFICANT ACCOUNTING POLICIES (CONT'D.)

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

(o) Financial instruments: initial recognition and subsequent measurement (cont'd.)

(ii) Financial liabilities (cont'd.)

Subsequent measurement (cont'd.)

Derecognition

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

(iii) Offsetting of financial instruments

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

(p) Financial guarantee contracts

Financial guarantee contracts issued by the Group are those contracts that require a payment to be made to reimburse the holder for a loss it incurs because the specified debtor fails to make a payment when due in accordance with the terms of a debt instrument. Financial guarantee contracts are recognised initially as a liability at fair value, adjusted for transaction costs that are directly attributable to the issuance of the guarantee. Subsequently, the liability is measured at the higher of the best estimate of the expenditure required to settle the present obligation at the reporting date and the amount recognised less cumulative amortisation.

(q) Leases

The Group and the Company have applied MFRS 16 using the modified retrospective approach, under which the cumulative effect of initial application is recognised as an adjustment to retained profits at 1 January 2019. Accordingly, the comparative information presented for 1 January 2019 has not been restated i.e. it is presented, as previously reported under MFRS 117: Leases ("MFRS 117") and related interpretations.

NOTES TO THE FINANCIAL STATEMENTS
31 December 2020

2. SIGNIFICANT ACCOUNTING POLICIES (CONT'D.)

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

(q) Leases (cont'd)

(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 asset 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 which 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 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, the Group and the Company have elected not to separate non-lease components and will instead account for the lease and non-lease components as a single lease component.

The determination of whether an arrangement is, or contains, a lease is based on the substance of the arrangement at the inception date. The arrangement is assessed for whether fulfilment of the arrangement is dependent on the use of a specific asset or assets or the arrangement conveys a right to use the asset or assets, even if that right is not explicitly specified in an arrangement.

(ii) Recognition and initial measurement

As a lessee

The Group and the Company recognise right-of-use asset and 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.

2. SIGNIFICANT ACCOUNTING POLICIES (CONT'D.)

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

(q) Leases (cont'd)

(ii) Recognition and initial measurement (cont'd)

As a lessee (cont'd)

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 and the Company 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 incentives receivable;
- 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 is reasonably certain to exercise; and
- penalties for early termination of a lease unless the Group is reasonably certain not to terminate early.

The Group excludes variable lease payments that are 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 has 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 recognises the lease payments associated with these leases as an expense on a straight-line basis over the lease term.

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, 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.

NOTES TO THE FINANCIAL STATEMENTS
31 December 2020

2. SIGNIFICANT ACCOUNTING POLICIES (CONT'D.)

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

(q) Leases (cont'd)

(ii) Recognition and initial measurement (cont'd)

As a lessor (cont'd)

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

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, as follows:

Buildings	25% - 50%
Plant and equipment	20% - 30%

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 estimate of the amount expected to be payable under a residual value guarantee, or if the Group 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 asset has been reduced to zero.

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.

2. SIGNIFICANT ACCOUNTING POLICIES (CONT'D.)

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

(q) Leases (cont'd)

At 1 January 2019

(i) As lessee

Finance leases that transfer substantially all the risks and benefits incidental to ownership of the leased item to the Group, are capitalised at the commencement of the lease at the fair value of the leased property or, if lower, at the present value of the minimum lease payments. Lease payments are apportioned between finance charges and reduction of the lease liability so as to achieve a constant rate of interest on the remaining balance of the liability. Finance charges are recognised in finance costs in profit or loss.

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

Operating lease payments are recognised as an operating expense in profit or loss on a straight-line basis over the lease term.

(ii) As lessor

Leases in which the Group does not transfer substantially all the risks and benefits of ownership of an asset are classified as operating leases. Initial direct costs incurred in negotiating an operating lease are added to the carrying amount of the leased asset and recognised over the lease term on the same basis as rental income. Contingent rents are recognised as revenue in the period in which they are earned.

(r) Share capital and share issuance expenses

An equity instrument is any contract that evidences a residual interest in the assets of the Company after deducting all of its liabilities. Ordinary shares are equity instruments.

Ordinary shares are recorded at the proceeds received, net of directly attributable incremental transaction costs.

Dividends on ordinary shares are recognised in equity in the period where shareholders' right to the receipt of payment is established.

(s) Redeemable convertible preference shares ("RCPS")

The redeemable convertible preference shares were regarded as compound instruments, consisting of a liability component and an equity component. The component of redeemable convertible preference shares that exhibited characteristics of a liability is recognised as a financial liability in the statements of financial position, net of transaction costs. The dividends on those shares were recognised as interest expense in profit or loss using the effective interest rate method. Upon issuance of the redeemable convertible preference shares, the fair value of the liability component was determined using a market rate for an equivalent non-convertible debt and this amount was carried as a financial liability in accordance with the accounting policy for other payables.

NOTES TO THE FINANCIAL STATEMENTS
31 December 2020

2. SIGNIFICANT ACCOUNTING POLICIES (CONT'D.)

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

(s) Redeemable convertible preference shares ("RCPS") (cont'd)

The residual amount, after deducting the fair value of the liability component, was recognised and included in shareholder's equity, net of transaction costs. The dividends on these shares were recognised in equity in the period in which they were declared.

Transaction costs were apportioned between the liability and equity components of the redeemable convertible preference shares based on the allocation of proceeds to the liability and equity components when the instruments were first recognised.

The RCPS matured during the financial year and movements as disclosed in Note 28.

(t) Contingencies

A contingent liability or asset is a possible obligation or asset that arises from past events and whose existence will be confirmed only by the occurrence or non-occurrence of uncertain future events not wholly within the control of the Group and the Company.

Contingent liabilities and assets are not recognised in the statements of financial position.

(u) Current versus non-current classification

The Group and the Company present assets and liabilities in statements of financial position based on current/non-current classification. An asset is current when it is:

- Expected to be realised or intended to be sold or consumed in normal operating cycle;
- Held primarily for the purpose of trading;
- Expected to be realised within twelve months after the reporting period; or
- Cash or cash equivalents unless restricted from being exchanged or used to settle a liability for at least twelve months after the reporting period.

All other assets are classified as non-current.

A liability is current when:

- It is expected to be settled in normal operating cycle;
- It is held primarily for the purpose of trading;
- It is due to be settled within twelve months after the reporting period; or
- There is no unconditional right to defer the settlement of the liability for at least twelve months after the reporting period.

The Group and the Company classified all other liabilities as non-current.

Deferred tax assets and liabilities are classified as non-current assets and liabilities.

2. SIGNIFICANT ACCOUNTING POLICIES (CONT'D.)

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

(v) Statements of cash flows

The statements of cash flows classify movements in cash and cash equivalents according to operating, investing and financing activities.

The Group and the Company do not consider any of its assets other than deposits with maturity not more than 3 months with financial institutions, which are subject to an insignificant risk of changes in value, cash and bank balances reduced by bank overdraft as meeting the definition of cash and cash equivalents.

(w) Fair value measurements

The Group measures financial instruments, such as, financial assets at fair value through profit or loss at each reporting date.

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. The fair value measurement is based on the presumption that the transaction to sell the asset or transfer the liability takes place either:

- In the principal market for the asset or liability; or

- In the absence of a principal market, in the most advantageous market for the asset or liability.

The principal or the most advantageous market must be accessible to by the Group.

The fair value of an asset or a liability is measured with the assumption that when pricing the asset or liability, the market participants would act in their best economic interest.

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

The Group uses valuation techniques that are appropriate in the circumstances and for which sufficient data is available to measure fair value, maximising the use of relevant observable inputs and minimising the use of unobservable inputs.

All assets and liabilities for which fair values are measured or disclosed in the financial statements are categorised within the fair value hierarchy, described as follows, based on the lowest level input that is significant to the fair value measurement as a whole:

(i) Level 1 - Quoted (unadjusted) market prices in active markets for identical assets or liabilities.

(ii) Level 2 - Valuation techniques for which the lowest level input that is significant to the fair value measurement is directly or indirectly observable.

(iii) Level 3 - Valuation techniques for which the lowest level input that is significant to the fair value measurement is unobservable.

NOTES TO THE FINANCIAL STATEMENTS
31 December 2020

2. SIGNIFICANT ACCOUNTING POLICIES (CONT'D.)

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

(w) Fair value measurements (cont'd.)

For assets and liabilities that are recognised in the financial statements on a recurring basis, the Group determines whether transfers have occurred between levels in the hierarchy by reassessing categorisation (based on the lowest level input that is significant to the fair value measurement as a whole) at the end of each reporting period.

For the purpose of fair value disclosures, the Group has determined classes of assets and liabilities on the basis of the nature, characteristics and risks of the asset or liability and the level of the fair value hierarchy as explained above.

(x) Borrowing costs

Borrowing costs are capitalised as part of the cost of a qualifying asset if they are directly attributable to the acquisition, construction or production of that asset. Capitalisation of borrowing costs commences when the activities to prepare the asset for its intended use or sale are in progress and the expenditures and borrowing costs are incurred.

Borrowing costs are capitalised until the assets are substantially completed for their intended use or sale.

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

(y) Deferred income

The profit recognised from the sales of land by the Group to associates and a joint venture is eliminated to the extent of the Group's interests in the companies. Accordingly, the Group recognise the excess of the unrealised profit over the carrying value of the associate or the joint venture as deferred income. The deferred income is realised to profit or loss over the period when the underlying asset of the associate or the joint venture is realised or disposed.

(z) Segment reporting

For management purposes, the Group is organised into operating segments based on their products and services, which are independently managed by the respective segment managers responsible for the performance of the segments under their charge. The segment managers report directly to the management of the Company who regularly reviews the segment results in order to allocate resources to the segments and to assess the segment performance. Additional disclosures on each of these segments are shown in Note 44, including the factors used to identify the reportable segments and the measurement basis of segment information.

2. SIGNIFICANT ACCOUNTING POLICIES (CONT'D.)

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

(aa) Derivative financial instruments and hedge accounting

The Group uses derivative financial instruments such as currency swaps and profit rate swaps to hedge its currency and interest rate risk. Such derivative financial instruments are initially recognised at fair value on the date on which a derivative contract is entered into and is subsequently remeasured at fair value at each reporting date. Derivatives are carried as financial assets when the fair value is positive and as financial liabilities when the fair value is negative.

For the purpose of hedge accounting, hedges are classified as:

- Fair value hedges when hedging the exposure to changes in the fair value of a recognised asset or liability or an unrecognised firm commitment;

- Cash flow hedges when hedging exposure to variability in cash flows that is either attributable to:

  - A particular risk associated with a recognised asset; or
  - Liability or a highly probable forecast transaction; or
  - The foreign currency risk in an unrecognised firm commitment.

- Hedges of a net investment in a foreign operation.

At the inception of a hedge relationship, the Group formally designates and documents the hedge relationship to which the Group wishes to apply hedge accounting, the risk management objective of the hedge and strategy for undertaking the hedge.

Before 1 January 2018, the documentation includes identification of the hedging instrument, the hedged item or transaction, the nature of the risk being hedged and how the Group will assess the effectiveness of changes in the hedging instrument's fair value in offsetting the exposure to changes in the hedged item's fair value or cash flows attributable to the hedged risk. Such hedges are expected to be highly effective in achieving offsetting changes in fair value or cash flows and are assessed on an ongoing basis to determine that they actually have been highly effective throughout the financial reporting periods for which they were designated.

Beginning 1 January 2018, the documentation includes identification of the hedging instrument, the hedged item, the nature of the risk being hedged and how the Group will assess whether the hedging relationship meets the hedge effectiveness requirements (including the analysis of sources of hedge ineffectiveness and how the hedge ratio is determined). A hedging relationship qualifies for hedge accounting if it meets all of the following effectiveness requirements:

- There is ''an economic relationship'' between the hedged item and the hedging instrument;

- The effect of credit risk does not ''dominate the value changes'' that result from that economic relationship; and

- The hedge ratio of the hedging relationship is the same as that resulting from the quantity of the hedged item that the Group actually hedges and the quantity of the hedging instrument that the Group actually uses to hedge that quantity of hedged item.

NOTES TO THE FINANCIAL STATEMENTS
31 December 2020

2. SIGNIFICANT ACCOUNTING POLICIES (CONT'D.)

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

(aa) Derivative financial instruments and hedge accounting (cont'd.)

Hedges that meet all the qualifying criteria for hedge accounting are accounted for, as described below:

Fair value hedges

The change in the fair value of a hedging instrument is recognised in profit or loss as other expense. The change in the fair value of the hedged item attributable to the risk hedged is recorded as part of the carrying value of the hedged item and is also recognised in profit or loss as other expense.

For fair value hedges relating to items carried at amortised cost, any adjustment to carrying value is amortised through profit or loss over the remaining term of the hedge using the EIR method. The EIR amortisation may begin as soon as an adjustment exists and no later than when the hedged item ceases to be adjusted for changes in its fair value attributable to the risk being hedged.

If the hedged item is derecognised, the unamortised fair value is recognised immediately in profit or loss.

When an unrecognised firm commitment is designated as a hedged item, the subsequent cumulative change in the fair value of the firm commitment attributable to the hedged risk is recognised as an asset or liability with a corresponding gain or loss recognised in profit or loss.

Cash flow hedges

The effective portion of the gain or loss on the hedging instrument is recognised in OCI in the cash flow hedge reserve, while any ineffective portion is recognised immediately in profit or loss. The cash flow hedge reserve is adjusted to the lower of the cumulative gain or loss on the hedging instrument and the cumulative change in fair value of the hedged item.

The Group uses profit rate swaps to hedge its interest rate risk. The ineffective portion relating to the profit rate swaps is recognised in other operating income or expenses.

For profit rate swaps, the amount accumulated in OCI is reclassified to profit or loss as a reclassification adjustment in the same period or periods during which the hedged cash flows affect profit or loss.

If cash flow hedge accounting is discontinued, the amount that has been accumulated in OCI must remain in accumulated OCI if the hedged future cash flows are still expected to occur. Otherwise, the amount will be immediately reclassified to profit or loss as a reclassification adjustment. After discontinuation, once the hedged cash flow occurs, any amount remaining in accumulated OCI must be accounted for depending on the nature of the underlying transaction as described above.

(ab) Contract assets and contract liabilities

A contract asset is the right to consideration in exchange for goods or services transferred to the customer. If the Group performs by transferring goods or services to a customer before the customer pays consideration or before payment is due, a contract asset is recognised for the earned consideration that is conditional.

2. SIGNIFICANT ACCOUNTING POLICIES (CONT'D.)

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

(ab) Contract assets and contract liabilities (cont'd.)

A contract liability is the obligation to transfer goods or services to a customer for which the Group has received consideration (or an amount of consideration is due) from the customer. If a customer pays consideration before the Group transfers goods or services to the customer, a contract liability is recognised when the payment is made or the payment is due (whichever is earlier). Contract liabilities are recognised as revenue when the Group performs the contract.

(ac) Contract cost assets

(i) Incremental costs of obtaining a contract

The incremental costs of obtaining a contract are those costs that the Group incurs to obtain a contract with a customer which they would not have incurred if the contract had not been obtained.

(ii) Costs to fulfil a contract

The costs incurred in fulfilling a contract with a customer who are not within the scope of other MFRSs such as MFRS 102: Inventories, MFRS 116: Property, Plant and Equipment and MFRS 138: Intangible Assets, are recognised as contract cost assets when all of the following criteria are met:

- costs relate directly to a contract or to an anticipated contract that can be specifically identified;
- the costs generate or enhance resources of the Group that will be used in satisfying (or in continuing to satisfy) performance obligations in the future; and
- the costs are expected to be recovered.

Contract cost assets are amortised on a systematic basis that is consistent with the transfer to the customer of the goods or services to which the asset relates. The amortisation shall be updated subsequently to reflect any significant change to the expected timing of transfer to the customer of the goods or services to which the asset relates in accordance with MFRS 108: Accounting Policies, Changes in Accounting Estimate and Errors.

Impairment loss is recognised in profit or loss to the extent that the carrying amount of the contract cost exceeds:

- the remaining amount of consideration that the Group expects to receive in exchange for the goods or services to which the asset relates; less
- the costs that relate directly to providing those goods or services and that have not been recognised as expenses.

Before an impairment loss is recognised for contract cost, the Group shall recognise any impairment loss for assets related to the contract that are recognised in accordance with other MFRSs, such as MFRS 102, MFRS 116 and MFRS 138. The Group shall include the resulting carrying amount of the contract cost assets in the carrying amount of the cash-generating unit to which it belongs for the purpose of applying MFRS 136: Impairment of Assets to that cash-generating unit.

NOTES TO THE FINANCIAL STATEMENTS
31 December 2020

2. SIGNIFICANT ACCOUNTING POLICIES (CONT'D.)

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

(ac) Contract cost assets (cont'd.)

An impairment loss is reversed when the impairment conditions no longer exist or have improved. Such reversal is recognised in profit or loss.

2.5 Critical judgements and accounting estimates

Judgements, estimates and assumptions concerning the future are made in the preparation of the financial statements. They affect the application of the Group's accounting policies, reported amounts of assets, liabilities, income and expenses, and disclosures made. They are assessed on an on-going basis and are based on experience and relevant factors, including expectations of future events that are believed to be reasonable under the circumstances.

(a) Consideration in respect of COVID-19 pandemic

The COVID-19 outbreak was first identified in Wuhan, China in December 2019 and it was declared a pandemic by the World Health Organisation in March 2020. A nationwide Movement Control Order ("MCO") was subsequently enforced from 18 March 2020 to 9 June 2020 to contain the spread of the virus. During this period, our sales galleries, retail outlets and offices were closed and there were no sales and construction activities.

The Recovery Movement Control Order ("RMCO"), introduced on 10 June 2020, was effective till 31 August 2020. Restrictions on inter-state travelling and economic activities were relaxed. We managed to obtain approvals from the Ministry of International Trade and Industry to reconvene construction for certain projects. Conditional Movement Control Order ("CMCO") took place in certain states from October 2020 to January 2021 and subsequently, the MCO was re-introduced from 13 January 2021 to 4 March 2021. The MCO was replaced with CMCO from 5 March 2021 ever since. The pandemic has impacted the Malaysian economy and significantly curtailed business activities.

The Group and the Company have accounted for the impact of the pandemic and its consequential effects on the assessment of the impairment of its assets as disclosed in Notes 2.5(b)(ii),(iii),(iv),(vii),(viii) and (ix).

(b) Key sources of estimation uncertainty

The key assumptions concerning the future and other key sources of estimation uncertainty at the reporting date that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year are discussed below:

(i) Tax recoverable for BND legal case

As disclosed in Note 40(a), Bandar Nusajaya Development Sdn. Bhd. ("BND") received an additional assessment from the Inland Revenue Board ("IRB") for additional tax payable and tax penalty in respect of year of assessment 2006 totalling to RM73.8 million which has been paid in full. As the Group is disputing the additional assessment, the amount paid is recorded as receivable instead of tax expense in the financial statements. The collectability of the receivable of RM73.8 million is dependent on the ultimate outcome of the legal proceedings.

2. SIGNIFICANT ACCOUNTING POLICIES (CONT'D.)

2.5 Critical judgements and accounting estimates (cont'd.)

(b) Key sources of estimation uncertainty (cont'd.)

(ii) Income tax and deferred tax assets

Judgement is involved in determining the provision for income taxes. There are certain transactions and computations for which the ultimate tax determination is uncertain. The Group recognises liabilities for expected tax based on estimates of whether additional taxes will be due.

Where the final tax outcome of these matters is different from the amounts that were initially recognised, such differences will impact the income tax and deferred tax provisions in the year in which such determination is made.

Deferred tax assets are recognised for all unused tax losses and unabsorbed capital allowances to the extent that it is probable that taxable profits will be available against which the losses and capital allowances can be utilised. Significant management judgement is required to determine the amount of deferred tax assets can be recognised, based upon the likely timing and level of future taxable profits together with future tax planning strategies. The carrying amount of deferred tax as at reporting date is disclosed in Note 21.

(iii) Impairment of goodwill

The Group determines whether goodwill is impaired at least on an annual basis and at other times when such indication exists. This requires an estimation of the fair value less costs of disposal and value-in-use ("VIU") of the cash-generating units ("CGU") to which the goodwill is allocated. Estimating the VIU requires the Group to make an estimate of the expected future cash flows from the CGU and also to apply a suitable discount rate in order to calculate the present value of those cash flows. Details of goodwill are disclosed in Note 19.

(iv) Property development costs

The Group recognises property development revenue and expenses in profit or loss over time or at a point in time. The Group recognises revenue over time using the stage of completion method. The stage of completion is determined by reference to the proportion of costs incurred for the work performed to date over the estimated total costs where the outcome of the projects can be reliably estimated.

Significant judgement is required in determining the stage of completion, the extent of the costs incurred and the estimated total revenue and costs, as well as recoverability of the property development projects. Substantial changes in cost estimates, particularly in complex projects have had, and can in future periods have, a significant effect on the Group's profitability. In making the judgement, the Group evaluates based on past experience, external economic factors and by relying on the work of specialists.

Details of the property development costs are disclosed in Note 22.

NOTES TO THE FINANCIAL STATEMENTS
31 December 2020

2. SIGNIFICANT ACCOUNTING POLICIES (CONT'D.)

2.5 Critical judgements and accounting estimates (cont'd.)

(b) Key sources of estimation uncertainty (cont'd.)

(v) Provision for construction costs

The Group recognises a provision for construction costs relating to estimated final claims by contractors which have not been finalised.

Significant judgement is required in determining the extent of the costs to be incurred and in making the judgement, the Group evaluates based on past experience, external economic factors and by relying on the work of specialists.

The carrying amount of the Group's provision for construction costs as at reporting date is disclosed in Note 35.

(vi) Provision for foreseeable losses for low cost housing

Provision for foreseeable losses for low cost housing is recognised for anticipated losses to be incurred for the development of low cost housing under the requirements of the local Government attributable to a premium housing project. The Group is of the view that the expected costs should be accrued progressively as and when the premium housing is constructed.

Significant judgement is required in determining the amount of the foreseeable losses for low cost housing, as the construction of low cost housing is typically over the life of township development spanning more than few financial years. Regulatory, technological and economics changes may result in significant changes to the provision amount which will subsequently affect the profitability of premium housing.

The carrying amount of the Group's provision for foreseeable losses for low cost housing as at reporting date is disclosed in Note 35.

(vii) Net realisable value of completed property development units classified as inventories

Inventories held for sale are stated at the lower of cost or net realisable value. The Group estimates the net realisable value of inventories based on an assessment of expected sales prices.

Inventories held for sale are reviewed on a regular basis and the Group will make an allowance for impairment primarily based on historical trends and management estimates of expected and future product demand and related pricing.

Demand and pricing levels could change from time to time. If such factors result in an adverse effect on the Group's products, the Group provides additional allowances for slow moving inventories.

The carrying amount of the Group's inventories held for sale as at 31 December 2020 is disclosed in Note 23(a).

2. SIGNIFICANT ACCOUNTING POLICIES (CONT'D.)

2.5 Critical judgements and accounting estimates (cont'd.)

(b) Key sources of estimation uncertainty (cont'd.)

(viii) Impairment of interests in subsidiaries, joint ventures and associates

At each reporting date, the Group and the Company assess if any indication of impairment exists. If there is any indication, the Group and the Company will make an estimate of the recoverable amounts of its interests. This requires an estimation of the fair value less costs of disposal and value-in-use of the cash-generating units of its interests in subsidiaries, joint ventures and associates. Significant judgement is required in determining the estimated realisable value of the net assets and potential third party claims and other liabilities. In making the judgement, the Group and the Company rely on independent accredited third-party valuers and quantity surveyors' assessment. In determining the impairment charge, the market value or the forced sale value of the assets, as the case maybe, are assessed together with the potential third party claims and related liquidation costs.

The carrying amount as at 31 December 2020 is disclosed in Note 15, Note 16(a) and Note 17(a).

(ix) Impairment of investment properties, property, plant and equipment, land held for development, property development costs and right-of-use assets

At each reporting date, the Group assesses if any indication of impairment exists. If there is any indication, the Group will make an estimate of the recoverable amounts of its investments. This requires an estimation of the fair value less costs of disposal and value-in-use of the cash-generating units of its investment properties, property, plant and equipment, land held for development, property development costs and right-of-use assets. Significant judgement is required in determining the estimated realisable value of the net assets and potential third party claims and other liabilities. In making the judgement, the Group relies on independent accredited third-party valuers assessment in determining the impairment charge less costs of disposal.

The carrying amount as at 31 December 2020 is disclosed in Note 11, Note 12, Note 13, Note 14 and Note 22.

NOTES TO THE FINANCIAL STATEMENTS
31 December 2020

3. REVENUE

	Group		Company	
	2020 RM'000	**2019 RM'000**	**2020 RM'000**	**2019 RM'000**
Revenue from contract with customers	**1,103,107**	2,871,404	**86,854**	110,986
Revenue from other sources:				
- Rental income	**33,774**	38,057	**-**	-
- Dividend income from short term investments	**-**	-	**7,186**	1,573
- Dividend income from subsidiaries	**-**	-	**134,000**	98,000
	1,136,881	2,909,461	**228,040**	210,559
Revenue from contract with customers				
Property development:				
- Sales of development properties	**1,003,785**	2,357,263	**-**	-
- Sales of developed lands	**-**	54,483	**-**	-
	1,003,785	2,411,746	**-**	-
Strategic land sales	**27,943**	374,749	**-**	-
Car park collections	**21,043**	26,803	**-**	-
Hotel operations	**10,302**	18,869	**-**	-
Management fees from subsidiaries	**-**	-	**86,854**	110,986
Assets and facilities management and others	**40,034**	39,237	**-**	-
	1,103,107	2,871,404	**86,854**	110,986
Geographical market				
Malaysia	**653,230**	927,459	**85,475**	108,416
Australia	**448,114**	1,942,022	**1,330**	1,066
Singapore	**1,763**	1,923	**49**	1,504
	1,103,107	2,871,404	**86,854**	110,986
Timing of revenue				
At a point in time	**592,613**	2,344,066	**86,854**	110,986
Over time:				
- Property development (Note 25(a))	**490,056**	500,087	**-**	-
- Strategic land sales (Note 25(b))	**20,438**	27,251	**-**	-
	1,103,107	2,871,404	**86,854**	110,986

4. COST OF SALES

	Group		Company	
	2020 RM'000	**2019 RM'000 Restated**	**2020 RM'000**	**2019 RM'000**
Property development:				
- Sales of development properties	**781,034**	1,773,363	**-**	-
- Sales of developed lands	**-**	35,666	**-**	-
	781,034	1,809,029	**-**	-
Strategic land sales	**23,776**	253,883	**-**	-
Rental income and car park collections	**11,539**	14,115	**-**	-
Hotel operations	**6,285**	9,348	**-**	-
Costs of services rendered to subsidiaries	**-**	-	**82,718**	105,700
Assets and facilities management and others	**15,471**	17,261	**-**	-
	838,105	2,103,636	**82,718**	105,700

5. OPERATING PROFIT

The following amounts have been included in arriving at operating profit:

	Group		Company	
	2020 RM'000	**2019 RM'000**	**2020 RM'000**	**2019 RM'000**
Allowance for doubtful debts				
- receivables (Note 24(vii))	**8,706**	1,909	**-**	-
- amounts due from subsidiaries (Note 26)	**-**	-	**30,614**	-
Rental expenses of:				
- short-term leases	**358**	748	**564**	206
- low-value assets	**658**	478	**568**	403
Auditors' remuneration:				
EY and its affiliates:				
- statutory audit for the year:				
- Malaysian operations	**955**	860	**303**	203
- overseas operations	**613**	602	**-**	-
- non-statutory audit	**322**	72	**322**	72
- EY affiliates	**450**	353	**69**	6
Other auditors	**17**	12	**-**	-
Depreciation of property, plant and equipment (Note 11)	**24,688**	20,163	**8,009**	2,845

NOTES TO THE FINANCIAL STATEMENTS
31 December 2020

5. OPERATING PROFIT (CONT'D.)

The following amounts have been included in arriving at operating profit: (cont'd.)

	Group		Company	
	2020 RM'000	**2019 RM'000**	**2020 RM'000**	**2019 RM'000**
Depreciation of investment properties (Note 12)	**21,382**	16,037	**-**	-
Depreciation of right-of-use assets (Note 13)	**10,892**	10,949	**6,483**	6,748
Directors' remuneration (Note (i))	**3,342**	3,161	**3,342**	3,161
Staff costs (Note (ii))	**130,632**	153,781	**71,761**	83,373
Remeasurement of long term receivables (Note 24(v))	**3,503**	(1,922)	**-**	-
Write back of allowance for impairment:				
- receivables (Note 24(vii))	**(591)**	(2,043)	**-**	-
Net inventories written down	**35,844**	4,921	**-**	-
Loss/(gain) on foreign exchange:				
- unrealised	**2,721**	9,036	**854**	(1,720)
- realised	**6,382**	(483)	**1**	(1,297)
Direct operating expenses arising from investment properties that are:				
- generating rental income	**20,634**	21,190	**-**	-
- not generating rental income	**7,392**	2,550	**-**	-
Dividend income from short term investments	**(7,186)**	(1,573)	**(7,186)**	(1,573)
Interest income:				
- deposits with licensed banks	**(6,399)**	(16,372)	**(1,670)**	(1,369)
- accretion of interest on long term receivables (Note 24(v))	**(2,092)**	(8,967)	**-**	-
- subsidiaries	**-**	-	**(135,031)**	(130,671)
- joint ventures	**(18,811)**	(7,729)	**-**	(5,079)
- an associate	**(176)**	(38)	**-**	-
- others	**(6,044)**	(5,487)	**-**	-
Provision for impairment of:				
- interests in subsidiaries (Note 15)	**-**	-	**714**	-
- interests in joint ventures	**-**	51,113	**34,877**	70,417
- investment property (Note 12)	**26,476**	-	**-**	-
- land held for property development (Note 14)	**17,458**	-	**-**	-
- property, plant and equipment (Note 11)	**2,566**	-	**-**	-
- property development costs (Note 22)	**1,065**	-	**-**	-
- right-of-use asset (Note 13)	**748**	-	**-**	-
(Gain)/loss on disposal of:				
- investment property	**-**	(2,048)	**-**	-
- property, plant and equipment	**(14)**	167	**-**	-

5. OPERATING PROFIT (CONT'D.)

The following amounts have been included in arriving at operating profit: (cont'd.)

(i) Directors' remuneration

	Group/Company			
	2020		2019	
	Salary and other emoluments RM'000	Benefits-in-kind RM'000	Salary and other emoluments RM'000	Benefits-in-kind RM'000
Executive director:				
Anwar Syahrin Abdul Ajib	**1,493**	**94**	1,347	120

	Group/Company			
	2020		2019	
	Director fees[7] RM'000	Other emoluments[7] RM'000	Director fees[7] RM'000	Other emoluments[7] RM'000
Non-executive directors:				
Dato' Noorazman Abd Aziz	**179**	**16[1]**	126[2]	-
Tan Sri Dr Azmil Khalili Dato' Khalid	**166**	**-**	152	-
Dato' Mohd Izani Ghani	**156[3]**	**-**	92[4]	-
Zaida Khalida Shaari	**132**	**-**	142[5]	-
Effizal Faiz Zulkifly	**121[4]**	**-**	-	-
YM Ungku Suseelawati Ungku Omar	**138**	**-**	140	-
Datin Teh Ija Mohd Jalil	**201**	**-**	203	-
Christina Foo	**183**	**-**	153	-
Chari Thandalam Veeravalli Thirumala	**24**	**-**	-	-
Poh Ying Loo	**26**	**-**	-	-
Tan Sri Dato' Sri Zamzamzairani Mohd Isa	**110**	**66[6]**	210	117[6]
Subimal Sen Gupta	**157**	**-**	203	-
Lim Tian Huat	**80**	**-**	153	-
Wong Shu Hsien	**-**	**-**	3[4]	-
	1,673	**82**	1,577	117
	3,166	**176**	2,924	237
Total directors' remuneration		**3,342**		3,161

NOTES TO THE FINANCIAL STATEMENTS
31 December 2020

5. OPERATING PROFIT (CONT'D.)

(i) Directors' remuneration (cont'd.)

[1] Comprised car-related and other claimable benefits.
[2] Fees amounting to RM40,645 for the period up to 16.05.2019 for nominee of UEM Group Berhad ("UEM Group") on the Board of the Company are paid to Khazanah Nasional Berhad ("Khazanah"). From 17.05.2019 onwards, fees are paid to the Director. On 18.10.2019, he ceased to be a nominee of UEM Group on the Board of the Company.
[3] Fees amounting to RM33,094 for the period up to 15.03.2020 for nominee of UEM Group on the Board of the Company are paid to Khazanah. From 16.03.2020 onwards, fees are paid to UEM Group.
[4] Fees for nominees of UEM Group on the Board of the Company are paid to Khazanah.
[5] Fees for nominee of Khazanah on the Board of the Company are paid to Khazanah. From 02.01.2019, fees are paid to the Director. On 24.02.2020, she ceased to be a nominee of Khazanah on the Board of the Company.
[6] Comprised car-related benefits and other permissible items/claims, home guard security services and provision of driver.
[7] Excluding SST where applicable.

(ii) Staff costs

	Group		Company	
	2020 RM'000	**2019 RM'000**	**2020 RM'000**	**2019 RM'000**
Wages and salaries	**84,380**	95,193	**45,924**	55,994
Staff bonus, benefits and welfare	**41,471**	30,013	**17,566**	3,101
Restructuring cost	**-**	25,907	**-**	14,257
Statutory contribution to EPF and social security costs	**12,308**	14,426	**7,329**	8,741
Training expenses	**981**	1,398	**942**	1,280
	139,140	166,937	**71,761**	83,373
Capitalised to:				
Land held for property development (Note 14)	**(2,345)**	(4,210)	**-**	-
Property development costs (Note 22)	**(6,163)**	(8,946)	**-**	-
	130,632	153,781	**71,761**	83,373

6. FINANCE COSTS

	Group		Company	
	2020 RM'000	**2019 RM'000 Restated**	**2020 RM'000**	**2019 RM'000**
Finance costs incurred and accrued during the year on:				
- IMTN, term loans and structured commodity	**155,202**	167,869	**143,150**	131,583
- revolving credits and bank overdraft	**21,219**	19,788	**13,575**	13,815
- loan from immediate holding company	**7**	2,694	**-**	-
- loan from subsidiaries	**-**	-	**7,519**	681
- interest on lease liabilities (Note 13)	**1,207**	1,683	**681**	888
- accretion of interest on long term payables	**5,199**	817	**-**	-
- bank charges	**1,019**	957	**11**	-
	183,853	193,808	**164,936**	146,967
Capitalised in:				
- land held for property development (Note 14)	**(41,033)**	(37,759)	**-**	-
- property development costs (Note 22)	**(9,794)**	(38,102)	**-**	-
- property, plant, and equipment (Note 11)	**(125)**	(438)	**-**	-
- investment property (Note 12)	**(51)**	-	**-**	-
	(51,003)	(76,299)	**-**	-
	132,850	117,509	**164,936**	146,967

The interest and profit rates for borrowing cost capitalised during the financial year range from 3.70% to 5.32% (2019: 3.85% to 5.52%) per annum.

NOTES TO THE FINANCIAL STATEMENTS
31 December 2020

7. ZAKAT

	Group	
	2020 RM'000	**2019 RM'000**
Expensed and paid in the financial year	**1,080**	2,006

8. INCOME TAX EXPENSE/(BENEFIT)

	Group		Company	
	2020 RM'000	**2019 RM'000 Restated**	**2020 RM'000**	**2019 RM'000**
Income tax:				
Malaysian income tax	**19,843**	33,067	**-**	-
Foreign tax	**92,656**	115,611	**-**	-
Under/(over) provision in prior years	**8,981**	7,847	**72**	(506)
	121,480	156,525	**72**	(506)
Deferred tax (Note 21):				
Relating to origination and reversal of temporary differences	**(52,752)**	(450)	**-**	-
Underprovision of deferred tax in prior years	**11,577**	3,220	**-**	-
	(41,175)	2,770	**-**	-
Total income tax expense/(benefit)	**80,305**	159,295	**72**	(506)

Domestic income tax is calculated at the Malaysian statutory tax rate of 24% of the estimated assessable profit for the financial year.

Taxation for other jurisdictions is calculated at the rates prevailing in the respective jurisdictions.

8. INCOME TAX EXPENSE/(BENEFIT) (CONT'D.)

A reconciliation of income tax expense/(benefit) applicable between (loss)/profit before zakat and income tax at the statutory income tax rate and income tax expense/(benefit) at the effective income tax rate of the Group and of the Company is as follows:

	Group		Company	
	2020 RM'000	**2019 RM'000**	**2020 RM'000**	**2019 RM'000**
(Loss)/profit before zakat and income tax	**(195,331)**	381,767	**7,632**	11,684
Taxation at Malaysian statutory tax rate of 24% (2019: 24%)	**(46,879)**	91,624	**1,832**	2,804
Effect of different tax rates in other countries	**7,732**	25,141	**-**	-
Income not subject to tax	**(2,385)**	(2,661)	**(33,891)**	(24,630)
Expenses not deductible for tax purposes	**33,514**	22,925	**32,059**	21,826
Deferred tax assets not recognised during the year	**35,964**	14,752	**-**	-
Reversal of deferred tax assets	**16,537**	-	**-**	-
Withholding tax payable	**-**	1,700	**-**	-
Tax effect on share of associates' and joint ventures' results	**15,523**	(4,772)	**-**	-
Under/(over) provision of income tax in prior years	**8,981**	7,847	**72**	(506)
Under provision of deferred tax in prior years	**11,577**	3,220	**-**	-
Zakat deduction	**(259)**	(481)	**-**	-
Tax expense/(benefit) for the year	**80,305**	159,295	**72**	(506)

9. DIVIDEND

Since the end of the previous financial year, no dividend has been paid by the Company.

The directors do not recommend the payment of any dividend in respect of the current financial year.

NOTES TO THE FINANCIAL STATEMENTS
31 December 2020

10. (LOSS)/EARNINGS PER SHARE

(a) Basic

Basic (loss)/earnings per share are calculated by dividing profit for the financial year attributable to owners of the parent by the weighted average number of ordinary shares in issue during the financial year.

	Group	
	2020	**2019**
(Loss)/profit for the year attributable to owners of the parent (RM'000)	**(277,284)**	221,597
Weighted average number of ordinary shares in issue ('000)	**5,058,476**	4,537,436
Basic (loss)/earnings per share (sen)	**(5.5)**	4.9

(b) Diluted

For the purpose of calculating diluted (loss)/earnings per share, the (loss)/profit for the financial year attributable to owners of the parent and the weighted average number of ordinary shares in issue during the financial year has been adjusted for the dilutive effect of all potential ordinary shares.

	Group	
	2020	**2019**
(Loss)/profit for the year attributable to owners of the parent (RM'000)	**(277,284)**	221,597
Weighted average number of ordinary shares in issue ('000)	**5,058,476**	4,537,436
Effects of dilution from RCPS ('000)	**-**	617,077
	5,058,476	5,154,513
Diluted (loss)/earnings per share (sen)	**(5.5)**	4.3

The RCPS matured during the financial year, hence balance is Nil at the reporting date. Details of the RCPS movement is disclosed in Note 28.

There have been no other transactions involving ordinary shares between the reporting date and the date of authorisation of these financial statements.

11. PROPERTY, PLANT AND EQUIPMENT

Group	Freehold land RM'000	Building RM'000	Capital work-in-progress RM'000	Plant and machinery RM'000	Floating pontoons RM'000	Motor vehicles RM'000	Renovation, equipment and others RM'000	Total RM'000
At 31 December 2020								
Net carrying amount at 1 January 2020	**14,882**	**305,220**	**14,651**	**78,814**	**28**	**191**	**42,270**	**456,056**
Additions	**-**	**1,682**	**6,485**	**-**	**-**	**-**	**1,619**	**9,786**
Foreign currency translation	**-**	**170**	**-**	**-**	**-**	**-**	**86**	**256**
Transfer to investment properties (Note 12)	**-**	**-**	**(3,569)**	**-**	**-**	**-**	**(1,312)**	**(4,881)**
Transfer from land held for development costs (Note 14)	**14**	**-**	**-**	**-**	**-**	**-**	**-**	**14**
Transfer from property development cost (Note 22)	**-**	**44,637**	**-**	**-**	**-**	**-**	**-**	**44,637**
Reclassification	**-**	**-**	**(13,934)**	**-**	**-**	**-**	**13,934**	**-**
Depreciation charge (Note 5)	**-**	**(6,969)**	**-**	**(5,295)**	**(28)**	**(105)**	**(12,291)**	**(24,688)**
Impairment (Note 5)	**-**	**-**	**-**	**(2,566)**	**-**	**-**	**-**	**(2,566)**
Net carrying amount at 31 December 2020	**14,896**	**344,740**	**3,633**	**70,953**	**-**	**86**	**44,306**	**478,614**
Cost	**14,896**	**372,458**	**3,633**	**104,927**	**6,476**	**9,787**	**109,898**	**622,075**
Accumulated depreciation	**-**	**(27,718)**	**-**	**(31,408)**	**(6,476)**	**(9,701)**	**(65,592)**	**(140,895)**
Accumulated impairment	**-**	**-**	**-**	**(2,566)**	**-**	**-**	**-**	**(2,566)**
Net carrying amount	**14,896**	**344,740**	**3,633**	**70,953**	**-**	**86**	**44,306**	**478,614**

Included in capital work-in-progress is the borrowing cost of RM125,000 (2019: RM438,000) for the construction of buildings.

NOTES TO THE FINANCIAL STATEMENTS
31 December 2020

11. PROPERTY, PLANT AND EQUIPMENT (CONT'D.)

Group	Freehold land RM'000	Building RM'000	Capital work-in-progress RM'000	Plant and machinery RM'000	Floating pontoons RM'000	Motor vehicles RM'000	Renovation, equipment and others RM'000	Total RM'000
At 31 December 2019								
Net carrying amount at 1 January 2019	14,882	295,640	74,475	31,810	921	330	27,494	445,552
Additions	-	-	21,416	52	-	-	23,388	44,856
Adjustment to cost estimates	-	(613)	(1,166)	-	-	-	-	(1,779)
Disposal	-	-	-	-	-	-	(318)	(318)
Foreign currency translation	-	-	(1,928)	-	-	-	(6)	(1,934)
Transfer to property development cost (Note 22)	-	-	(10,158)	-	-	-	-	(10,158)
Reclassification	-	16,592	(67,988)	51,396	-	-	-	-
Depreciation charge (Note 5)	-	(6,399)	-	(4,444)	(893)	(139)	(8,288)	(20,163)
Net carrying amount at 31 December 2019	14,882	305,220	14,651	78,814	28	191	42,270	456,056
Cost	14,882	325,969	14,651	104,927	6,476	9,931	95,571	572,407
Accumulated depreciation	-	(20,749)	-	(26,113)	(6,448)	(9,740)	(53,301)	(116,351)
Net carrying amount	14,882	305,220	14,651	78,814	28	191	42,270	456,056

11. PROPERTY, PLANT AND EQUIPMENT (CONT'D.)

Company	Capital work-in-progress RM'000	Renovation, equipment and others RM'000	Total RM'000
At 31 December 2020			
Net carrying amount at 1 January 2020	**15,849**	**16,596**	**32,445**
Additions	**2,363**	**3,852**	**6,215**
Adjustment to cost estimates	**(4)**	**-**	**(4)**
Disposal	**-**	**(10)**	**(10)**
Reclassification	**(17,981)**	**17,981**	**-**
Depreciation charge (Note 5)	**-**	**(8,009)**	**(8,009)**
Net carrying amount at 31 December 2020	**227**	**30,410**	**30,637**
Cost	**227**	**41,841**	**42,068**
Accumulated depreciation	**-**	**(11,431)**	**(11,431)**
Net carrying amount	**227**	**30,410**	**30,637**
At 31 December 2019			
Net carrying amount at 1 January 2019	8,892	8,538	17,430
Additions	6,957	10,903	17,860
Depreciation charge (Note 5)	-	(2,845)	(2,845)
Net carrying amount at 31 December 2019	15,849	16,596	32,445
Cost	15,849	20,018	35,867
Accumulated depreciation	-	(3,422)	(3,422)
Net carrying amount	15,849	16,596	32,445

NOTES TO THE FINANCIAL STATEMENTS
31 December 2020

12. INVESTMENT PROPERTIES

Group	Investment properties under construction RM'000	Completed investment properties RM'000	Total RM'000
Cost			
At 1 January 2020	-	944,220	944,220
Addition	11,069	2,593	13,662
Transfer from property, plant and equipment (Note 11)	3,569	1,312	4,881
Foreign translation	-	7,636	7,636
At 31 December 2020	14,638	955,761	970,399
Accumulated depreciation			
At 1 January 2020	-	(98,609)	(98,609)
Depreciation charge (Note 5)	-	(21,382)	(21,382)
At 31 December 2020	-	(119,991)	(119,991)
Accumulated impairment			
At 1 January 2020	-	-	-
Impairment charge (Note 5)	-	(26,476)	(26,476)
At 31 December 2020	-	(26,476)	(26,476)
Net carrying amount	14,638	809,294	823,932
Fair value of investment properties (Note 42)	#	1,103,121	1,103,121

Impairment losses of investment properties

At the reporting date, the Group conducted an impairment review of its investment properties, principally based on the independent accredited third-party valuers assessment, which represents the directors' estimation of the market value less costs of disposal.

The COVID-19 pandemic and restricted movement control order have affected the retail business with the reduction of footfall of customers. This resulted to decline in profitability and occupancy rates of the retails business during those periods, hence affected the market value of the properties which gave rise to recognition of impairment loss amounting to RM26,476,000 (2019: RMNil).

12. INVESTMENT PROPERTIES (CONT'D.)

Group	Completed investment properties RM'000
Cost	
At 1 January 2019	811,487
Addition	134,855
Disposal	(1,105)
Transfer from property development costs (Note 22)	4,471
Foreign translation	(5,488)
At 31 December 2019	944,220
Accumulated depreciation	
At 1 January 2019	(82,784)
Depreciation charge (Note 5)	(16,037)
Disposal	212
At 31 December 2019	(98,609)
Net carrying amount	845,611
Fair value of investment properties (Note 42) ^	1,165,895

\# The fair value of the investment properties under construction cannot be reliably determined and accordingly, no fair value information is being disclosed.

^ The fair value of investment properties as at 31 December 2019 includes the cost of properties completed in 2018 and recently obtained completion certificate of RM93,045,000 which approximates to fair value.

The Group has no restrictions on the realisability of its investment properties and no significant contractual obligations to purchase, construct or develop investment properties or for repairs, maintenance and enhancements.

The fair value of the investment properties has been substantially arrived at via valuation performed by accredited independent valuers, in which categorised within the fair value hierarchy (Level 3), as the fair value is measured using inputs that are not based on observable market data.

The fair value of investment properties described above was based on conditions existing as at 31 December 2020.

Included in investment properties under construction is the borrowing cost of RM51,000 (2019: RMNil) for the construction of a building.

NOTES TO THE FINANCIAL STATEMENTS
31 December 2020

13. RIGHT-OF-USE ASSETS

Group	Buildings RM'000	Plant and equipment RM'000	Total RM'000
At 1 January 2020	**28,425**	**104**	**28,529**
Addition	**522**	**-**	**522**
Depreciation (Note 5)	**(10,842)**	**(50)**	**(10,892)**
Impairment (Note 5)	**(748)**	**-**	**(748)**
At 31 December 2020	**17,357**	**54**	**17,411**
At 1 January 2019	39,165	162	39,327
Addition	151	-	151
Depreciation (Note 5)	(10,891)	(58)	(10,949)
At 31 December 2019	28,425	104	28,529

Company	Buildings 2020 RM'000	Buildings 2019 RM'000
At 1 January	**17,200**	23,575
Addition	**537**	373
Write-off	**(322)**	-
Depreciation (Note 5)	**(6,483)**	(6,748)
At 31 December	**10,932**	17,200

The Group and the Company lease a number of offices and buildings for a period of between 1 year and 3 years, with fixed rents and an option to renew the lease.

Group	Buildings RM'000	Plant and equipment RM'000	Total RM'000
Lease liabilities			
At 1 January 2020	**29,988**	**106**	**30,094**
Addition	**522**	**-**	**522**
Accretion of interest (Note 6)	**1,203**	**4**	**1,207**
Billings	**(11,342)**	**(53)**	**(11,395)**
At 31 December 2020	**20,371**	**57**	**20,428**
Analysed into:			
Non-current	**8,549**	**11**	**8,560**
Current	**11,822**	**46**	**11,868**
	20,371	**57**	**20,428**

13. RIGHT-OF-USE ASSETS (CONT'D.)

Group	Buildings RM'000	Plant and equipment RM'000	Total RM'000
Lease liabilities			
At 1 January 2019	39,165	162	39,327
Addition	151	-	151
Accretion of interest (Note 6)	1,677	6	1,683
Billings	(11,005)	(62)	(11,067)
At 31 December 2019	29,988	106	30,094
Analysed into:			
Non-current	19,656	58	19,714
Current	10,332	48	10,380
	29,988	106	30,094

	Buildings	
Company	**2020 RM'000**	**2019 RM'000**
Lease liabilities		
At 1 January	**17,808**	23,575
Addition	**537**	373
Write-off	**(333)**	-
Accretion of interest (Note 6)	**681**	888
Billings	**(7,074)**	(7,028)
At 31 December	**11,619**	17,808
Analysed into:		
Non-current	**5,469**	13,069
Current	**6,150**	4,739
	11,619	17,808

The maturity analysis of lease liabilities is disclosed as below:

Group 2020	Future minimum lease payments RM'000	Interest RM'000	Present value of minimum lease payments RM'000
Within 1 year	**12,549**	**681**	**11,868**
Between 2 and 5 years	**8,729**	**169**	**8,560**

NOTES TO THE FINANCIAL STATEMENTS
31 December 2020

13. RIGHT-OF-USE ASSETS (CONT'D)

The maturity analysis of lease liabilities is disclosed as below (cont'd):

Group **2019**	**Future minimum lease payments RM'000**	**Interest RM'000**	**Present value of minimum lease payments RM'000**
Within 1 year	11,586	1,206	10,380
Between 2 and 5 years	20,534	820	19,714

Company	**Future minimum lease payments RM'000**	**Interest RM'000**	**Present value of minimum lease payments RM'000**
2020			
Within 1 year	**6,550**	**400**	**6,150**
Between 2 and 5 years	**5,574**	**105**	**5,469**
2019			
Within 1 year	5,439	700	4,739
Between 2 and 5 years	13,552	483	13,069

Group **Extension options** **2019**	**Lease liability recognised (discounted) RM'000**	**Potential future lease payments not included in lease liability (discounted) RM'000**	**Historical rate of exercise of extension options %**
Building	1,980	1,242	50%

Some leases of office buildings contain extension options exercisable by the Group up to three years before the end of the non-cancellable contract period. Where practicable, the Group seeks to include extension options in new leases to provide operational flexibility. The Group assesses at lease commencement whether it is reasonably certain to exercise the extension options. The Group reassesses whether it is reasonably certain to exercise the options if there is a significant event or significant change in circumstances within its control. During the financial year, the group did not opt for the extension options.

Sale and leaseback

In 2015, the Group sold an office building and leased the building back for seven years. This sale and leaseback transaction enabled the Group to gain access more capital while continuing to use the office building. The rent is adjusted every two years after the first tenancy period of three years to reflect increases in local market rents for similar properties.

14. LAND HELD FOR PROPERTY DEVELOPMENT

	Group	
	2020 **RM'000**	**2019** **RM'000** **Restated**
Cost		
At 1 January	**5,611,632**	4,706,729
Business combination (Note 48(b))	**-**	807,502
Additions	**354,444**	233,379
Disposal	**(2,000)**	-
Expense off	**-**	(1,494)
Impairment (Note 5)	**(17,458)**	-
Transfer to property, plant and equipments (Note 11)	**(14)**	-
Transfer to property development costs (Note 22)	**(113,857)**	(134,484)
At 31 December	**5,832,747**	5,611,632

As at the reporting date, land and related development expenditures of RM739,978,000 (2019: RM622,993,000) are pledged as securities for the borrowing facilities granted to the Group as disclosed in Note 34(a).

Included in the additions to the land held for property development of the Group during the financial year are as follows:

	Group	
	2020 **RM'000**	**2019** **RM'000**
Interest capitalised (Note 6)	**41,033**	37,759
Staff costs (Note 5(ii))	**2,345**	4,210

Included in land held for property development of the Group are parcels of land committed through the Master Agreement between UEM Land Berhad ("UEM Land"), a wholly-owned subsidiary of the Company with Ascendas Land (Malaysia) Sdn. Bhd. ("Ascendas").

The Master Agreement was entered on 23 October 2012 whereby UEM Land has granted the option for Ascendas to purchase 519 acres of land within the nine years period commencing from the date of the Master Agreement. As at the end of the financial year, 399 acres of land remain unsold. The options shall automatically lapse if not exercised within the option period.

Impairment losses of land held for property development

At the reporting date, the Group conducted an impairment review on land held for property development, principally based on the independent accredited third-party valuers' assessment, which represents the directors' estimation of the market value less costs of disposal.

The review gave rise to the recognition of impairment losses of RM17,458,000 (2019: RMNil). The impairment losses arose mainly due to COVID-19 pandemic which resulted in a drop of market values of the assets.

NOTES TO THE FINANCIAL STATEMENTS
31 December 2020

15. INTERESTS IN SUBSIDIARIES

	Company	
	2020 RM'000	2019 RM'000
Investment in subsidiaries, unquoted shares		
At 1 January/31 December	**3,181,299**	3,181,299
Investment in RCPS/RPS, issued by subsidiaries		
At 1 January/31 December	**1,155,212**	1,155,212
Impairment losses		
At 1 January/31 December	**(18,116)**	(18,116)
Impairment losses (Note 5)	**(714)**	-
At 31 December	**(18,830)**	(18,116)
	4,317,681	4,318,395

Details of the subsidiaries are disclosed in Note 45.

Impairment losses of interests in subsidiaries

At the reporting date, the Company conducted an impairment review of its interests in certain subsidiaries, principally based on the Company's share of net assets in these subsidiaries, which represents the directors' estimation of fair value less costs of disposal of these subsidiaries.

16a. INTERESTS IN ASSOCIATES

	Group	
	2020 RM'000	**2019 RM'000 Restated**
Investment in associates, unquoted shares		
At 1 January	**56,553**	56,566
Written off	**-**	(13)
At 31 December	**56,553**	56,553
Investment in RPS, issued by an associate		
At 1 January/31 December	**360,000**	360,000
Share of post-acquisition reserves		
At 1 January	**103,313**	105,745
Share of reserve during the year	**(7,628)**	(2,432)
At 31 December	**95,685**	103,313
Foreign currency translation	**(25,627)**	(24,612)
	486,611	495,254

	Company	
	2020 RM'000	**2019 RM'000**
Investment in an associate, unquoted shares	**1,170**	1,170

Details of associates are disclosed in Note 46.

NOTES TO THE FINANCIAL STATEMENTS
31 December 2020

16a. INTERESTS IN ASSOCIATES (CONT'D.)

Summarised financial information in respect of Group's material associates is set out below. The summarised financial information represents the amounts in the financial statements of the associates and not the Group's share of those amounts.

Summarised statement of financial position

	Scope Energy Sdn. Bhd.		Setia Haruman Sdn. Bhd.	
	2020 RM'000	**2019 RM'000**	**2020 RM'000 Restated**	**2019 RM'000**
Non-current assets	**883,995**	883,935	**1,123,433**	1,060,698
Current assets	**19,197**	18,877	**1,583,672**	1,635,868
Total assets	**903,192**	902,812	**2,707,105**	2,696,566
Non-current liabilities	**-**	-	**1,880,534**	1,814,497
Current liabilities	**39**	43	**218,096**	249,210
Total liabilities	**39**	43	**2,098,630**	2,063,707
Net assets	**903,153**	902,769	**608,475**	632,859

Summarised statement of comprehensive income

	Scope Energy Sdn. Bhd.		Setia Haruman Sdn. Bhd.	
	2020 RM'000	**2019 RM'000**	**2020 RM'000**	**2019 RM'000**
Revenue	**-**	-	**110,002**	177,342
Profit/(loss) before tax	**476**	735	**(30,236)**	20,418
Total comprehensive income/(expense)	**384**	593	**(24,384)**	16,466

16a. INTERESTS IN ASSOCIATES (CONT'D.)

(cont'd.)

Reconciliation of the summarised financial information presented above to the carrying amount of the Group's interests in associates.

	Scope Energy Sdn. Bhd.		Setia Haruman Sdn. Bhd.	
	2020 RM'000	**2019 RM'000**	**2020 RM'000**	**2019 RM'000**
Net assets at 1 January	**902,769**	902,176	**632,859**	616,393
Profit/(loss) for the year	**384**	593	**(24,384)**	16,466
Net assets at 31 December	**903,153**	902,769	**608,475**	632,859
Interests in associate	**40%**	40%	**25%**	25%
	361,261	361,108	**152,119**	158,215
Unrealised profit arising from land sales	**(35,902)**	(35,902)	**-**	-
Carrying value of Group's interest	**325,359**	325,206	**152,119**	158,215

Aggregate information of associates that are not individually material

	2020 RM'000	**2019 RM'000**
The Group's share of loss before tax	**(1,686)**	(6,960)
The Group's share of loss after tax	**(1,686)**	(6,960)

Apart from as disclosed in Note 40, there is no material contingent liability and capital commitment relating to associates as at 31 December 2020 and 31 December 2019.

16b. AMOUNTS DUE FROM ASSOCIATES

Group

Amounts due from associates are unsecured, non-interest bearing and repayable on demand except for amount of RM9,745,000 (2019: RM12,000,000) which bears interest at an average rate of 5.5% (2019: 5.5%) per annum.

Company

Amount due from associates are unsecured, non-interest bearing and repayable on demand.

NOTES TO THE FINANCIAL STATEMENTS
31 December 2020

17a. INTERESTS IN JOINT VENTURES

	2020 RM'000	2019 RM'000 Restated
Group		
Investment in joint ventures, unquoted shares		
At 1 January/31 December	**33,954**	33,954
Investment in Redeemable Convertible Loan Stocks ("RCULS"), RCPS and RPS, issued by joint ventures		
At 1 January	**697,021**	662,016
Additional investment (Note (i))	**-**	35,005
At 31 December	**697,021**	697,021
Share of post-acquisition reserves	**137,084**	192,951
Amounts due from joint ventures (Note (ii))	**182,273**	163,889
Accumulated impairment losses	**(61,320)**	(61,320)
	989,012	1,026,495
Company		
Investments in joint ventures, unquoted shares		
At 1 January/31 December	**23,580**	23,580
Investment in RCULS, RCPS and RPS, issued by joint ventures		
At 1 January	**502,562**	467,557
Additional investment (Note (i))	**-**	35,005
At 31 December	**502,562**	502,562
Impairment losses (Note (iv))	**(221,056)**	(186,179)
At 31 December	**305,086**	339,963

17a. INTERESTS IN JOINT VENTURES (CONT'D.)

(i) Acquisition of investment in joint ventures

In the previous financial year, the Company subscribed additional Redeemable Preference Shares of RM47,958,000 at RM1.00 per share in Desaru North Course Residences Sdn. Bhd. upon the Desaru settlement arrangement with Themed Attractions Resorts & Hotels Sdn. Bhd. via acquisition of properties in Puteri Harbour, alongside redemption of Redeemable Preference Shares in Desaru South Course Land Sdn. Bhd. and Desaru South Course Residences Sdn. Bhd. of amounts RM265,000 and RM12,688,000 respectively.

(ii) Amounts due from joint ventures are unsecured and non-interest bearing. The Group views the non-trade amounts due from joint ventures as part of the Group's interests in joint ventures.

(iii) Apart from as disclosed in Note 40, there is no material contingent liability and capital commitment relating to joint ventures as at 31 December 2020 and 31 December 2019.

(iv) At the reporting date, the Company conducted an impairment review of its interests in certain joint ventures, principally based on the share of net assets in these joint ventures, which represents the directors' estimation of fair value less costs of disposal in these joint ventures.

The impairment losses arose mainly due to the decline in recoverable amounts and the values of the properties due to COVID-19 pandemic.

NOTES TO THE FINANCIAL STATEMENTS
31 December 2020

17a. INTERESTS IN JOINT VENTURES (CONT'D.)

(v) Summarised financial information in respect of Group's material joint ventures are set out below. The summarised information represents the amounts in the financial statements of the joint ventures and not the Group's share of those amounts.

Summarised statement of financial position

	FASTrack Iskandar Sdn. Bhd.		Nusajaya Tech Park Sdn. Bhd.		Nusajaya Lifestyle Sdn. Bhd.		Horizon Hills Development Sdn. Bhd.		Nusajaya Premier Sdn. Bhd.		Sunrise MCL Land Sdn. Bhd.		Total	
	2020 RM'000	2019 RM'000	2020 RM'000	2019 RM'000	2020 RM'000	2019 RM'000	2020 RM'000	2019 RM'000 Restated	2020 RM'000	2019 RM'000	2020 RM'000	2019 RM'000	2020 RM'000	2019 RM'000 Restated
Non-current assets	**203,850**	202,953	**9,530**	8,237	**191,191**	222,996	**201,225**	207,773	**194,636**	194,117	**133,318**	120,993	**933,750**	957,069
Cash and cash equivalents	**2,564**	6,713	**21,263**	48,447	**710**	8,279	**243,687**	325,128	**249**	175	**48,745**	29,305	**317,218**	418,047
Other current assets	**87,163**	86,787	**153,019**	165,789	**6,665**	3,451	**634,216**	675,781	**10,470**	15,114	**79,934**	93,415	**971,467**	1,040,337
Total current assets	**89,727**	93,500	**174,282**	214,236	**7,375**	11,730	**877,903**	1,000,909	**10,719**	15,289	**128,679**	122,720	**1,288,685**	1,458,384
Total assets	**293,577**	296,453	**183,812**	222,473	**198,566**	234,726	**1,079,128**	1,208,682	**205,355**	209,406	**261,997**	243,713	**2,222,435**	2,415,453
Current liabilities	**-**	-	**-**	-	**-**	-	**122,387**	167,401	**15,206**	17,547	**1,281**	-	**138,874**	184,948
Trade and other payables and provisions	**48**	814	**8,861**	13,141	**33,967**	32,247	**74,832**	81,357	**157**	982	**39,088**	25,366	**156,953**	153,907
Total current liabilities	**48**	814	**8,861**	13,141	**33,967**	32,247	**197,219**	248,758	**15,363**	18,529	**40,369**	25,366	**295,827**	338,855
Non-current liabilities	**84**	84	**13,845**	46,036	**-**	-	**31,203**	126,371	**-**	-	**-**	-	**45,132**	172,491
Trade and other payables and provisions	**-**	-	**-**	-	**-**	-	**9,723**	16,126	**-**	-	**-**	-	**9,723**	16,126
Total non-current liabilities	**84**	84	**13,845**	46,036	**-**	-	**40,926**	142,497	**-**	-	**-**	-	**54,855**	188,617
Total liabilities	**132**	898	**22,706**	59,177	**33,967**	32,247	**238,145**	391,255	**15,363**	18,529	**40,369**	25,366	**350,682**	527,472
Net assets	**293,445**	295,555	**161,106**	163,296	**164,599**	202,479	**840,983**	817,427	**189,992**	190,877	**221,628**	218,347	**1,871,753**	1,887,981

17a. INTERESTS IN JOINT VENTURES (CONT'D.)

(v) (cont'd.)

Summarised statement of comprehensive income

	FASTrack Iskandar Sdn. Bhd.		Nusajaya Tech Park Sdn. Bhd.		Nusajaya Lifestyle Sdn. Bhd.		Horizon Hills Development Sdn. Bhd.		Nusajaya Premier Sdn. Bhd.		Sunrise MCL Land Sdn. Bhd.		Total	
	2020 RM'000	2019 RM'000	2020 RM'000	2019 RM'000	2020 RM'000	2019 RM'000	2020 RM'000	2019 RM'000 Restated	2020 RM'000	2019 RM'000	2020 RM'000	2019 RM'000	2020 RM'000	2019 RM'000 Restated
Revenue	**-**	-	**15,612**	83,486	**5,760**	2,364	**150,803**	226,796	**-**	-	**82,971**	66,003	**255,146**	378,649
Depreciation amortisation and impairment	**-**	-	**-**	-	**(31,460)**	(1,495)	**(2,873)**	(2,831)	**-**	-	**(166)**	(117)	**(34,499)**	(4,443)
Interest income	**104**	316	**670**	96	**40**	48	**-**	-	**287**	422	**588**	806	**1,689**	1,688
Interest expenses	**(1,190)**	(4,303)	**(1,111)**	(2,409)	**(714)**	(932)	**(4,143)**	(6,528)	**(901)**	(861)	**(100)**	(92)	**(8,159)**	(15,125)
(Loss)/profit before tax	**(2,110)**	(2,200)	**(2,297)**	26,102	**(37,880)**	(4,976)	**30,995**	95,168	**(885)**	2,983	**17,475**	14,955	**5,298**	132,032
Income tax expenses	**-**	-	**107**	(1,599)	**-**	-	**(7,439)**	(22,840)	**-**	(716)	**(4,194)**	(3,589)	**(11,526)**	(28,744)
(Loss)/profit after tax	**(2,110)**	(2,200)	**(2,190)**	24,503	**(37,880)**	(4,976)	**23,556**	72,328	**(885)**	2,267	**13,281**	11,366	**(6,228)**	103,288
Total comprehensive (expense)/ income	**(2,110)**	(2,200)	**(2,190)**	24,503	**(37,880)**	(4,976)	**23,556**	72,328	**(885)**	2,267	**13,281**	11,366	**(6,228)**	103,288

NOTES TO THE FINANCIAL STATEMENTS
31 December 2020

17a. INTERESTS IN JOINT VENTURES (CONT'D.)

(v) (cont'd.)

Reconciliation of the summarised financial information presented above to the carrying amount of the Group's interests in the joint ventures

	FASTrack Iskandar Sdn. Bhd.		Nusajaya Tech Park Sdn. Bhd.		Nusajaya Lifestyle Sdn. Bhd.		Horizon Hills Development Sdn. Bhd.		Nusajaya Premier Sdn. Bhd.		Sunrise MCL Land Sdn. Bhd.		Total	
	2020 RM'000	**2019 RM'000**	**2020 RM'000**	**2019 RM'000**	**2020 RM'000**	**2019 RM'000**	**2020 RM'000**	**2019 RM'000 Restated**	**2020 RM'000**	**2019 RM'000**	**2020 RM'000**	**2019 RM'000**	**2020 RM'000**	**2019 RM'000 Restated**
Net assets at 1 January	**295,555**	297,755	**163,296**	138,793	**202,479**	207,455	**817,427**	805,099	**190,877**	188,610	**218,347**	210,981	**1,887,981**	1,848,693
(Loss)/profit for the year	**(2,110)**	(2,200)	**(2,190)**	24,503	**(37,880)**	(4,976)	**23,556**	72,328	**(885)**	2,267	**13,281**	11,366	**(6,228)**	103,288
Dividend paid	**-**	-	**-**	-	**-**	-	**-**	(60,000)	**-**	-	**(1,000)**	-	**(1,000)**	(60,000)
Redemption of investment	**-**	-	**-**	-	**-**	-	**-**	-	**-**	-	**(9,000)**	(4,000)	**(9,000)**	(4,000)
Net assets at 31 December	**293,445**	295,555	**161,106**	163,296	**164,599**	202,479	**840,983**	817,427	**189,992**	190,877	**221,628**	218,347	**1,871,753**	1,887,981
Interests in joint venture	**30%**	30%	**40%**	40%	**55%**	55%	**50%**	50%	**80%**	80%	**50%**	50%		
Share of net assets of the Group	**88,034**	88,667	**64,442**	65,318	**90,529**	111,363	**420,492**	408,714	**151,994**	152,702	**110,814**	109,174	**926,305**	935,938
Unrealised profit arising from land sales	**-**	-	**-**	-	**-**	-	**(38,437)**	(40,118)	**-**	-	**-**	-	**(38,437)**	(40,118)
Carrying value of Group's interest	**88,034**	88,667	**64,442**	65,318	**90,529**	111,363	**382,055**	368,596	**151,994**	152,702	**110,814**	109,174	**887,868**	895,820

Aggregate information of joint ventures that are not individually material

	2020 RM'000	**2019 RM'000**
The Group's share of loss before tax	**(52,418)**	(27,750)
The Group's share of loss after tax	**(52,418)**	(27,750)

Details of the joint venture entities are disclosed in Note 47.

17b. AMOUNTS DUE FROM JOINT VENTURES

	Group		Company	
	2020 RM'000	**2019 RM'000**	**2020 RM'000**	**2019 RM'000**
Amounts due from joint ventures				
- Non-current (Note (i))	**173,252**	158,464	**10,200**	-
- Current (Note (ii))	**61,104**	38,265	**25,620**	29,328
	234,356	196,729	**35,820**	29,328

Group

(i) Amounts due from joint ventures are unsecured, not expected to be repayable in the next 12 months and bear interest at average rates of 5.0% to 7.0% (2019: 6.5% to 7.6%) per annum.

(ii) Amounts due from these joint ventures are unsecured, non-interest bearing and repayable on demand except for an amount of RM6,021,000 (2019: RM6,049,000) which bears interest at an average rate of 6.7% (2019: 7.4%) per annum.

Company

(i) Amount due from joint ventures are unsecured, not expected to be repayable in the next 12 months and bear interest at average rate of 7.02% (2019: Nil%) per annum.

(ii) Amounts due from these joint ventures are unsecured, non-interest bearing and repayable on demand except for an amount of RMNil (2019: RM14,062,000) which bears interest at an average rate of Nil% (2019: 7.15%) per annum.

18. OTHER INVESTMENTS

	Group and Company	
	2020 RM'000	**2019 RM'000**
Fair value through profit or loss:		
Sukuk Prihatin	**5,000**	-
Unquoted shares in Malaysia	**22,525**	22,525
Less: Accumulated impairment losses	**(22,525)**	(22,525)
	-	-

During the financial year, the Group and the Company have subscribed the "Sukuk Prihatin" issued by Government of Malaysia which earns profit at 2.0% per annum.

NOTES TO THE FINANCIAL STATEMENTS
31 December 2020

19. GOODWILL

Goodwill arising from business combinations has been allocated into two individual cash-generating units ("CGU"), comprising two subsidiary groups principally engaged in property development activities for impairment testing. The carrying amount of goodwill allocated to CGU is as follows:

	Group	
	2020 RM'000	**2019 RM'000**
At 1 January/31 December	**621,409**	621,409

Assumptions and approach used

The recoverable amounts of the CGU have been determined based on fair value less costs of disposal and value-in-use calculations using cash flow projections from financial budgets approved by the management covering a five-year period. The management has applied a pre-tax discount rate of 12.5% (2019: 13%).

The calculations of value-in-use for the CGU are most sensitive to the following assumptions:

Budgeted gross margins - Gross margins are based on historical trend of gross margins for the CGU.

Pre-tax discount rates - Discount rates reflect the weighted average cost of capital of the CGU.

Sales take-up rate - Sales take-up rate is based on historical trend of the market of which the CGU operates.

In determining fair value less costs of disposal of the properties, the Group relies on the works performed by the accredited independent valuers. In the absence of such valuation, the Group applies the previous transacted price.

There remains a risk that, due to unforeseen changes in the global economic condition and/or in the economy in which the CGU operates, the gross margins and sales take-up rate for property development may be adversely affected.

Impact of possible changes in key assumptions

The sensitivity tests indicated that with an increase in the discount rate by 3% or a reduction in the market value of identifiable assets by 20% or a reduction in the net development value of property sales by 13%, there will be no impairment loss required where other realistic variations remained the same.

The calculation for value-in-use for the CGU described above was based on conditions existing as at 31 December 2020. The Group will continue to monitor and assess the assumptions applied.

20. CASH, BANK BALANCES AND DEPOSITS

	Group		Company	
	2020 RM'000	2019 RM'000	2020 RM'000	2019 RM'000
Deposits with licensed banks (Note (i))	**37,062**	11,501	**-**	-
Cash and bank balances (Note (ii))	**1,049,207**	1,045,945	**23,487**	76,777
	1,086,269	1,057,446	**23,487**	76,777
Bank overdraft (Note 34(a), 34(f))	**(5,537)**	(713)	**-**	-
Cash and cash equivalents	**1,080,732**	1,056,733	**23,487**	76,777

(i) The average interest rates and maturity of deposits of the Group as at financial year end were 0.36% (2019: 1.38%) and 41 days (2019: 54 days) respectively.

	Group	
	2020 RM'000	2019 RM'000
(ii) Included in cash and bank balances of the Group are:		
- Housing Development Accounts	**191,066**	187,398
- Securities under credit facilities *	**2,692**	1,907

Included in housing development accounts is a minimal foreign currency amount under fixed deposit in Canada which is restricted to the Letter of Credit, pending defect liability period.

* Comprise credit facilities as disclosed in Note 34(c).

21. DEFERRED TAXATION

	Group	
	2020 RM'000	2019 RM'000 Restated
At 1 January	**(48,373)**	(52,155)
Recognised in profit or loss (Note 8)	**(41,175)**	2,770
Foreign currency translation	**(1,802)**	1,012
At 31 December	**(91,350)**	(48,373)
Presented as follows:		
Deferred tax liabilities	**164,410**	238,426
Deferred tax assets	**(255,760)**	(286,799)
	(91,350)	(48,373)

NOTES TO THE FINANCIAL STATEMENTS
31 December 2020

21. DEFERRED TAXATION (CONT'D.)

The components and movements of deferred tax liabilities and assets during the financial year prior to offsetting are as follows:

Deferred tax liabilities of the Group:

	Fair value adjustment of land and building RM'000	Interest capitalised RM'000	Others RM'000	Total RM'000
At 1 January 2020	**155,877**	**108,936**	**53,779**	**318,592**
Recognised in profit or loss	**(1,862)**	**(542)**	**(53,662)**	**(56,066)**
At 31 December 2020	**154,015**	**108,394**	**117**	**262,526**
At 1 January 2019	157,739	109,639	47,225	314,603
Recognised in profit or loss	(1,862)	(703)	6,554	3,989
At 31 December 2019	155,877	108,936	53,779	318,592

Deferred tax assets of the Group:

	Provisions RM'000	Tax losses and capital allowances RM'000	Others RM'000	Total RM'000
At 1 January 2020	**(187,589)**	**(121,602)**	**(57,774)**	**(366,965)**
Recognised in profit or loss	**5,724**	**(64)**	**9,231**	**14,891**
Foreign currency translation	**-**	**(1,802)**	**-**	**(1,802)**
At 31 December 2020	**(181,865)**	**(123,468)**	**(48,543)**	**(353,876)**
At 1 January 2019	(186,564)	(123,782)	(56,412)	(366,758)
Recognised in profit or loss	(1,025)	1,168	(1,362)	(1,219)
Foreign currency translation	-	1,012	-	1,012
At 31 December 2019	(187,589)	(121,602)	(57,774)	(366,965)

21. DEFERRED TAXATION (CONT'D.)

Deferred tax assets are not recognised in respect of the following items:

	Group	
	2020 **RM'000**	**2019** **RM'000**
Unused tax losses	**362,380**	176,781
Others	**47,083**	82,831
	409,463	259,612
Deferred tax benefit at 24%, if recognised	**98,271**	62,307

The availability of the unused tax losses and unabsorbed capital allowances for offsetting against future taxable profits of the Group is subject to no substantial changes in shareholdings of the respective companies under the Income Tax Act, 1967, and guidelines issued by the tax authority. Effective from YA 2019, unused tax losses are allowed to be carried forward for a maximum period of seven years.

Deferred tax assets have not been recognised in respect of the above items as it is not probable that future taxable profits will be available in the Company and certain subsidiaries against which the Group can utilise the benefits.

22. PROPERTY DEVELOPMENT COSTS

	Group	
	2020 **RM'000**	**2019** **RM'000** **Restated**
At 1 January	**4,482,130**	4,441,054
Development costs incurred during the year	**419,678**	1,327,967
Transfer from/(to):		
- land held for property development (Note 14)	**113,857**	134,484
- property, plant and equipment (Note 11)	**(44,637)**	10,158
- investment properties (Note 12)	**-**	(4,471)
- inventories held for sale	**(24,251)**	(82,700)
- inventories under contract of sale	**-**	(304,199)
Disposal	**-**	(232,237)
Impairment (Note 5)	**(1,065)**	-
Reversal of cost arising from completed projects	**(1,694,862)**	(781,685)
Foreign currency translation	**-**	(26,241)
	(1,231,280)	41,076
At 31 December	**3,250,850**	4,482,130

NOTES TO THE FINANCIAL STATEMENTS
31 December 2020

22. PROPERTY DEVELOPMENT COSTS (CONT'D.)

	Group	
	2020 RM'000	2019 RM'000 Restated
Costs recognised in profit or loss		
At 1 January	**(3,609,753)**	(2,620,933)
Recognised during the year	**(377,727)**	(1,767,220)
Reversal of cost arising from completed projects	**1,694,862**	781,685
Foreign currency translation	**-**	(3,285)
At 31 December	**(2,292,618)**	(3,609,753)
Property development costs as at 31 December	**958,232**	872,377

The property development costs balances include contract cost assets which comprise of costs to fulfil and obtain contracts are as follows:

	Group	
	2020 RM'000	2019 RM'000 Restated
Contract cost assets:		
Costs to fulfil contracts with customers	**104,639**	90,830
Incremental costs to obtain contracts with customers	**15,473**	13,901
	120,112	104,731
Amortised to profit or loss:		
Costs to fulfil contracts with customers	**363,916**	1,566,140
Incremental costs to obtain contracts with customers	**7,224**	72,448

Included in costs incurred during the financial year are:

	Group	
	2020 RM'000	2019 RM'000 Restated
Interest capitalised (Note 6)	**9,794**	38,102
Staff costs (Note 5(ii))	**6,163**	8,946

As at the reporting date, freehold land and related development expenditure of RM150,152,000 (2019: RM146,699,000) are pledged as securities for the borrowing facilities granted to the Group as disclosed in Note 34 (a), (b) and (c).

23. INVENTORIES

(a) Inventories held for sale

	Group	
	2020 **RM'000**	**2019** **RM'000** **Restated**
At cost		
Completed properties	**196,169**	367,476
Consumables	**404**	404
	196,573	367,880
At net realisable value		
Completed properties	**243,630**	144,562
Golf memberships*	**28,211**	28,201
	468,414	540,643

The cost of inventories held for sale recognised as cost of sales during the year amounted to RM67,287,000 (2019: RM229,790,000).

* Under the terms of the Development Agreement dated 16 June 2005 between Horizon Hills Development Sdn. Bhd. ("HHDSB") and Nusajaya Greens Sdn. Bhd., HHDSB has settled part of the purchase consideration in the form of rights to club membership (golf and non-golf) which is to be issued by the Horizon Hills Resort Bhd., a wholly-owned subsidiary of HHDSB.

(b) Inventories under contract of sale

	Group	
	2020 **RM'000**	**2019** **RM'000**
At cost		
Completed properties	**112,118**	408,304

The inventories under contract of sale relate to sales, which sale and purchase agreements have been entered into, pending settlement by the purchasers.

NOTES TO THE FINANCIAL STATEMENTS
31 December 2020

24. RECEIVABLES

		Group		Company	
	Note	2020 RM'000	2019 RM'000	2020 RM'000	2019 RM'000
Trade receivables	(i), (vii)	**304,336**	461,127	**-**	-
Amounts due from related parties	(ii)	**3,085**	1,659	**-**	-
Other receivables	(iii)	**362,947**	367,608	**244,061**	143,612
		670,368	830,394	**244,061**	143,612
Less: Allowance for impairment	(iv)	**(30,716)**	(22,601)	**-**	-
		639,652	807,793	**244,061**	143,612
Analysed into:					
Non-current	(v)	**145,355**	166,052	**-**	-
Current		**494,297**	641,741	**244,061**	143,612
		639,652	807,793	**244,061**	143,612

(i) Included in the trade receivables is an amount of RM32,281,000 (2019: RM32,281,000) owing from a joint venture entity arising from a sale of land in the prior years which bears interest at 6% (2019: 6%) per annum.

(ii) Related parties refer to those as specified in Note 39. Amounts due from related parties are unsecured, non-interest bearing and repayable on demand.

(iii) Other receivables

	Group		Company	
	2020 RM'000	2019 RM'000	2020 RM'000	2019 RM'000
Dividend receivable	**-**	-	**235,000**	135,520
Sundry debtors and prepayments (Note (a))	**208,832**	255,044	**8,158**	7,203
Tax recoverable (Note (a))	**97,780**	87,164	**903**	889
Deposits (Note (b))	**56,335**	25,400	**-**	-
	362,947	367,608	**244,061**	143,612

(a) (i) Included in the tax recoverable and sundry debtors are amounts of RM50.9 million and RM22.9 million respectively representing additional tax and penalty paid under protest and subject to appeal to Inland Revenue Board (Note 40(a)).

(ii) Included in the sundry debtors and prepayments are amounts representing GST claimable from the Australian Taxation Office amounting RMNil (2019: RM4.0 million) and the Royal Malaysian Customs Department amounting RMNil (2019: RM9.6 million).

(b) Included in the current financial year's deposits were RM19.0 million representing deposit paid by a subsidiary for the land acquisition of 1.33 acres freehold site 21-53 Hoddle Street, Collingwood, in Melbourne, Australia.

24. RECEIVABLES (CONT'D.)

(iv) Allowance for impairment

	Group	
	2020 RM'000	**2019 RM'000**
Trade receivables	**9,173**	2,417
Amounts due from related parties	**628**	628
Sundry debtors	**20,915**	19,556
	30,716	22,601

(v) Long term receivables arose from the negotiated sales term of which payment is not expected to be received within the next 12 months.

Pursuant to the measurement and recognition requirement of MFRS 9, the amounts due from the customers are measured at fair value which are computed based on estimated future cash flows discounted at the debtor's cost of borrowing as follows:

	Group	
	2020 RM'000	**2019 RM'000**
At 1 January	**166,052**	113,434
Addition	**-**	67,440
Settlement	**(19,286)**	(25,711)
Remeasurement (Note 5)	**(3,503)**	1,922
Accretion of interest (Note 5)	**2,092**	8,967
At 31 December	**145,355**	166,052

(vi) The Group's normal trade credit terms range from 30 to 90 days (2019: 30 to 90 days). For strategic land sales and sales of developed land, credit terms are negotiated and approved on a case-by-case basis.

NOTES TO THE FINANCIAL STATEMENTS
31 December 2020

24. RECEIVABLES (CONT'D.)

(vii) Ageing analysis

Ageing analysis of trade receivables

The ageing analysis of the Group's trade receivables is as follows:

	Group	
	2020 RM'000	**2019 RM'000**
Neither past due nor impaired	**141,414**	212,165
1 to 30 days past due not impaired	**38,566**	54,120
31 to 60 days past due not impaired	**16,091**	49,037
61 to 90 days past due not impaired	**14,450**	31,841
More than 90 days past due not impaired	**84,642**	111,547
Past due but not impaired	**153,749**	246,545
Impaired	**9,173**	2,417
	304,336	461,127
Individually impaired		
Nominal amount	**9,173**	2,417
Allowance for impairment	**(9,173)**	(2,417)
	-	-

Receivables that are neither past due nor impaired

None of the Group's trade receivables that are neither past due nor impaired have been renegotiated during the financial year.

Based on past experience, the Board believes that no allowance for impairment is necessary in respect of those balances.

Receivables that are past due but not impaired

The Group has trade receivables that are related to customers with good track records with the Group or those with on-going transactions and/or progressive payments. Based on past experience, the Board believes that no allowance for impairment is necessary as the directors are of the opinion that this debt should be realised in full without making losses in the ordinary course of business.

The methods, assumptions and information used to measure expected credit loss ("ECL") at the reporting date were based on conditions existing as at 31 December 2020. Whilst it is not possible to predict the outcome of the Government's efforts to combat the outbreak and support businesses, it is likely that the ECL of some subsidiaries of the Group may be impacted in the next financial year.

24. RECEIVABLES (CONT'D.)

(vii) Ageing analysis (cont'd.)

Receivables that are impaired

The movement in allowance account for receivables is as follows:

	Group	
	2020 RM'000	**2019 RM'000**
At 1 January	**22,601**	22,735
Charge for the year (Note 5)	**8,706**	1,909
Reversal of impairment loss (Note 5)	**(591)**	(2,043)
At 31 December	**30,716**	22,601

25. CONTRACT ASSETS AND CONTRACT LIABILITIES

	Group	
	2020 RM'000	**2019 RM'000**
Contract assets		
Contract assets from property development (Note (a))	**242,745**	178,740
Contract assets from strategic land sales (Note (b))	**-**	-
Carrying amount at the end of the financial year	**242,745**	178,740
Analysed into:		
Non-current	**-**	2,752
Current	**242,745**	175,988
	242,745	178,740
Contract liabilities		
Contract liabilities from property development (Note (a))	**28,837**	35,990
Contract liabilities from strategic land sales (Note (b))	**269,132**	288,896
Carrying amount at the end of the financial year	**297,969**	324,886
Analysed into:		
Non-current	**227,799**	258,646
Current	**70,170**	66,240
	297,969	324,886

NOTES TO THE FINANCIAL STATEMENTS

31 December 2020

25. CONTRACT ASSETS AND CONTRACT LIABILITIES (CONT'D.)

(a) Contract assets and contract liabilities from property development

The Group issues progress billings to purchasers when the billing milestones are attained recognises revenue when the performance obligation is satisfied.

The Group's contract assets and contract liabilities relating to the sale of properties at the end of each reporting period are shown as below:

	Group	
	2020 RM'000	**2019 RM'000**
Contract assets	**242,745**	178,740
Contract liabilities	**(28,837)**	(35,990)
	213,908	142,750
As at 1 January	**142,750**	97,556
Revenue recognised during the financial year (Note 3)	**490,056**	500,087
Progress billings during the financial year	**(418,898)**	(454,893)
As at 31 December	**213,908**	142,750

(b) Contract assets and contract liabilities from strategic land sales

The Group recognises revenue upon transfer of control and issues billings to purchasers based on contractual terms.

The Group's contract assets and contract liabilities relating to the strategic land sales at the end of each reporting period are shown as below:

	Group	
	2020 RM'000	**2019 RM'000**
Contract Assets	**-**	-
Contract Liabilities	**(269,132)**	(288,896)
	(269,132)	(288,896)
As at 1 January	**(288,896)**	(311,300)
Revenue recognised during the financial year (Note 3)	**20,438**	27,251
Deferred during the financial year	**(674)**	(4,847)
As at 31 December	**(269,132)**	(288,896)

25. CONTRACT ASSETS AND CONTRACT LIABILITIES (CONT'D.)

(c) Unsatisfied performance obligations

The unsatisfied performance obligations at the end of each reporting period are estimated to be recognised in the following periods:

	Group	
	2020 RM'000	**2019 RM'000**
Within 1 year	**975,538**	1,041,047
Between 1 and 4 years	**894,298**	551,497
More than 4 years	**225,991**	238,267
	2,095,827	1,830,811

26. AMOUNTS DUE FROM/(TO) SUBSIDIARIES

	Company	
	2020 RM'000	**2019 RM'000**
Amounts due from subsidiaries		
- Non-current (Note (i))	**2,732,283**	2,503,305
- Current (Note (ii))	**971,470**	937,273
	3,703,753	3,440,578
At 31 December	**3,737,027**	3,443,238
Impairment loss	**(33,274)**	(2,660)
	3,703,753	3,440,578
Amounts due to subsidiaries		
- Non-current (Note (iii))	**201,951**	144,165
- Current (Note (iv))	**24,480**	4,702
	226,431	148,867

During the financial year, the Company has made a provision for impairment on the amounts due from subsidiaries of RM30,614,000 (2019: RMNil).

(i) Amounts due from subsidiaries are unsecured, not expected to be repayable in the next 12 months and bear interest at rates ranging from 3.21% to 5.32% (2019: 4.75% to 5.32%) per annum.

(ii) Amounts due from subsidiaries mainly comprise advances, interest receivable and payment on behalf which are unsecured, repayable on demand and non-interest bearing except for amounts totalling of RM213,399,000 (2019: RM308,970,000) which bear interest rates ranging from 3.21% to 5.32% (2019: 4.30% to 5.10%) per annum.

(iii) Amounts due to subsidiaries not expected to be paid within the next 12 months mainly comprise advances, interest payable and payment on behalf which are unsecured and bear interest rate ranging from 3.77% to 5.02% (2019: 5.02%).

(iv) Amounts due to subsidiaries mainly comprise advances, interest payable and payment on behalf which are unsecured, repayable on demand and non-interest bearing.

NOTES TO THE FINANCIAL STATEMENTS
31 December 2020

27. SHORT TERM INVESTMENTS

	Group		Company	
	2020 RM'000	**2019 RM'000**	**2020 RM'000**	**2019 RM'000**
In Malaysia:				
Financial assets at fair value through other comprehensive income				
- quoted shares	**7**	7	**-**	-
Financial assets at fair value through profit or loss				
- unquoted unit trust #	**216,929**	322	**216,929**	322
	216,936	329	**216,929**	322

\# Unquoted unit trusts represent surplus funds that are invested through tax exempted funds with licensed fund managers in the funds approved by the Securities Commission. The portfolio of investment authorised by the Board of Directors comprises only deposits in Islamic instruments with financial institutions, hence are capital preserved. The investments can be uplifted at any point in time.

28. SHARE CAPITAL AND MERGER RELIEF RESERVE

(i) Share capital

Issued and fully paid up

	Group/Company	
	2020 RM'000	**2019 RM'000**
Ordinary shares		
At 1 January	**4,317,760**	4,317,760
Conversion from RCPS (Note ii)	**642,516**	-
At 31 December	**4,960,276**	4,317,760
RCPS (Note 30)		
At 1 January	**792,516**	792,516
Redemption (Note i)	**(150,000)**	-
Conversion to ordinary share (Note ii)	**(642,516)**	-
At 31 December	**-**	792,516
Total share capital	**4,960,276**	5,110,276

28. SHARE CAPITAL AND MERGER RELIEF RESERVE (CONT'D.)

(i) Share capital (cont'd.)

Issued and fully paid up (cont'd.)

The movement of RCPS during financial year:

(i) On 24 April 2020, the Company had redeemed a total of 123,340,418 RCPS out of the share capital account for a redemption sum of RM150,000,000 at approximately RM1.22 for each RCPS following a redemption notice dated 17 April 2020 issued to UEM Group Berhad, the immediate holding company of the Company.

(ii) On 29 October 2020, all the outstanding 669,175,335 RCPS with value of RM833,664,000 matured and were automatically converted into 521,040,184 new ordinary shares at the conversion price of RM1.60 per RCPS for one (1) ordinary share. Upon issuance and allotment of the new ordinary shares on 30 October 2020, the issued share capital is RM4,960,276,000 comprising 5,058,476,221 ordinary shares.

(ii) Merger relief reserve

The merger relief reserve represents the difference between the fair value and nominal value of shares issued as consideration for the acquisition of the UEM Land Berhad group, pursuant to the Restructuring Scheme in 2008.

NOTES TO THE FINANCIAL STATEMENTS
31 December 2020

29. OTHER RESERVES AND RETAINED PROFITS

(a) Other reserves

	Group		Company	
	2020 RM'000	**2019 RM'000**	**2020 RM'000**	**2019 RM'000**
(i) Exchange fluctuation reserve				
At 1 January	**(18,234)**	(18,756)	**-**	-
Foreign currency translation	**64,567**	522	**-**	-
At 31 December	**46,333**	(18,234)	**-**	-
(ii) Merger reserve				
At 1 January/31 December	**32,112**	32,112	**-**	-
(iii) Fair value adjustments reserve				
At 1 January/31 December	**(207)**	(207)	**-**	-
(iv) Employee share option reserve (Note 31)				
At 1 January	**-**	36,021	**-**	36,021
Expiry of vested employee share options	**-**	(36,021)	**-**	(36,021)
At 31 December	**-**	-	**-**	-
(v) Cash flow hedge reserve				
At 1 January	**-**	15,046	**-**	-
Transfer to profit or loss	**-**	942	**-**	-
Gain on cash flow hedge	**-**	(15,988)	**-**	-
At 31 December	**-**	-	**-**	-
Total	**78,238**	13,671	**-**	-

(b) Retained profits

The Company may distribute dividends out of its entire retained profits as at 31 December 2020 under the single-tier system.

30. REDEEMABLE CONVERTIBLE PREFERENCE SHARES ("RCPS")

The Company issued 792,515,753 RCPS of RM0.01 per RCPS at an issue price of RM1.00 per RCPS on 30 October 2015, as a partial settlement of the redemption of Bandar Nusajaya Development Sdn. Bhd. ("BND"), a wholly-owned subsidiary of the Company, RCPS held by UEM in BND.

The salient terms of the RCPS are as follows:

(a) Conversion price of RM1.60 per RCPS.

(b) The RCPS matures on 29 October 2020.

(c) The RCPS can be converted at any time after the 54th month from the Issuance Date at the option of the Subscriber at the Conversion Price into Conversion Shares. Any remaining RCPS that are not converted or redeemed by the expiry of the tenure of the RCPS shall be automatically converted into Conversion Shares at the Conversion Price.

(d) The RCPS can be redeemed at the option of the issuer at the Redemption Price at any time after the 48th month from the Issuance Date for a period of 6 months (up to the 54th month from the Issuance Date).

(e) The Redemption Price is equivalent to the Redemption Value in respect of each RCPS to be redeemed.

(f) The RCPS shall be converted or redeemed, at the value of each outstanding RCPS on the Conversion Date (as defined below) or Redemption Date (as defined below) (as the case may be) based on the following calculation:

Redemption Value = [Carrying Value 4 x 1.05 x (number of months from the 49th month from the Issuance Date to the Redemption Date / 12)] - any dividends declared for the period from the 49th month from the Issuance Date to the Redemption Date (as defined below).

Where:

Carrying value 4 = (Carrying Value 3 x 1.05) - any dividends declared for the period from the 37th to the 48th month from the Issuance Date.

Carrying value 3 = (Carrying Value 2 x 1.05) - any dividends declared for the period from the 25th to the 36th month from the Issuance Date.

Carrying value 2 = (Carrying Value 1 x 1.05) - any dividends declared for the period from the 13th to the 24th month from the Issuance Date.

Carrying value 1 = (Issue Price x 1.05) - any dividends declared for the period from the Issuance Date to the 12th month from the Issuance Date.

(g) The number of Conversion Shares to be issued to the Subscriber shall be calculated in accordance with the following formula:

$$\text{Number of Conversion Share} = \frac{\text{Conversion Value}}{\text{Conversion Price}}$$

NOTES TO THE FINANCIAL STATEMENTS
31 December 2020

30. REDEEMABLE CONVERTIBLE PREFERENCE SHARES ("RCPS") (CONT'D.)

(h) Any dividends to be declared to the holders of the RCPS must be decided at the sole discretion of the Issuer whether to annually declare, any non-cumulative dividend and the quantum of such dividend to the Subscriber, provided always that:

(i) Such dividend shall not be more than 4.75 sen per RCPS; and

(ii) If dividends are declared to its ordinary shareholders, then dividends in respect of the RCPS shall be paid to the Subscriber in preference.

(i) The RCPS shall rank pari passu among themselves in respect of the right to receive dividends out of distributable profit. The Conversion Share to be issued upon conversion of the RCPS shall upon allotment and issue rank equal in all respects with the then existing shares of the Company.

31. EMPLOYEE SHARE OPTION RESERVE

Employee share option reserve represented the equity-settled share options granted to employees (Note 32). The reserve was made up of the cumulative value of services received from employees recorded over the vesting period commencing from the grant date of the equity-settled share options and was reduced by the expiry or exercise of the share options.

32. EMPLOYEE BENEFITS

Employee share option scheme ("ESOS")

At an Extraordinary General Meeting held on 7 March 2012, the shareholders of the Company approved the implementation of an ESOS which will offer eligible employees and executive director(s) of the Company and its subsidiaries, options to subscribe for new ordinary shares in the Company ("ESOS shares").

The salient features of the ESOS are as follows:

(i) The scheme shall be in force for a period of 7 years from 9 April 2012 being the date of implementation.

(ii) The total number of ESOS shares which may be offered and issued under the ESOS shall not exceed 7.5% of the issued and paid-up ordinary share capital of the Company at any time during the duration of the ESOS.

(iii) If the Company undertakes a share buy-back exercise or any other corporate proposal resulting in the total number of ESOS shares made available under the ESOS to exceed 15% of the Company's issued and paid-up ordinary share capital (excluding treasury shares), no further options shall be offered until the total number of ESOS shares to be made available under the ESOS falls below 15% of the Company's issued and paid-up ordinary share capital (excluding treasury shares). Any option granted prior to the adjustments of the Company's issued and paid-up ordinary share capital (excluding treasury shares) shall remain valid and exercisable (if applicable) in accordance with the provisions of the by-laws.

(iv) Even if the maximum number of ESOS shares stipulated is allocated to Eligible Employees, the actual number of ESOS shares to be issued will be lesser in view of the Company's adoption of Performance Vesting Criteria, whereby only Eligible Employees who are consistently "Excellent" performers for the whole duration of the ESOS would be entitled to the full vesting of their ESOS share allocation.

32. EMPLOYEE BENEFITS (CONT'D.)

Employee share option scheme ("ESOS") (cont'd.)

(v) The total number of ESOS shares which may be allocated to any one Eligible Employee under the ESOS shall be at the absolute discretion of the Company's Board/ESOS Committee, after taking into consideration, amongst others, the seniority (denoted by employee grade) of the Eligible Employees and such other criteria as the Board/ESOS Committee may deem relevant. Notwithstanding the foregoing, not more than 10% of ESOS shares made available under the ESOS shall be allocated to any Eligible Employee who, either individually or collectively through persons connected with the said Eligible Employee, holds 20% or more of the Company's issued and paid-up share capital (excluding treasury shares).

(vi) Not more than 30% of the ESOS shares shall be made available to the Company's Executive Director(s) and senior management.

(vii) Any employee (including Executive Director(s)) of the Group (other than the subsidiaries which are dormant) who fulfils the following as at the Offer Date shall be eligible to participate in the ESOS:

a) has attained the age of 18 years;

b) has entered into a full-time or fixed-term contract with, and is on the payroll of the Group (other than the subsidiaries which are dormant) and whose service has been confirmed (where applicable);

c) has been in continuous employment with the Group (other than with the subsidiaries which are dormant) for a period of at least 1 year prior to and up to the Offer Date, whereby the renewal of any fixed term employment contract(s) would be deemed as continuous employment and take into account of the employment period of the previous expired contract(s);

d) is not a non-executive or independent director of the Company; and

e) has fulfilled any other eligibility criteria as may be set by the Board/ESOS Committee at any time and from time to time at its absolute discretion.

(viii) The Option Price shall be at the higher of the equivalent option tranche for the previous offers and the 5-day volume weighted average market price immediately preceding the date of offer. The exercise price for the subsequent option tranches is fixed by applying an annual escalation factor corresponding to the scheduled vesting.

<u>Movement of share options</u>

The following table illustrates the number ("No.") and weighted average exercise prices ("WAEP") of, and movements in, share options during the year:

	2020		2019	
	No. '000	**WAEP RM**	**No. '000**	**WAEP RM**
Outstanding at 1 January	-	-	84,588	2.80
Lapsed	-	-	(84,588)	2.80
Outstanding at 31 December	-	-	-	-
Exercisable at 31 December	-	-	-	-

On 8 April 2019, 84,587,850 share options remain unexcercised. Pursuant to Clause 14.1 of the ESOS By-Laws, all options lapsed upon the expiry of the ESOS.

NOTES TO THE FINANCIAL STATEMENTS
31 December 2020

33. NON-CONTROLLING INTERESTS

The financial information of subsidiaries that have material non-controlling interest is as follows:

(i) Summarised statement of financial position

	Mega Legacy (M) Sdn. Bhd.		Aura Muhibah Sdn. Bhd.	
	2020 RM'000	**2019 RM'000**	**2020 RM'000**	**2019 RM'000**
Non-current assets	**678,106**	650,884	**901,373**	901,031
Current assets	**99,443**	55,773	**14,586**	11,812
Total assets	**777,549**	706,657	**915,959**	912,843
Non-current liabilities	**111,307**	139,657	**-**	-
Current liabilities	**457,986**	358,656	**1,278**	363
Total liabilities	**569,293**	498,313	**1,278**	363
Net assets	**208,256**	208,344	**914,681**	912,480
Net assets attributable to:				
Owner of the parent	**104,128**	104,172	**548,809**	547,488
Non-controlling interest	**104,128**	104,172	**365,872**	364,992
	208,256	208,344	**914,681**	912,480

(ii) Summarised statement of comprehensive income

	Mega Legacy (M) Sdn. Bhd.		Aura Muhibah Sdn. Bhd.	
	2020 RM'000	**2019 RM'000**	**2020 RM'000**	**2019 RM'000**
(Loss)/profit for the year	**(88)**	(3,190)	**2,221**	2,306
(Loss)/profit attributable to owner of the Company	**(44)**	(1,595)	**1,333**	1,384
(Loss)/profit attributable to non-controlling interest	**(44)**	(1,595)	**888**	922
Total comprehensive (expense)/income	**(88)**	(3,190)	**2,221**	2,306

33. NON-CONTROLLING INTERESTS

The financial information of subsidiaries that have material non-controlling interest is as follows: (cont'd.)

(iii) Summarised statement of cash flows

	Mega Legacy (M) Sdn. Bhd.		Aura Muhibah Sdn. Bhd.	
	2020 RM'000	**2019 RM'000**	**2020 RM'000**	**2019 RM'000**
Net cash (used in)/generated from operating activities	**(105,948)**	(16,321)	**1,741**	1,741
Net cash used in investing activities	**(9,634)**	(5,330)	**-**	-
Net cash generated from financing activities	**116,977**	23,627	**-**	-
Increase in cash and cash equivalents	**1,395**	1,976	**1,741**	1,741
Cash and cash equivalents at the beginning of the year	**2,082**	-	**11,262**	9,521
Business combination (Note 48(b))	**-**	106	**-**	-
Cash and cash equivalents at the end of the year	**3,477**	2,082	**13,003**	11,262

34. BORROWINGS

		Group		Company	
	Note	**2020 RM'000**	**2019 RM'000**	**2020 RM'000**	**2019 RM'000**
Non-current borrowings					
Secured					
Term loans	(a)	**91,046**	79,739	**-**	-
Commodity Murabahah Finance	(b)(i), (c)	**39,246**	8,144	**-**	-
Unsecured					
IMTN	(d)	**2,470,000**	2,250,000	**2,470,000**	2,250,000
		2,600,292	2,337,883	**2,470,000**	2,250,000

NOTES TO THE FINANCIAL STATEMENTS
31 December 2020

34. BORROWINGS (CONT'D.)

		Group		Company	
	Note	2020 RM'000	2019 RM'000	2020 RM'000	2019 RM'000
Current borrowings					
Secured					
Loan from immediate holding company	(e)	**-**	55,916	**-**	-
Revolving credits	(a)	**375,160**	180,980	**-**	-
Term loans	(a)	**30,000**	19,988	**-**	-
Commodity Murabahah Finance	(b)(i),(c)	**8,406**	97,381	**-**	-
Bank overdraft	(a)	**3,742**	-	**-**	-
Unsecured					
Revolving credits	(a)	**189,000**	274,000	**145,000**	250,000
IMTN	(d)	**785,000**	350,000	**785,000**	350,000
Bank overdraft	(f)	**1,795**	713	**-**	-
Structured commodity	(g)	**100,000**	70,000	**100,000**	70,000
		1,493,103	1,048,978	**1,030,000**	670,000
Total borrowings		**4,093,395**	3,386,861	**3,500,000**	2,920,000

	Group		Company	
	2020 RM'000	2019 RM'000	2020 RM'000	2019 RM'000
Maturities of borrowings:				
Not later than one year	**1,493,103**	1,048,978	**1,030,000**	670,000
Later than 1 year and not later than 5 years	**2,600,292**	2,087,883	**2,470,000**	2,000,000
More than 5 years	**-**	250,000	**-**	250,000
	4,093,395	3,386,861	**3,500,000**	2,920,000

34. BORROWINGS (CONT'D.)

(a) The term loans, revolving credits facilities and overdraft facilities obtained from various banks by certain subsidiaries, bear interest rates of 3.00% to 4.76% (2019: 4.32% to 5.62%) per annum. Certain loans are secured by land held for property development and property development cost as disclosed in Note 14 and Note 22 respectively.

On 29 October 2019, the Group obtained a new Revolving Financing-i Facility ("RF-i"), with a limit of RM300.0 million, which bears an interest rate of 4.32% per annum. A first party charge over the land held for property development is disclosed in Note 14. The Group utilised RM297.7 million of the RF-i.

During the financial year, Mega Legacy Sdn Bhd ("MLSB") obtained Credit Facilities of up to RM199.0 million on 20 February 2020 and Commodity Murabahah Revolving Financing ("CMRF-i"), with a limit of RM70.0 million on 14th September 2020 to part-finance the development of Kiara Bay project in Kepong, Kuala Lumpur, secured by the following:-

Credit Facilities:
- Letter of Guarantee from Shareholders
- Letter of Subordination of Debts from Shareholders and related party
- Letter of Undertaking from Shareholders and related party
- First Party Legal Charge over the development's land as disclosed in Note 22;

CMRF-i:
- Corporate Guarantee from Shareholders
- A first party charge over the land held for property development is as disclosed in Note 14.

(b) (i) On 10 May 2019, Milik Harta Sdn Bhd ("MHSB"), a wholly-owned subsidiary of the Company via Sunrise Berhad, obtained a Commodity Murabahah Financing-i ("CMF-i") of up to RM 81.0 million, to part-finance the development of Residensi Astrea project in Mont'Kiara, Kuala Lumpur, secured by the following:-

- First Party Legal Charge over the development's land as disclosed in Note 22;
- Debentures (all monies): Fixed and Floating charge; and
- Corporate guarantee from Sunrise Berhad, its wholly-owned subsidiary of the Company.

MHSB utilised a total of RM17.6 million of the CMF-i at interest rates of 4.63% to 4.71% per annum and repaid RM0.5 million during the financial year.

(ii) On 16 May 2019, Lembah Suria Sdn Bhd, a wholly-owned subsidiary of the Company via Sunrise Berhad, obtained Credit Facilities of up to RM 84.0 million, to part-finance the development of Kondominium Kiara Kasih project in Mont'Kiara, Kuala Lumpur, secured by the following:-

- Fixed Charge over project land as disclosed in Note 22;
- Debenture (specific assets): Fixed and Floating Charge;
- Deed of Subordination from shareholders and related parties;
- Guarantee from Sunrise Berhad for RM84.0 million together with interest; and
- Letter of Undertaking from Sunrise Berhad.

NOTES TO THE FINANCIAL STATEMENTS
31 December 2020

34. BORROWINGS (CONT'D.)

(c) On 21 March 2018, Ibarat Duta Sdn. Bhd. ("IDSB"), a wholly-owned subsidiary of the Company via Sunrise Berhad, obtained the following:-

- Commodity Murabahah Term Financing-i 1 ("CMTF-i 1") of up to RM60.0 million, to fully redeem the existing banking facility of up to RM60.0 million for the purpose of land acquisition;
- Commodity Murabahah Term Financing-I 2 ("CMTF-i 2") of up to RM140.0 million, to part-finance the development of Residensi Solaris Parq project in Mont'Kiara ("Residensi Solaris Parq project").

CMTF-i 1 & 2 are secured by the following:-

- Registered third party first legal mortgage over the land and building as disclosed in Note 22;
- Corporate Guarantee from Sunrise Berhad;
- Debenture over IDSB's present and future fixed and floating assets;
- Legal charge over Designated Accounts (except Housing Development Account);
- Assignment of rights, title, interest and benefits under all performance bonds, warranty and maintenance bonds (if any) in relation to Residensi Solaris Parq project;
- Assignment of IDSB's rights and benefits arising from all material contracts (including but not limited to the building agreement, design and construction contracts and Project Management and Marketing Contracts in relation to Residensi Solaris Parq project); and
- Assignment of rights, title, interest and benefits under all applicable takaful/insurance policies taken/ to be taken up by IDSB in relation to Residensi Solaris Parq project with the Bank where the bank is to be endorsed as Loss Payee.

During the financial year, the facility balance of RM39.6 million was utilised at profit rate of 3.34% (2019: 4.83% to 5.19%) per annum and RM119.6 million (2019: RM18.1 million) was repaid.

(d) (i) In 2012, the Company established its Islamic Commercial Paper Programme ("ICP Programme") and Islamic Medium Term Notes Programme ("IMTN Programme") with a combined nominal value of RM2.0 billion and a sub-limit on the ICP Programme of RM500.0 million in nominal value. Malaysian Rating Corporation Berhad ("MARC") has assigned a rating of MARC-1is/AA-is for the ICP and IMTN Programme respectively.

The details of the IMTN issuances are as follows:

Issuance date	Tenure (Years)	Profit rate	At 1 January RM'million	Issuance RM'million	Repayment RM'million	At 31 December RM'million
30 June 2014	7	4.90%	200	-	-	200
10 April 2015	5	4.58%	150	-	(150)	-
10 April 2015	7	4.80%	150	-	-	150
22 March 2019	5	4.75%	300	-	-	300
30 April 2020	1	3.70%	-	130	-	130
18 May 2020	1	3.70%	-	105	-	105
10 June 2020	3	4.00%	-	270	-	270
12 June 2020	3	4.00%	-	150	-	150
21 September 2020	3	3.90%	-	350	-	350
			800			1,655

34. BORROWINGS (CONT'D.)

(d) (ii) In 2016, the Company established its second programme: ICP Programme and IMTN Programme with a combined nominal value of RM2.0 billion and a sub-limit on the ICP Programme of RM500.0 million in nominal value. MARC has assigned a rating of MARC-1is/AA-is for the ICP and IMTN Programmes respectively.

The details of the IMTN issuances are as follows:

Issuance date	Tenure (Years)	Profit rate	At 1 January RM'million	Issuance RM'million	Repayment RM'million	At 31 December RM'million
20 May 2016	7	5.00%	500	-	-	500
11 December 2017	3	4.80%	200	-	(200)	-
11 December 2017	5	5.06%	300	-	-	300
11 December 2017	7	5.32%	100	-	-	100
31 October 2018	3	4.85%	350	-	-	350
31 October 2018	5	4.98%	100	-	-	100
31 October 2018	7	5.15%	250	-	-	250
10 April 2020	6 months	3.50%	-	200	(200)	-
			1,800			1,600

(e) The loan from immediate holding company borne interest of 4.85% (2019: 4.85%) per annum and is secured by land titles of approximately 78 acres (2019: 114 acres) of freehold land which are deposited with the immediate holding company. The loan was fully repaid during the financial year.

(f) The bank overdraft taken by Sunrise Berhad, a wholly-owned subsidiary of the Company, bears interest rates of 7.74% to 7.92% (2019: 7.71% to 7.73%) per annum.

(g) The Structured Commodity Financing-i facility ("SCF-i") of RM50 million was obtained by the Company in 2013. In 2015, the Company entered into an additional SCF-i Facility of RM50 million.

During the financial year, RM100 million was utilised for projects and working capital purposes, which bears profit rate of 3.60% (2019: 4.40% to 5.10%) per annum.

NOTES TO THE FINANCIAL STATEMENTS
31 December 2020

34. BORROWINGS (CONT'D.)

(i) Reconciliation of liabilities arising from financing activities:

Group	2020	2019	Movement – Cash flows		Movement – Non-cash changes
			Principal movement	Interest paid	Interest cost and fair value movements
	RM'000	RM'000	RM'000	RM'000	RM'000
Loan from immediate holding company	**-**	55,916	(55,555)	(679)	318
IMTN	**3,255,000**	2,600,000	655,000	(140,973)	140,973
Term loans	**121,046**	99,727	21,319	(5,703)	5,703
Commodity Murabahah Finance	**47,652**	105,525	(57,873)	(3,632)	3,632
Revolving credits	**564,160**	454,980	108,700	(18,766)	19,246
Bank overdraft	**5,537**	713	-	(308)	5,132^
Structured commodity	**100,000**	70,000	30,000	(2,794)	2,794
	4,093,395	3,386,861	701,591	(172,855)	177,798

Presented in statements of financial position

	2020 RM'000	2019 RM'000
Non-current	**2,600,292**	2,337,883
Current	**1,493,103**	1,048,978
	4,093,395	3,386,861

^ Where the movement is excluded in cash flows other than financing activities.

34. BORROWINGS (CONT'D.)

(i) (cont'd.)

Group	2019 RM'000	2018 RM'000	Movement: Cash flows: Principal movement RM'000	Movement: Cash flows: Interest paid RM'000	Movement: Non-cash changes: Interest cost and fair value movements RM'000	Movement: Non-cash changes: Foreign exchange movement RM'000
Loan from immediate holding company	55,916	74,405	-	(21,175)	2,686	-
IMTN	2,600,000	2,600,000	-	(127,747)	127,747	-
Term loans	99,727	432,344	(337,699)	(7,279)	17,247	(4,886)
Commodity Murabahah Finance (including derivative asset and liabilities)	105,525	1,190,048	(1,081,214)	(20,091)	35,136	(18,354)
Revolving credits	454,980	370,000	87,300	(17,886)	15,566	-
Bank overdraft	713	1,658	-	(138)	(807)^	-
Structured commodity	70,000	-	70,000	(872)	872	-
	3,386,861	4,668,455	(1,261,613)	(195,188)	198,447	(23,240)

Presented in statements of financial position

	2019 RM'000	2018 RM'000
Non-current	2,337,883	2,394,812
Current	1,048,978	2,288,689
Derivative asset	-	(15,956)
Derivative liabilities	-	910
	3,386,861	4,668,455

^ Where the movement is excluded in cash flows other than financing activities.

NOTES TO THE FINANCIAL STATEMENTS
31 December 2020

34. BORROWINGS (CONT'D.)

(i) (cont'd.)

Company	2020	2019	Movement: Cash flows		Movement: Non-cash changes
	RM'000	RM'000	Principal movement RM'000	Interest paid RM'000	Intere st cost and fair value movements RM'000
IMTN	**3,255,000**	2,600,000	655,000	(140,973)	140,973
Revolving credits	**145,000**	250,000	(105,000)	(10,032)	10,032
Structured commodity	**100,000**	70,000	30,000	(2,794)	2,794
	3,500,000	2,920,000	580,000	(153,799)	153,799

Presented in statements of financial position

	2020 RM'000	2019 RM'000
Non-current	**2,470,000**	2,250,000
Current	**1,030,000**	670,000
	3,500,000	2,920,000

Company	2019	2018	Movement: Cash flows		Movement: Non-cash changes
	RM'000	RM'000	Principal movement RM'000	Interest paid RM'000	Intere st cost and fair value movements RM'000
IMTN	2,600,000	2,600,000	-	(127,747)	127,747
Revolving credits	250,000	262,000	(12,000)	(13,299)	13,299
Structured commodity	70,000	-	70,000	(800)	800
	2,920,000	2,862,000	58,000	(141,846)	141,846

Presented in statements of financial position

	2019 RM'000	2018 RM'000
Non-current	2,250,000	2,300,000
Current	670,000	562,000
	2,920,000	2,862,000

35. PROVISIONS

Group	Provision for public infrastructure RM'000 (Note a)	Provision for construction costs RM'000 (Note b)	Provision for foreseeable losses RM'000 (Note c)	Other provisions RM'000 (Note d)	Total RM'000
2020					
Non-current					
At 1 January	**19,953**	**-**	**48,451**	**-**	**68,404**
Utilisation	**-**	**-**	**(87)**	**-**	**(87)**
At 31 December	**19,953**	**-**	**48,364**	**-**	**68,317**
Current					
At 1 January	**17,650**	**140,336**	**17,208**	**2,481**	**177,675**
Additions	**5,519**	**86,817**	**5,054**	**445**	**97,835**
Utilisation	**(2,491)**	**(116,612)**	**-**	**-**	**(119,103)**
Reversal	**-**	**(22,653)**	**-**	**-**	**(22,653)**
At 31 December	**20,678**	**87,888**	**22,262**	**2,926**	**133,754**
2019					
Non-current					
At 1 January	19,953	-	65,909	-	85,862
Adjustment to cost estimates	-	-	(17,458)	-	(17,458)
At 31 December	19,953	-	48,451	-	68,404
Current					
At 1 January	22,557	250,354	15,516	6,643	295,070
Additions	2,739	138,432	1,692	-	142,863
Utilisation	(7,646)	(179,278)	-	(4,138)	(191,062)
Reversal	-	(54,447)	-	(24)	(54,471)
Reclassification	-	(14,725)	-	-	(14,725)
At 31 December	17,650	140,336	17,208	2,481	177,675

(a) Provision for public infrastructure

Provision for public infrastructure comprises anticipated cost to be incurred for the obligation to complete the infrastructure for development projects.

(b) Provision for construction costs

Provision for construction costs comprises estimated final claims by contractors which have not been finalised.

NOTES TO THE FINANCIAL STATEMENTS
31 December 2020

35. PROVISIONS (CONT'D.)

(c) Provision for foreseeable losses

This relates to anticipated losses to be incurred for the development of low cost housing under the requirement of the local Government.

(d) Other provisions

Other provisions mainly include provision for liquidated ascertained damages, which refers to liquidated ascertained damages expected to be claimed by the customers based on the terms of the applicable sale and purchase agreements.

36. PAYABLES

		Group		Company	
	Note	**2020 RM'000**	**2019 RM'000**	**2020 RM'000**	**2019 RM'000**
Trade payables and accruals	(i)	**510,099**	562,617	**-**	-
Amount due to immediate holding company	(ii)	**50,123**	56,705	**17,498**	25,449
Amounts due to related parties	(ii)	**3,870**	6,164	**606**	-
Amount due to a director of minority shareholder of a subsidiary	(iii)	**41,080**	36,068	**-**	-
Other payables and accruals	(iv)	**542,989**	592,575	**28,541**	35,365
		1,148,161	1,254,129	**46,645**	60,814
Analysed into:					
Non-current		**141,153**	170,241	**-**	-
Current		**1,007,008**	1,083,888	**46,645**	60,814
		1,148,161	1,254,129	**46,645**	60,814

The normal trade credit terms granted to the Group range from 30 to 60 days (2019: 30 to 60 days).

(i) Included in trade payables and accruals is an amount of RM83.0 million (2019: RM69.9 million) representing accrued project development cost.

(ii) Amounts due to immediate holding company and related parties are unsecured and non-interest bearing with monthly instalment of payment over the over the period of 30 days (2019: 30 days).

(iii) Amount due to a director of minority shareholder of a subsidiary is unsecured and non-interest bearing with repayable of demand.

36. PAYABLES (CONT'D.)

(iv) Other payables and accruals

	Group		Company	
	2020 RM'000	**2019 RM'000**	**2020 RM'000**	**2019 RM'000**
Sundry creditors*	**200,188**	243,647	**2,989**	8,456
Deposits received	**30,803**	35,063	**-**	84
Accruals**	**311,998**	303,865	**25,552**	26,825
Employee benefits	**-**	10,000	**-**	-
	542,989	592,575	**28,541**	35,365

* Included in the current financial year:

(i) an amount of GST payable to the Australian Taxation Office amounting RMNil (2019: RM85.6 million).

(ii) remaining purchase consideration of RM87.0 million payable for the land acquisition in Cheras, Kuala Lumpur.

** Included in accruals of the Group is an amount of accrued development charges payable to Datuk Bandar Kuala Lumpur amounting RM197.0 million.

37. DEFERRED INCOME

Unrealised profits

	Group	
	2020 RM'000	**2019 RM'000**
At 1 January	**164,193**	151,864
Adjustment to cost estimates	**-**	11,017
Addition	**-**	2,089
Realised during the year	**(303)**	(777)
At 31 December	**163,890**	164,193

In the previous financial year, the Group completed a land sale to an associate. The profit recognised from the sales of land by the Group to the associates and a joint venture to-date is eliminated to the extent of the Group's interests in the companies.

Accordingly, the Group recognises the excess of the unrealised profits over the carrying value of the associate or the joint venture as deferred income. The deferred income is realised to profit or loss over the period when the underlying asset of the associate or the joint venture is realised or disposed.

NOTES TO THE FINANCIAL STATEMENTS
31 December 2020

38. FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES

The Group's financial risk management policy seeks to ensure that adequate financial resources are available for the development of the Group's business whilst managing its credit, liquidity, interest rate, foreign currency and market price risk. The Group's overall risk management strategy seeks to minimise the adverse effect from the unpredictability of economy on the Group's financial performance.

It is the Group's policy not to engage in foreign exchange and/or derivatives speculation and trading. The Group only undertakes hedging instruments where appropriate and cost-efficient.

In the domain of enterprise risk management, the Board of Directors ("Board"), assisted by the Board Governance and Risk Committee ("BGRC"), is ultimately responsible for the Group's risk management activities and sets the strategic directions, risk appetite and relevant framework for the Group. The Group Risk Management Framework ("Framework") comprises the risk management policy, risk assessment methodology, lines of responsibility and accountability.

In implementing this framework, the Risk Management Committee ("RMC") chaired by the Managing Director/Chief Executive Officer ("MD/CEO") or Chief Financial Officer, serves as the platform for the Management to deliberate on the identification, assessment and treatment of the Group's risks as well as an avenue to communicate, monitor and review the risks. The deliberation on the identified key risks and its mitigation plans is subsequently presented to the BGRC as well as the Board.

The policies for controlling these risks where applicable are set out below:

(a) Credit risk

Credit risk is the risk of loss that may arise on outstanding financial instruments should a counterparty defaults on its obligations. The Group's and the Company's exposure to credit risk arises primarily from trade and other receivables. For other financial assets (including investment securities, cash and bank balances and derivatives), the Group and the Company minimise credit risk by dealing exclusively with high credit rating counterparties.

Generally, the Group does not require collateral in respect of its financial assets. The Group is not duly exposed to any individual customer or counterparty nor does it have any major concentration of credit risk related to any financial instrument except as disclosed in Note 24. Furthermore, for property development in Malaysia, the developer has the option to terminate the sale and purchase agreement in the event of default by the purchaser.

The maximum exposure to credit risk is represented by the carrying amount of each financial assets in the statements of financial position. The Group's main financial assets are its receivables. Ageing analysis is disclosed in Note 24(vii).

The Company has no significant concentration of credit risk that may arise from exposures to a single debtor or group of receivables except for the dividend receivable from subsidiaries representing 96% (2019: 94%) of the total gross receivables and amount owing by a subsidiary representing 47% (2019: 46%) of the total gross amounts due from subsidiaries as disclosed in Note 24 and Note 26 respectively.

38. FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES (CONT'D.)

(a) Credit risk (cont'd.)

The following are the carrying amounts of the financial instruments of the Group and the Company at reporting date:

	Group		Company	
	2020 RM'000	**2019 RM'000**	**2020 RM'000**	**2019 RM'000**
Financial assets				
Receivables				
- Non-current (Note 24)	**145,355**	166,052	**-**	-
- Current*	**388,701**	548,782	**4,806**	141,619
Amounts due from subsidiaries				
- Non-current (Note 26)	**-**	-	**2,732,283**	2,503,305
- Current (Note 26)	**-**	-	**971,470**	937,273
Amounts due from associates				
- Non-current (Note 16(b))	**9,745**	-	**-**	-
- Current (Note 16(b))	**950**	14,938	**221**	221
Interests in joint ventures				
- Amounts due from joint ventures (Note 17(a))	**182,273**	163,889	**-**	-
Amounts due from joint ventures				
- Non-current (Note 17(b))	**173,252**	158,464	**10,200**	-
- Current (Note 17(b))	**61,104**	38,265	**25,620**	29,328
Short term investments (Note 27)	**216,936**	329	**216,929**	322
Cash, bank balances and deposits (Note 20)	**1,086,269**	1,057,446	**23,487**	76,777
	2,264,585	2,148,165	**3,985,016**	3,688,845

* Trade and other receivables excluding prepayment and tax recoverable.

(b) Foreign currency risk

Foreign currency risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate due to changes in foreign exchange rates.

The Group and the Company maintain a natural hedge, whenever possible, 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 its investments. When necessary, the Group and the Company entered into a currency swap to hedge the exposure to currency risk. Foreign exchange exposures in transactional currencies other than functional currencies of the operating entities are kept to an acceptable level and short-term imbalances are addressed by buying or selling foreign currencies at spot rates.

The table below shows currency exposures of the Group and the Company, i.e. those transactional (or non-structural) exposures that give rise to the net currency gains and losses recognised in the statements of profit or loss. Such exposures comprise the monetary assets and monetary liabilities of the Group and the Company that are not denominated in the operating currency of the operating units involved.

NOTES TO THE FINANCIAL STATEMENTS

31 December 2020

38. FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES (CONT'D.)

(b) Foreign currency risk (cont'd.)

	Functional currency of Group		Functional currency of Company	
	2020 RM'000	**2019 RM'000**	**2020 RM'000**	**2019 RM'000**
Canadian Dollar ("CAD")	**10,684**	79,643	**-**	70,573
Singapore Dollar ("SGD")	**8**	7	**-**	-
South African Rand ("ZAR")	**23,308**	24,800	**-**	-
Australian Dollar ("AUD")	**-**	(30,718)	**-**	(30,718)
United States Dollar ("USD")	**15,975**	16,277	**-**	-
Canadian Dollar ("CAD")*	**-**	(69,014)	**-**	-
Ringgit Malaysia ("RM")*	**-**	(345,522)	**-**	-
	49,975	(324,527)	**-**	39,855

The following table demonstrates the sensitivity of the Group's and the Company's profit after tax to a reasonably possible change in the CAD, SGD, ZAR, AUD, USD and RM exchange rates against the respective functional currencies of the Group's entities and the Company, with all other variables held constant.

	Effect on profit/(loss) after tax			
	Group		Company	
	2020 RM'000	**2019 RM'000**	**2020 RM'000**	**2019 RM'000**
CAD / RM (strengthened 5%)	**406**	3,026	**-**	2,682
ZAR / RM (strengthened 5%)	**886**	942	**-**	-
USD / RM (strengthened 5%)	**619**	619	**-**	-
AUD / RM (strengthened 5%)	**-**	(1,167)	**-**	(1,167)
CAD / AUD (strengthened 5%)*	**-**	(2,465)	**-**	-
RM / AUD (strengthened 5%)*	**-**	(12,505)	**-**	-

* Only applicable to a subsidiary with AUD as its functional currency.

(c) Liquidity and cash flow risk

The Group actively manages its debt maturity profile, operating cash flows and the availability of funding so as to ensure that all refinancing, repayment and funding needs are met. As part of its overall prudent liquidity management, the Group endeavours to maintain sufficient levels of cash or cash-convertible investments to meet its working capital requirements.

In addition, the Group's objective is to maintain a balance of cost of funding and flexibility through the use of credit facilities, short- and long-term borrowings. Short-term flexibility is achieved through credit facilities and short-term borrowings. As far as possible, the Group raises committed funding from both capital markets and financial institutions and prudently balances its portfolio with some short-term funding so as to achieve the Group's objective.

38. FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES (CONT'D.)

(c) Liquidity and cash flow risk (cont'd.)

The total financial liabilities of the Group and of the Company carried at amortised cost are as follows:

	Group		Company	
	2020 RM'000	2019 RM'000	2020 RM'000	2019 RM'000
Trade and other payables (Note 36)	**1,148,161**	1,254,129	**46,645**	60,814
Borrowings (Note 34)	**4,093,395**	3,386,861	**3,500,000**	2,920,000
Lease liabilities (Note 13)	**20,428**	30,094	**11,619**	17,808
Amounts due to subsidiaries (Note 26)	**-**	-	**226,431**	148,867
	5,261,984	4,671,084	**3,784,695**	3,147,489

The analysis of financial liabilities maturity profile of the Group and of the Company, based on undiscounted amounts is disclosed as follows:

	2020			
	Within 1 year RM'000	2 to 5 years RM'000	5 years and above RM'000	Total RM'000
Group				
Trade and other payables	**1,007,008**	**141,153**	**-**	**1,148,161**
Loans and borrowings	**1,637,355**	**2,810,722**	**-**	**4,448,077**
Lease liabilities (Note 13)	**12,549**	**8,729**	**-**	**21,278**
Corporate guarantee **	**6,200**	**-**	**-**	**6,200**
	2,663,112	**2,960,604**	**-**	**5,623,716**
Company				
Trade and other payables	**46,645**	**-**	**-**	**46,645**
Loans and borrowings	**1,168,606**	**2,673,478**	**-**	**3,842,084**
Lease liabilities (Note 13)	**6,550**	**5,574**	**-**	**12,124**
Corporate guarantee **	**309,270**	**-**	**-**	**309,270**
Amounts due to subsidiaries	**24,480**	**201,951**	**-**	**226,431**
	1,555,551	**2,881,003**	**-**	**4,436,554**

NOTES TO THE FINANCIAL STATEMENTS
31 December 2020

38. FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES (CONT'D.)

(c) Liquidity and cash flow risk (cont'd.)

The total financial liabilities of the Group and of the Company carried at amortised cost are as follows: (cont'd.)

	2019			
	Within 1 year RM'000	**2 to 5 years RM'000**	**5 years and above RM'000**	**Total RM'000**
Group				
Trade and other payables	1,083,888	170,241	-	1,254,129
Loans and borrowings	1,185,785	2,317,705	286,579	3,790,069
Lease liabilities (Note 13)	11,586	20,534	-	32,120
Corporate guarantee **	30,843	-	-	30,843
	2,312,102	2,508,480	286,579	5,107,161
Company				
Trade and other payables	60,814	-	-	60,814
Loans and borrowings	795,073	2,224,357	286,579	3,306,009
Lease liabilities (Note 13)	5,439	13,552	-	18,991
Corporate guarantee **	183,916	-	-	183,916
Amounts due to subsidiaries	148,867	-	-	148,867
	1,194,109	2,237,909	286,579	3,718,597

** Based on the maximum amount that can be called for under the corporate guarantees. No default has occurred as at the end of the financial year.

(d) Interest rate risk

The Group manages its interest rate exposure by maintaining a prudent mix of fixed and floating rate borrowings. The Group actively reviews its debt portfolio, taking into account the investment holding period and nature of its assets. This strategy allows it to capitalise on cheaper funding in a low interest rate environment and achieve a certain level of protection against rate hikes.

The average interest rates per annum on the financial assets and liabilities as at the reporting date were as follows:

	Group	
	2020 %	**2019 %**
Financial asset		
Floating rate	**0.36%**	1.38%
Financial liabilities		
Fixed rate	**4.63%**	4.92%
Floating rate	**3.45%**	4.66%

38. FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES (CONT'D.)

(d) Interest rate risk (cont'd.)

The average interest rates per annum on the financial liabilities can be further analysed as follows:

	Group	
	2020	**2019**
	%	**%**
Financial liabilities		
Loan from immediate holding company	**-**	4.85%
Commodity Murabahah Finance	**3.31%**	4.84%
Term loans	**4.11%**	5.03%
Revolving credits	**3.27%**	4.52%
Bank overdraft	**6.32%**	7.73%
IMTN	**4.63%**	4.93%
Lease liabilities	**4.90%**	4.90%
Structured commodity	**3.60%**	4.74%

At the reporting date, if the interest rates had been 10 basis points lower/higher, with all other variables held constant, the Group's profit after tax will be higher/lower by approximately RM656,000 (2019: RM583,000) as a result of lower/higher interest expense on borrowings.

(e) Market risk

Market price risk is the risk that the fair value or future cash flows of the Group's financial instrument will fluctuate as a result of changes in market prices (other than interest or exchange rates). The Group's exposure to market price risk is minimal as the Group's investment in quoted equity instruments is small compared to its total assets.

NOTES TO THE FINANCIAL STATEMENTS

31 December 2020

39. SIGNIFICANT RELATED PARTY TRANSACTIONS

(a) In addition to the transactions detailed elsewhere in the financial statements, the Group and the Company had the following transactions with related parties during the financial year:

	Group	
	2020 RM'000	**2019 RM'000**
Paid/payable to UEM:		
- Facility and maintenance fees	**-**	(686)
- Rental	**(6,717)**	(6,500)
- Management fees payable	**-**	(570)
- Information technology shared cost	**(2,008)**	(3,527)
- Interest on loan	**(7)**	(2,694)
- Training fees	**-**	(81)
Paid/payable to UEM Sunrise Edgenta TMS Sdn. Bhd., an associate:		
- Facility and maintenance fees	**-**	(2,567)
- Management fees	**(73)**	(792)
Realisation of land sales to joint ventures:		
- Horizon Hills Development Sdn. Bhd.	**1,668**	7,037
- Haute Property Sdn. Bhd.	**88**	591
- Sarandra Malaysia Sdn. Bhd.	**463**	179
Sale of land to an associate:		
- Sarandra Malaysia Sdn. Bhd.	**-**	10,000
Paid/payable to Telekom Malaysia Berhad, Khazanah Group's associate company:		
- UniFi building services	**-**	(966)
- Smart building services	**(1,055)**	(4,024)
Interest income from joint ventures:		
- Desaru South Course Residences Sdn. Bhd.	**-**	2,739
- Desaru North Course Residences Sdn. Bhd.	**90**	1,159
- Sime Darby Sunrise Development Sdn. Bhd.	**4,124**	2,950
- Nusajaya Lifestyle Sdn. Bhd.	**153**	216
- Nusajaya Consolidated Sdn. Bhd.	**646**	610
- Desaru South Course Land Sdn. Bhd.	**-**	55
- Haute Property Sdn. Bhd.	**13,798**	-
Interest income from an associate:		
- Sarandra Malaysia Sdn. Bhd.	**176**	38
Rental income from a joint venture:		
- UEM Sunrise WOTSO Malaysia Sdn. Bhd.	**197**	197
Management fees received/receivable from joint ventures:		
- Nusajaya Tech Park Sdn. Bhd.	**59**	102
- Cahaya Jauhar Sdn. Bhd.	**420**	420
- Nusajaya Premier Sdn. Bhd.	**117**	158
- Desaru North Course Residences Sdn. Bhd.	**403**	334

39. SIGNIFICANT RELATED PARTY TRANSACTIONS (CONT'D.)

(a) (cont'd.)

	Group 2020 RM'000	Group 2019 RM'000
Management fees received/receivable from joint ventures (cont'd):		
- Nusajaya Lifestyle Sdn. Bhd.	**128**	192
Rental expenses paid/payable to Khazanah Group's joint venture company		
- M+S Pte. Ltd.	**-**	(631)
Professional services rendered by firms related to directors of the Company:		
- Nawawi Tie Leung group of companies	**(478)**	(501)
Sales of properties to:		
- Directors of the Company	**1,557**	-
- Directors of subsidiaries of the Company	**-**	2,425

	Company 2020 RM'000	Company 2019 RM'000
Dividend from subsidiaries	**134,000**	98,000
Management fees from subsidiaries	**86,854**	110,986
Interest income from subsidiaries	**135,031**	130,671
Interest income from joint ventures	**-**	5,079
Paid/payable to UEM:		
- Information technology shared cost	**(2,008)**	(3,527)
- Management fees payable	**-**	(570)
- Training fees	**-**	(81)
Rental paid/payable to subsidiaries	**(4,870)**	(3,687)

Related parties refer to:

- subsidiaries, associates and joint ventures of the Company and their subsidiaries;
- Khazanah Nasional Berhad, the ultimate holding company, its subsidiaries and associates excluding subsidiaries of the Company;
- those companies controlled, jointly controlled and significantly influenced by the Government of Malaysia, other than those mentioned above;
- directors and key management personnel having authority and representation for planning, directing and controlling the activities of the Company and their close family members;
- enterprises owned by directors and key management personnel; and
- enterprises that have a member of key management in common with the Company.

NOTES TO THE FINANCIAL STATEMENTS
31 December 2020

39. SIGNIFICANT RELATED PARTY TRANSACTIONS (CONT'D.)

(a) (cont'd.)

The directors are of the opinion that all the transactions above have been entered into in the normal course of the business and have been established on mutually agreed terms and conditions.

(b) The remuneration of members of key management personnel during the financial year is as follows:

	Group		Company	
	2020 RM'000	**2019 RM'000**	**2020 RM'000**	**2019 RM'000**
Salaries and other emoluments	**10,903**	10,516	**7,557**	6,848
Bonus and separation scheme	**1,812**	2,612	**1,422**	1,977
Defined contribution plan	**1,721**	1,590	**1,274**	1,131
Benefits-in-kind	**696**	970	**586**	811
Other benefits	**82**	264	**82**	193
	15,214	15,952	**10,921**	10,960
Included in compensation of key management personnel are executive director's remuneration (Note 5(i))	**1,587**	1,467	**1,587**	1,467

40. CONTINGENT LIABILITIES AND FINANCIAL GUARANTEES

	Group		Company	
	2020 RM'000	**2019 RM'000**	**2020 RM'000**	**2019 RM'000**
Corporate guarantees issued to bank for credit facilities granted to:				
- joint ventures	**5,959**	29,352	**-**	-
- a subsidiary	**-**	-	**300,000**	176,300
	5,959	29,352	**300,000**	176,300

40. CONTINGENT LIABILITIES AND FINANCIAL GUARANTEE (CONT'D.)

(a) Income tax assessment

On 3 October 2011, Bandar Nusajaya Development Sdn Bhd (''BND''), an indirect wholly-owned subsidiary of the Company, received a notice of additional assessment (''Form JA'') from the Inland Revenue Board (""IRB"") for additional tax and penalty of RM50.9 million and RM22.9 million respectively, totalling to RM73.8 million in respect of the year of assessment 2006.

On 4 September 2012, the Kuala Lumpur High Court ("KLHC") ruled in favour of BND and declared that the IRB had no legal basis to raise the additional assessment. Following the decision held by KLHC, the IRB had filed an appeal to the Court of Appeal ("CoA") against the decision made.

The CoA, having heard and considered the submissions by both parties on 19 and 20 May 2014, unanimously decided that there were no merits in the appeal by the IRB and thus agreed with the decision of KLHC which ruled in favour of BND. The IRB had on 18 June 2014 filed an application for leave to the Federal Court ("FC") to appeal against the decision of CoA.

On 18 October 2016, the FC reversed the decisions of CoA and KLHC and ordered that BND appeal by way of filing a notice of appeal (''Form Q'') to the Special Commissioners of Income Tax (''SCIT''). The FC's decision resulted in the Form JA totalling RM73.8 million to become due and payable within 30 days, which was fully paid on 5 December 2016.

Subsequent to the FC's decision, on 25 and 26 October 2016, BND filed the Form Q to the IRB. The Form Q was rejected by the IRB on 25 and 26 October 2016 respectively. On 10 November 2016, BND filed a notice for extension of time to file the Form Q (''Form N'') which was rejected by the IRB on 8 February 2017.

A judicial review application against the rejection of Form Q was filed on 17 January 2017. In addition to the judicial review, BND filed a written representation directly to the SCIT requesting the approval to file the Form Q. The SCIT granted their approval on 3 March 2017. Vide a letter dated 21 March 2017, the IRB confirmed the receipt of BND's Form Q dated 20 March 2017. The IRB had 12 months from the date of receipt of Form Q to review and present it to the SCIT. The judicial review application was withdrawn on 17 May 2017 given that the IRB did not appeal against the decision of the SCIT.

Vide a letter dated 14 March 2018, the IRB served the Form Q to the SCIT. Case management was fixed before the SCIT on 18 May 2018. Further to the case management, the SCIT fixed this matter for hearing on 14 and 15 September 2021. Upon the hearing of this case, BND's solicitors can then proceed to present the merits of the case to the SCIT. BND's solicitors are of the view that BND has a strong case to argue that the IRB has no legal or factual basis to issue the notice of additional assessment nor there is legal or factual basis for the IRB to impose the penalty.

(b) On 25 July 2017, UEM Land was served with the Claim filed by the Plaintiffs in relation to shares held in Setia Haruman Sdn Bhd ("Setia Haruman" or "the 1st Defendant"). UEM Land is cited as the 9th Defendant in the Claim.

The Claim seeks, amongst others, for:

(i) a declaration that the 2nd to 9th Defendants respectively had managed and conducted the affairs of the 1st Defendant and/or exercised their powers oppressively and/or disregarded and/or acted in a manner unfairly prejudicial to the interest of the Plaintiffs as members of Setia Haruman pursuant to Section 346 of the Companies Act 2016; and

NOTES TO THE FINANCIAL STATEMENTS
31 December 2020

40. CONTINGENT LIABILITIES AND FINANCIAL GUARANTEE (CONT'D.)

(b) (cont'd.)

The Claim seeks, amongst others, for: (cont'd.)

(ii) an order that the 2nd to 9th Defendants do jointly and/or severally purchase the 750,000 ordinary shares of Setia Haruman owned or held by Impresive Circuit Sdn Bhd ("Impresive Circuit") defined at such price and on such terms as shall be determined by the Honourable Court.

On 25 April 2018, UEM Land had successfully applied to strike out Datuk Kasi A/L K.L. Palaniappan ("Datuk Kasi"), the First Plaintiff in the suit, as a party in the Claim. The remaining Plaintiff in the suit, Impresive Circuit, successfully added two other Defendants in the suit namely Menara Embun Sdn Bhd and Modern Eden Sdn Bhd.

On 23 May 2018, Datuk Kasi and the 2nd to 6th Defendants have respectively filed their appeal to the Court of Appeal against the High Court's ("HC") decision on 25 April 2018. Datuk Kasi is appealing against the HC's decision in allowing the 7th to 9th Defendants Striking Out and Misjoinder application, striking Datuk Kasi out as a party ("Datuk Kasi's Appeals"). The 2nd to 6th Defendants appealed against the dismissal of their application to strike themselves out as parties to the action by the HC ("2nd to 6th Defendants' Appeals"). On 18 September 2019, Datuk Kasi's Appeals were withdrawn, whereas the 2nd to 6th Defendants' Appeals were dismissed by the Court of Appeal.

On 28 May 2019, the Plaintiff has filed a motion in the Court of Appeal, seeking for an extension of time to serve a notice of appeal against the 7th to 12th Defendants. The motion has been withdrawn on 12 October 2020. Further, on 3 December 2019, the Court allowed the Plaintiff's application to cross-examine deponents of various affidavits filed by the Defendants. Testimonies were completed on 19 March 2021. The Court has directed parties to file their respective written submissions by 10 May 2021 and attend clarification on 4 June 2021.

UEM Land denies allegations made by the Plaintiffs and is vigorously defending the Claim. Based on the foregoing, at this juncture, the Claim has no material financial and operational impact to the Group and the Company. The Company's solicitor is of the view that UEM Land has a reasonably good chance of success in defending the Plaintiffs' case against UEM Land.

(c) On 18 April 2019, UEM Land was served with a Notice of Arbitration ("NOA") dated 17 April 2019 filed by Ireka Engineering & Construction Sdn Bhd ("IECSB") in relation to disputes arising from the Agreement and Conditions of PAM Contract 2006 (With Quantities) ("Agreement") together with a Letter of Award dated 15 June 2012 ("LOA") for the construction of Imperia in Puteri Harbour, Iskandar Puteri, Johor ("Project") seeking a declaration sum of RM29,250,000 as the total amount of the final account. The LOA is to be read together with the Agreement (collectively referred to as the "Contract").

IECSB was appointed by UEM Land as the main contractor for the construction of the Project under the Contract at a sum of RM268.6 million. Its scope covers the:

a. Overall main works;
b. 'Stesen Suis Utama' and 'Pencawang Pembahagian Utama'; and
c. Construction of mock-up units.

IECSB has raised certain claims with respect to the performance of the obligations in the Contract and seeks inter alia, a declaration that RM29,250,000 be the total and final amount of the final account or any other amount assessed by the Arbitral Tribunal.

40. CONTINGENT LIABILITIES AND FINANCIAL GUARANTEE (CONT'D.)

(c) (cont'd.)

UEM Land's position is that IECSB's claims are without merits and UEM Land will vigorously defend its position accordingly.

The Asian International Arbitration Centre has appointed Mr. Wayne Martin as the arbitrator on behalf of both parties. It has been agreed by both parties that IECSB to file its Statement of Claim within 45 days from 21 October 2019, and UEM Land to file its Statement of Defence and Counterclaim within 45 days from the receipt of the Statement of Claim. Subsequently, IECSB to file its Statement of Reply and Defence to Counterclaim within 30 days from the receipt of the Defence and Counterclaim, and UEM Land to file its Statement of Reply to Defence to Counterclaim within 30 days from the receipt of the Statement of Reply and Defence to Counterclaim.

Based on the Statement of Claim dated 27 December 2019, IECSB is seeking inter-alia, RM20,395,000 for loss and expense, RM29,250,000 for the amount due and owing to IECSB pursuant to the Statement of Final Account or alternatively any other amount assessed by the Arbitral Tribunal, interest on all sums directed to be paid from such date as the Tribunal deems fit and costs.

In the Statement of Defence and Counterclaim dated 2 March 2020, UEM Land denied and disputed liability on IECSB's claims and sought counterclaims amounting to total sum of RM31,757,000 for amongst others, Liquidated Ascertained Damages for delay in the completion of the works and defects rectification cost and back-charges.

UEM Land filed an application dated 15 June 2020 to amend its Defence and Counterclaim to include further counterclaim for back-charges to amount of RM34,374,000 and the application was allowed by the Tribunal. The Reply to Defence and Defence to Counterclaim was filed by IECSB on 8 July 2020. UEM Land filed its Reply to the Defence to Counterclaim on 17 August 2020. The hearing dates for this matter fixed to be from 17 May to 28 May 2021 have now been vacated and a new set of hearing dates will be fixed in the next procedural hearing which is on 22 September 2021. The witness statement and expert report are due on 10 September 2021. At the moment, the parties are exchanging additional bundle of documents and applying for discovery of documents.

The Group believes that the NOA and potential arbitration proceedings are not expected to have material financial and operational impact to the Group.

(d) The Company and its subsidiaries have been subjected to a tax audit as of February 2018. A total of 31 companies were selected for the years of assessment up to 2018. To date, there are currently 2 remaining companies under the audit which are still on going.

NOTES TO THE FINANCIAL STATEMENTS
31 December 2020

41. CAPITAL COMMITMENTS

	Group	
	2020 RM'000	2019 RM'000
In respect of purchase of property, plant and equipment, and investment properties:		
Approved and contracted for	**14,565**	24,781
Approved but not contracted for	**404,069**	395,406
	418,634	420,187

42. FAIR VALUES

The following are fair value of financial instruments by classes:

	2020		2019	
	Carrying amount RM'000	Fair values (Level 3) RM'000	Carrying amount RM'000	Fair values (Level 3) RM'000
Group				
Borrowings (non-current portion)	**2,600,292**	**2,549,604**	2,337,883	2,248,053
Company				
Borrowings (non-current portion)	**2,470,000**	**2,419,311**	2,250,000	2,160,170

As stipulated in Amendments to MFRS 7: Improving Disclosure about Financial Instruments, the Group and the Company are required to classify fair value measurement using a fair value hierarchy. The fair value hierarchy would have the following levels:

Level 1 - the fair value is measured using quoted prices (unadjusted) in active markets for identical assets or liabilities.

Level 2 - the fair value is measured using inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly (i.e. as prices) or indirectly (i.e. derived from prices).

Level 3 - the fair value is measured using inputs for the asset or liability that are not based on observable market data (unobservable inputs).

42. FAIR VALUES (CONT'D.)

The following table presents the Group's and the Company's other financial assets and financial liabilities that are measured at fair value:

	Level 1 RM'000	Level 2 RM'000	Level 3 RM'000	Total RM'000
At 31 December 2020:				
Assets				
Group				
Short term investments:				
Financial assets at fair value through other comprehensive income	**7**	**-**	**-**	**7**
Financial asset at fair value through profit or loss	**5,000**	**216,929**	**-**	**221,929**
	5,007	**216,929**	**-**	**221,936**
Company				
Short term investment:				
Financial asset at fair value through profit or loss	**5,000**	**216,929**	**-**	**221,929**
At 31 December 2019:				
Assets				
Group				
Short term investments:				
Financial assets at fair value through other comprehensive income	7	-	-	7
Financial asset at fair value through profit or loss	-	322	-	322
	7	322	-	329
Company				
Short term investment:				
Financial asset at fair value through profit or loss	-	322	-	322

Determination of fair values

The following are classes of financial instruments that are not carried at fair values and whose carrying amounts are reasonable approximations of fair values:

Receivables (Note 24)
Payables (Note 36)

The carrying amounts of the financial assets and financial liabilities are reasonable approximations of fair values due to their short-term nature.

NOTES TO THE FINANCIAL STATEMENTS
31 December 2020

42. FAIR VALUES (CONT'D.)

Determination of fair values (cont'd.)

(a) Borrowings (current)

The fair values of these financial instruments are estimated by discounting expected future cash flows at market incremental lending rate for similar types of lending, borrowing or leasing arrangements at the reporting date.

(b) Unquoted debt securities and corporate bonds

Fair value is estimated by using a discounted cash flow model based on various assumptions, including current and expected future credit losses, market rates of interest, prepayment rates and assumptions regarding market liquidity.

(c) Long term receivables/payables

Fair values of long term receivables/payables are based on discounting expected future cash flows at market incremental lending rate for the receivables/payables.

(d) Corporate guarantees

Fair value of all unexpired corporate guarantees given to bank for credit facilities granted to subsidiaries was assessed to be RMNil (2019: RMNil) at the inception of issuance of the guarantees due to the likelihood of the guaranteed party defaulting is nil within the guaranteed period.

Non financial instruments

The following table provides the fair value measurement hierarchy of the Group's assets.

Quantitative disclosures fair value measurement hierarchy for asset:

	Level 1 RM'000	Level 2 RM'000	Level 3 RM'000	Total RM'000
At 31 December 2020:				
Assets for which fair value are disclosed:				
Investment properties (Note 12)	**-**	**-**	**1,103,121**	**1,103,121**
At 31 December 2019:				
Assets for which fair value are disclosed:				
Investment properties (Note 12)	-	-	1,165,895^	1,165,895

There were no material transfers between Level 1, Level 2 and Level 3 during the financial year.

^ The fair value of investment properties as at 31 December 2019 includes the cost of properties completed in 2018 and recently obtained completion certificate of RM93,045,000 which approximates to fair value.

42. FAIR VALUES (CONT'D.)

Non financial instruments (cont'd.)

As at 31 December 2020, accredited independent valuers have been engaged to perform a valuation of the Group's properties. Depending on the types of properties, the independent valuers applied various valuation techniques.

Description of valuation techniques used and key inputs:

Properties	Valuation technique
Offices	Comparison and investment approaches
Car parks	Income and comparison approaches
Retail	Investment, income and comparison approaches
Ferry terminal	Comparison and cost approaches

The investment method is an analysis based on the relationship between the rate of return that an investor or buyer expects or requires and the net income that a property produces.

The income approach uses valuation techniques to convert estimated future amounts of cash flows or income to a single present value (discounted) amount. To this estimated future amounts of cash flows or income, an appropriate, market-derived discount rate is applied to establish the present value of the income stream associated with the real property.

The comparison method seeks to determine the value of the property being valued by comparing and adopting as a yardstick recent transactions and sale evidences involving other similar properties in the vicinity. Due considerations are given for such factors including location, plot size, improvements made if any, surrounding developments, facilities and amenities available.

The comparison/cost method of valuation entails separate valuations of the land and buildings to arrive at the market value of the subject property. Completed buildings are valued by reference to the current estimates on constructional costs to erect equivalent buildings, taking into consideration of similar accommodation in terms of size, construction, finishes contractors' overheads, fees and profits. Appropriate adjustments are then made for the factors of its depreciation and obsolescence to arrive at the depreciated building value.

43. CAPITAL MANAGEMENT

The primary objective of the Group's capital management is to ensure that it maintains a strong credit rating and acceptable capital ratios in order to support its business and maximise shareholder value.

The Group manages its capital structure and makes adjustments to it, in light of changes in economic conditions or expansion plans of the Group. The Group may adjust the capital structure by issuing new shares, returning capital to shareholders or adjusting dividend payment policies.

There are no externally imposed capital requirements.

NOTES TO THE FINANCIAL STATEMENTS
31 December 2020

44. SEGMENT INFORMATION

(a) Business unit segments

For management purposes, the Group is organised into business units based on their products and services, and has three reportable segments as follows:

(i)	Property development	- development and sales of residential and commercial properties, as well as sales of lands;
(ii)	Property investment and hotel operation	- holds to earn rental income and/or capital appreciation including hotel operation; and
(iii)	Others	- investment holding, assets and facilities management, project management, harvesting, land leasing, other income, and other dormant companies.

Except as indicated above, no operating segments have been aggregated to form the above reportable operating segments.

Management monitors the operating results of its business units separately for the purpose of making decisions about resource allocation and performance assessment. Segment performance is evaluated based on operating profit or loss which, in certain respects as explained in the table below, is measured differently from operating profit or loss in the consolidated financial statements.

Transfer prices between operating segments have been entered into a normal course of business and have been established on mutually agreed terms and conditions. The reported segment revenue, segment results and eliminations exclude intercompany dividends.

(b) Geographical segments

The Group's geographical segments are based on the location of the Group's assets. Sales to external customers disclosed in geographical segments are based on the geographical location of its customers. The Group's three business segments operate in four geographical areas:

(i) Malaysia - the operations in this area are principally development and sales of residential and commercial properties, development of investment properties, held to earn rental income and/or sales of lands, hotel operation, assets and facilities management, project management, harvesting, land leasing, other income, and other dormant companies;

(ii) Australia - the operations in this area are principally development and sales of residential and commercial properties as well as development of investment properties, held to earn rental income;

(iii) Singapore - the operation in this area is principally project management; and

(iv) South Africa - the operations in this area are principally development and sales of residential and commercial properties.

44. SEGMENT INFORMATION (CONT'D.)

Business segment information

At 31 December 2020	Property development RM'000	Property investment and hotel operation RM'000	Others RM'000	Eliminations RM'000	Consolidated RM'000
Revenue					
External revenue	1,031,728	65,119	40,034	–	1,136,881
Inter-segment revenue	–	1,631	96,679	(98,310)	–
Total revenue	1,031,728	66,750	136,713	(98,310)	1,136,881
Results					
Segment results	106,523	(46,687)	(20,287)	(37,352)	2,197
Finance costs	(93,091)	(34,149)	(42,962)	37,352	(132,850)
Share of results of associates	(7,195)	–	(433)	–	(7,628)
Share of results of joint ventures	(34,853)	(22,197)	–	–	(57,050)
Loss before zakat and income tax	(28,616)	(103,033)	(63,682)	–	(195,331)
Zakat	(1,080)	–	–	–	(1,080)
Tax (expense)/benefit	(79,348)	13	(970)	–	(80,305)
Loss for the year	(109,044)	(103,020)	(64,652)	–	(276,716)
Attributable to:					
Owners of the parent	(109,000)	(103,020)	(65,264)	–	(277,284)
Non-controlling interests	(44)	–	612	–	568
Loss for the year	(109,044)	(103,020)	(64,652)	–	(276,716)

NOTES TO THE FINANCIAL STATEMENTS
31 December 2020

44. SEGMENT INFORMATION (CONT'D.)

Business segment information (cont'd.)

At 31 December 2020	Property development RM'000	Property investment and hotel operation RM'000	Others RM'000	Eliminations RM'000	Consolidated RM'000
Assets					
Segment assets	11,179,215	994,584	421,844	(689,133)	11,906,510
Interests in:					
- associates	485,439	-	1,172	-	486,611
- joint ventures	898,350	90,662	-	-	989,012
Income tax assets	95,827	348	1,605	-	97,780
Total assets	12,658,831	1,085,594	424,621	(689,133)	13,479,913
Liabilities					
Segment liabilities	5,173,482	793,266	812,709	(689,133)	6,090,324
Income tax liabilities	18,489	-	519	-	19,008
Total liabilities	5,191,971	793,266	813,228	(689,133)	6,109,332
Other information					
Additions to non-current assets	367,163	4,485	6,767	-	378,415
Depreciation and amortisation	(10,592)	(24,361)	(22,009)	-	(56,962)

44. SEGMENT INFORMATION (CONT'D.)

Business segment information (cont'd.)

(Restated)

At 31 December 2019	Property development RM'000	Property investment and hotel operation RM'000	Others RM'000	Eliminations RM'000	Consolidated RM'000
Revenue					
External revenue	2,786,495	83,729	39,237	-	2,909,461
Inter-segment revenue	-	2,228	123,816	(126,044)	-
Total revenue	2,786,495	85,957	163,053	(126,044)	2,909,461
Results					
Segment results	577,160	3,752	(50,744)	(50,775)	479,393
Finance costs	(98,315)	(35,279)	(34,690)	50,775	(117,509)
Share of results of associates	2,163	-	(4,595)	-	(2,432)
Share of results of joint ventures	31,645	(7,227)	(2,103)	-	22,315
Profit/(loss) before zakat and income tax	512,653	(38,754)	(92,132)	-	381,767
Zakat	(2,006)	-	-	-	(2,006)
Tax expense	(160,173)	(206)	1,084	-	(159,295)
Profit/(loss) for the year	350,474	(38,960)	(91,048)	-	220,466
Attributable to:					
Owners of the parent	352,066	(38,960)	(91,509)	-	221,597
Non-controlling interests	(1,592)	-	461	-	(1,131)
Profit/(loss) for the year	350,474	(38,960)	(91,048)	-	220,466

NOTES TO THE FINANCIAL STATEMENTS
31 December 2020

44. SEGMENT INFORMATION (CONT'D.)

Business segment information (cont'd.)

(Restated)

At 31 December 2019	Property development RM'000	Property investment and hotel operation RM'000	Others RM'000	Eliminations RM'000	Consolidated RM'000
Assets					
Segment assets	11,219,583	1,020,052	265,995	(665,459)	11,840,171
Interests in:					
- associates	493,631	-	1,623	-	495,254
- joint ventures	914,999	111,496	-	-	1,026,495
Income tax assets	85,589	316	1,259	-	87,164
Total assets	12,713,802	1,131,864	268,877	(665,459)	13,449,084
Liabilities					
Segment liabilities	5,377,395	760,666	172,066	(665,459)	5,644,668
Income tax liabilities	71,700	6	54	-	71,760
Total liabilities	5,449,095	760,672	172,120	(665,459)	5,716,428
Other information					
Additions to non-current assets	293,485	141,773	18,256	-	453,514
Depreciation and amortisation	(11,287)	(23,744)	(12,118)	-	(47,149)

44. SEGMENT INFORMATION (CONT'D.)

Geographical information

Revenue and non-current assets information based on the geographical location of customers and assets respectively are as follows:

	Revenue	
	2020 **RM'000**	**2019** **RM'000**
Malaysia	**687,004**	965,516
Australia	**448,114**	1,942,022
Singapore	**1,763**	1,923
	1,136,881	2,909,461

	Non-current assets	
	2020 **RM'000**	**2019** **RM'000**
Malaysia	**9,697,939**	9,546,544
Australia	**126,895**	134,822
South Africa	**12,890**	15,141
Singapore	**1,124**	2,546
	9,838,848	9,699,053

NOTES TO THE FINANCIAL STATEMENTS

31 December 2020

45. SUBSIDIARIES

Name of subsidiaries	Principal activities	Country of incorporation	Effective interest 2020 %	Effective interest 2019 %
Nusajaya Five O Sdn. Bhd.	Provision of security services	Malaysia	**100**	100
Nusajaya Resort Sdn. Bhd.	Operator of clubhouse and restaurant	Malaysia	**100**	100
Sunrise Berhad	Property development and investment holding	Malaysia	**100**	100
UEM Land Berhad	Property development, property investment, project procurement and management, and strategic investment holding	Malaysia	**100**	100
UEM Sunrise (Australia) Sdn. Bhd.	Investment holding	Malaysia	**100**	100
UEM Sunrise (Canada) Sdn. Bhd.	Investment holding, property development and general trading	Malaysia	**100**	100
UEM Sunrise Management Services Sdn. Bhd.	Investment holding	Malaysia	**100**	100
UEM Sunrise Properties Sdn. Bhd.	Investment holding, property development and general trading	Malaysia	**100**	100
Subsidiaries of Sunrise Berhad				
Arcoris Sdn. Bhd.	Property investment and development	Malaysia	**100**	100
Ascot Assets Sdn. Bhd.	Property development	Malaysia	**100**	100
Allevia Sdn. Bhd.	Property investment, development and construction	Malaysia	**100**	100
Aurora Tower at KLCC Sdn. Bhd.	Property development	Malaysia	**100**	100
Ibarat Duta Sdn. Bhd.	Property development	Malaysia	**100**	100
Laser Tower Sdn. Bhd.	Property development	Malaysia	**100**	100
Lembah Suria Sdn. Bhd.	Property development	Malaysia	**100**	100
Lucky Bright Star Sdn. Bhd.	Property investment and development	Malaysia	**100**	100
Mega Legacy (M) Sdn. Bhd.	Property development	Malaysia	**50**	50
Milik Harta Sdn. Bhd.	Property development	Malaysia	**100**	100

45. SUBSIDIARIES (CONT'D.)

	Name of subsidiaries	Principal activities	Country of incorporation	Effective interest 2020 %	Effective interest 2019 %
	Subsidiaries of Sunrise Berhad (cont'd.)				
	New Planet Trading Sdn. Bhd.	Property investment and development	Malaysia	**100**	100
	Prinsip Eramaju Sdn. Bhd.	Property development	Malaysia	**100**	100
	SCM Property Services Sdn. Bhd.	Provision of property management services	Malaysia	**100**	100
	Solid Performance Sdn. Bhd.	Property development	Malaysia	**100**	100
	Summer Suites Sdn. Bhd.	Property development	Malaysia	**100**	100
	Sunrise Alliance Sdn. Bhd.	Property development	Malaysia	**100**	100
	Sunrise Benchmark Sdn. Bhd.	Property development	Malaysia	**100**	100
	Sunrise Century Sdn. Bhd.	Property development	Malaysia	**100**	100
	Sunrise Innovations Sdn. Bhd.	Property development	Malaysia	**100**	100
*	Sunrise International Development Ltd.	Investment holding	The Cayman Islands	**100**	100
	Sunrise Landmark Sdn. Bhd.	Property development	Malaysia	**100**	100
	Sunrise Mersing Sdn. Bhd.	Property development	Malaysia	**100**	100
	Sunrise Oscar Sdn. Bhd.	Investment holding	Malaysia	**100**	100
	Sunrise Overseas Corporation Sdn. Bhd.	Investment holding and provision of management services	Malaysia	**100**	100
	Sunrise Paradigm Sdn. Bhd.	Property development	Malaysia	**100**	100
	Sunrise Pioneer Sdn. Bhd.	Property development	Malaysia	**100**	100
	Sunrise Project Services Sdn. Bhd.	Property development and project management for property development projects	Malaysia	**100**	100
	Sunrise Quality Sdn. Bhd.	Property development	Malaysia	**100**	100
	Sunrise Region Sdn. Bhd.	Property development	Malaysia	**100**	100

NOTES TO THE FINANCIAL STATEMENTS

31 December 2020

45. SUBSIDIARIES (CONT'D.)

	Name of subsidiaries	Principal activities	Country of incorporation	Effective interest 2020 %	Effective interest 2019 %
	Subsidiaries of Sunrise Berhad (cont'd.)				
	Sunrise Sovereign Sdn. Bhd.	Property development and investment holding	Malaysia	**100**	100
	Sun Victory Sdn. Bhd.	Property investment and development, and hotel operation	Malaysia	**100**	100
	Sunrise MS Pte. Ltd.	Provision of consultancy, advisory and technical services in relation to project development	Singapore	**100**	100
	Sunrise Overseas (S) Pte. Ltd.	Promotion and management services relating to the Group's properties in Malaysia	Singapore	**100**	100
* ^	Sunrise Hospitality and Leisure Sdn. Bhd.	In Member's Voluntary Winding Up	Malaysia	**100**	100
	Subsidiary of Sunrise Oscar Sdn. Bhd.				
	Sunrise DCS Sdn. Bhd.	Provision of cooling plant facility services	Malaysia	**100**	100
	Subsidiary of Sunrise International Development Ltd.				
*	Sunrise Holdings S.àr.l.	Investment holding	The Grand Duchy of Luxembourg	**100**	100
	Subsidiary of Sunrise Holdings S.àr.l.				
*	Canada Sunrise Development Corp.	Property investment and development	Canada	**100**	100
	Subsidiaries of Canada Sunrise Development Corp.				
*@	Canada Sunrise Developments (Richmond) Ltd.	Dissolved	Canada	**-**	100

45. SUBSIDIARIES (CONT'D.)

	Name of subsidiaries	Principal activities	Country of incorporation	Effective interest 2020 %	Effective interest 2019 %
	Subsidiaries of UEM Land Berhad				
	Aura Muhibah Sdn. Bhd.	Property development	Malaysia	**60**	60
	Bandar Nusajaya Development Sdn. Bhd.	Investment holding, property development, land trading and an agent for its subsidiaries	Malaysia	**100**	100
	Finwares Sdn. Bhd.	Investment holding	Malaysia	**100**	100
	Fleet Group Sdn. Bhd.	Investment holding	Malaysia	**100**	100
	Mahisa Sdn. Bhd.	Property development and undertakes construction and turnkey development contracts	Malaysia	**100**	100
	Marak Unggul Sdn. Bhd.	Dormant	Malaysia	**50**	50
	Marina Management Sdn. Bhd.	Marina management and property management	Malaysia	**100**	100
	Nusajaya Development Sdn. Bhd.	Property development	Malaysia	**100**	100
*	Nusajaya Medical Park Sdn. Bhd.	Construct, manage and/or operate specialised buildings for long-term lease and property development	Malaysia	**100**	100
	UEM Sunrise Overseas Corporation Sdn. Bhd.	Investment holding	Malaysia	**100**	100
*	Hatibudi Nominees (Tempatan) Sdn. Bhd.	In Member's Voluntary Winding Up	Malaysia	**100**	100
*	UEM Sunrise Nusantara Sdn. Bhd.	In Member's Voluntary Winding Up	Malaysia	**100**	100
	Subsidiaries of Bandar Nusajaya Development Sdn. Bhd.				
	Nusajaya Gardens Sdn. Bhd.	Land trading and investment holding	Malaysia	**100**	100
	Nusajaya Greens Sdn. Bhd.	Property development, land trading and investment holding	Malaysia	**100**	100
	Nusajaya Heights Sdn. Bhd.	Property development, land trading and investment holding	Malaysia	**100**	100
	Nusajaya Industrial Park Sdn. Bhd.	Property development	Malaysia	**100**	100
	Nusajaya Land Sdn. Bhd.	Property development	Malaysia	**100**	100

NOTES TO THE FINANCIAL STATEMENTS

31 December 2020

45. SUBSIDIARIES (CONT'D.)

	Name of subsidiaries	Principal activities	Country of incorporation	Effective interest 2020 %	Effective interest 2019 %
	Subsidiaries of Bandar Nusajaya Development Sdn. Bhd. (cont'd.)				
	Nusajaya Rise Sdn. Bhd.	Property development, land trading, investment holding and money lending activity	Malaysia	**100**	100
	Nusajaya Seaview Sdn. Bhd.	Land trading and investment holding	Malaysia	**100**	100
	Symphony Hills Sdn. Bhd.	Property development, land trading and investment holding	Malaysia	**100**	100
	Subsidiary of UEM Sunrise Nusantara Sdn. Bhd. (In Member's Voluntary Winding Up)				
	P.T. Bias Permata	Investment holding	Indonesia	**100**	100
	Subsidiary of UEM Sunrise Overseas Corporation Sdn. Bhd.				
*	UEM Sunrise South Africa (Pty) Ltd.	Investment holding	South Africa	**100**	100
	Subsidiary of UEM Sunrise South Africa (Pty) Ltd.				
*	Roc-Union (Proprietary) Ltd.	Investment holding	South Africa	**80.4**	80.4
	Subsidiary of Roc-Union (Proprietary) Ltd.				
*	Rocpoint (Proprietary) Ltd.	Acquisition and development of land	South Africa	**80.4**	80.4
	Subsidiaries of UEM Sunrise (Australia) Sdn. Bhd.				
	UEM Sunrise (Land) Pty. Ltd.	Holding and financing company	Australia	**100**	100
	UEM Sunrise (Developments) Pty. Ltd.	Holding and financing company	Australia	**100**	100

45. SUBSIDIARIES (CONT'D.)

	Name of subsidiaries	Principal activities	Country of incorporation	Effective interest 2020 %	Effective interest 2019 %
	Subsidiaries of UEM Sunrise (Land) Pty. Ltd.				
	UEM Sunrise (La Trobe Street) Pty. Ltd.	Trustee company	Australia	**100**	100
	UEM Sunrise (Mackenzie Street) Pty. Ltd.	Trustee company	Australia	**100**	100
	UEM Sunrise (St Kilda Road) Pty. Ltd.	Trustee company	Australia	**100**	100
	UEM Sunrise (Collingwood) Pty. Ltd.	Trustee company	Australia	**100**	-
#	UEM Sunrise (La Trobe Street) Unit Trust	Landowning entity	Australia	**100**	100
#	UEM Sunrise (Mackenzie Street) Unit Trust	Landowning entity	Australia	**100**	100
#	UEM Sunrise (St Kilda Road) Unit Trust	Landowning entity	Australia	**100**	100
#	UEM Sunrise (Collingwood) Unit Trust	Landowning entity	Australia	**100**	-
	Subsidiaries of UEM Sunrise (Developments) Pty. Ltd.				
#	UEM Sunrise (La Trobe Street Development) Pty. Ltd.	Development company	Australia	**100**	100
#	UEM Sunrise (Mackenzie Street Development) Pty. Ltd.	Development company	Australia	**100**	100
#	UEM Sunrise (St Kilda Road Development) Pty. Ltd.	Development company	Australia	**100**	100
#	UEM Sunrise (Collingwood Development) Pty. Ltd.	Property Development	Australia	**100**	-
#	UEM Sunrise (Aurora Melbourne Central Property Management) Pty. Ltd.	Property management services	Australia	**100**	100

NOTES TO THE FINANCIAL STATEMENTS

31 December 2020

45. SUBSIDIARIES (CONT'D.)

	Name of subsidiaries	Principal activities	Country of incorporation	Effective interest 2020 %	Effective interest 2019 %
	Subsidiaries of UEM Sunrise (Developments) Pty. Ltd. (cont'd)				
#	UEM Sunrise (Conservatory Melbourne Property Management) Pty. Ltd.	Property management services	Australia	**100**	100
	Subsidiary of UEM Sunrise (Canada) Sdn. Bhd.				
* @	UEM Sunrise (Canada) Development Ltd.	Dissolved	Canada	**-**	100
	Subsidiaries of UEM Sunrise Management Services Sdn. Bhd.				
	UEM Sunrise Project Services Sdn. Bhd.	Project management for property development	Malaysia	**100**	100
	Rise Digital Sdn. Bhd.	Provision of digital services	Malaysia	**100**	100
	Subsidiaries of UEM Sunrise Properties Sdn. Bhd.				
	UEM Sunrise Nusajaya Properties Sdn. Bhd.	Property investment	Malaysia	**100**	100
	Nusajaya DCS Sdn. Bhd.	Provision of cooling plant facility services	Malaysia	**100**	100
	Opera Retreat Sdn. Bhd.	Property investment	Malaysia	**100**	100
	Puteri Harbour Convention Centre Sdn. Bhd.	Own and operate a convention centre	Malaysia	**100**	100

Note:

* Subsidiaries not audited by Ernst & Young PLT or Ernst & Young.

The financial statements of these subsidiary companies are audited for consolidation purposes.

^ On 20 November 2020, the Company announced that the final meeting of Sunrise Hospitality and Leisure Sdn. Bhd., an indirect subsidiary of the Company was held on 10 November 2020, and the return by Liquidator relating to the final meeting ("Returns") was lodged on 19 November 2020 with the Companies Commission of Malaysia and Official Receiver respectively and accordingly. The Company will be dissolved on the expiration of three (3) months after the date of lodgement of the Returns by Liquidator and cease to be a subsidiary of the Company.

@ The subsidiaries were dissolved on 15 October 2020 by way of voluntary dissolution under the Business Corporations Act and ceased to be indirect wholly-owned subsidiaries of the Company.

46. ASSOCIATES

	Name of associates	Principal activities	Country of incorporation	Effective interest 2020 %	Effective interest 2019 %
	UEM Sunrise Edgenta TMS Sdn. Bhd.	Investment holding and management of real estate	Malaysia	**30**	30
	Associates of UEM Land Berhad				
*	Inneonusa Sdn. Bhd.	Provision of smart building infrastructure, smart safety and security system, smart in-building services and smart wide services including smart tenant services for building owners, operators, residents and visitors	Malaysia	**39**	39
*	Setia Haruman Sdn. Bhd.	Township development, property development, project development and sale of land	Malaysia	**25**	25
*	Scope Energy Sdn. Bhd.	Property development	Malaysia	**40**	40
	Sarandra Malaysia Sdn. Bhd.	Investment holding company, constructuring, managing and developing of marina club	Malaysia	**40**	40
	Associate of Rocpoint (Proprietary) Ltd.				
*	Durban Point Development Company (Proprietary) Ltd.	Property development	South Africa	**40.2**	40.2

Note:

* Associates not audited by Ernst & Young PLT or Ernst & Young.

NOTES TO THE FINANCIAL STATEMENTS
31 December 2020

47. JOINT VENTURES

	Name of joint ventures	Principal activities	Country of incorporation	Effective interest 2020 %	Effective interest 2019 %
	Desaru North Course Residences Sdn. Bhd.	Property development	Malaysia	**51**	51
	Desaru South Course Land Sdn. Bhd.	Property development	Malaysia	**51**	51
	Desaru South Course Residences Sdn. Bhd.	Property development	Malaysia	**51**	51
	Nusajaya Premier Sdn. Bhd.	Property development and investment holding	Malaysia	**80**	80
	Nusajaya Lifestyle Sdn. Bhd.	Property and real estate development, management and property management	Malaysia	**55**	55
*	Malaysian Bio-XCell Sdn. Bhd.	Development and operation of a biotechnology park in the Southern Industrial Logistics Cluster in Iskandar Puteri, Iskandar Malaysia, Johor (In receivership and in liquidation)	Malaysia	**40**	40
	Joint ventures of UEM Land Berhad				
	Cahaya Jauhar Sdn. Bhd.	Undertake the turnkey design and build contract for the development of the Johor State New Administrative Centre (now known as Kota Iskandar) and State Government staff housing in Iskandar Puteri, Johor and provision of facilities maintenance and management services	Malaysia	**60**	60
*	Gerbang Leisure Park Sdn. Bhd.	Property development	Malaysia	**50**	50
	Horizon Hills Development Sdn. Bhd.	Property development	Malaysia	**50**	50
	Nusajaya Tech Park Sdn. Bhd.	Property development	Malaysia	**40**	40
*	Nusajaya Consolidated Sdn. Bhd.	Property development and related activities	Malaysia	**50**	50

47. JOINT VENTURES (CONT'D.)

	Name of joint ventures	Principal activities	Country of incorporation	Effective interest 2020 %	Effective interest 2019 %
	Joint ventures of UEM Land Berhad (cont'd)				
*	Haute Property Sdn. Bhd.	Property development and property marketing	Malaysia	**40**	40
	FASTrack Iskandar Sdn. Bhd.	Property development and to develop, construct, operate and manage motorsport city with related facilities and services	Malaysia	**30**	30
	Joint ventures of Sunrise Berhad				
*	Sime Darby Property Sunrise Development Sdn. Bhd. (formerly known as Sime Darby Sunrise Development Sdn. Bhd.)	Property development	Malaysia	**50**	50
*	Sunrise MCL Land Sdn. Bhd.	Property development and property investment	Malaysia	**50**	50
	Joint venture of UEM Sunrise Properties Sdn. Bhd.				
*	UEM Sunrise WOTSO Malaysia Sdn. Bhd.	Provision of co-working, office and event space	Malaysia	**50**	50

Note:

* Joint ventures not audited by Ernst & Young PLT or Ernst & Young.

NOTES TO THE FINANCIAL STATEMENTS
31 December 2020

48a. SIGNIFICANT CHANGES IN ACCOUNTING POLICIES

Interpretation to MFRS 123: Borrowing Costs relating to over time transfer of constructed good (Agenda Decision 4 ("AD4"))

As disclosed in Note 2.2(b), the Group opts for early adoption of AD4 during the financial year. The Group has restated the comparative financial statements to amounts reflecting the adoption of AD4, whereby interest cost is no longer capitalised for assets created under the percentage-of-completion method i.e. receivables, contract assets and inventories as these assets do not meet the definition of qualifying assets hence to be expensed off. The effect of the adoption of the AD4 on the Group's assets and its related profit or loss impact have been adjusted for retrospectively.

The effect on the comparative financial statements of the Group is as follows:

(i) Reconciliation of the consolidated statement of financial position as at 1 January 2019:

	As previously stated RM'000	Adoption of AD4 RM'000	As Restated RM'000
Assets			
Land held for property development	4,711,896	(5,167)	4,706,729
Interests in associates	500,635	(3,318)	497,317
Interests in joint ventures	993,441	(3,901)	989,540
Deferred tax assets	283,601	3,316	286,917
Other non-current assets	2,176,415	-	2,176,415
Total non-current assets	8,665,988		8,656,918
Property development costs	1,821,615	(1,494)	1,820,121
Inventories held for sale	695,271	(9,074)	686,197
Other current assets	2,941,094	-	2,941,094
Current assets	5,457,980		5,447,412
Total assets	14,123,968		14,104,330
Equity			
Retained profits	1,868,067	(19,638)	1,848,429
Other equity	5,572,544	-	5,572,544
Total equity	7,440,611		7,420,973
Total liabilities	6,683,357	-	6,683,357
Total equity and liabilities	14,123,968		14,104,330

48a. SIGNIFICANT CHANGES IN ACCOUNTING POLICIES (CONT'D.)

(ii) Reconciliation of the consolidated statement of financial position as at 31 December 2019:

	As previously stated RM'000	Adoption of AD4 RM'000	As Restated RM'000
Assets			
Land held for property development	5,618,794	(7,162)	5,611,632
Interests in associates	498,572	(3,318)	495,254
Interests in joint ventures	1,030,838	(4,343)	1,026,495
Deferred tax assets	282,926	3,873	286,799
Other non-current assets	2,278,873	-	2,278,873
Total non-current assets	9,710,003		9,699,053
Property development costs	877,385	(5,008)	872,377
Inventories held for sale	546,527	(5,884)	540,643
Other current assets	2,337,011	-	2,337,011
Current assets	3,760,923		3,750,031
Total assets	13,470,926		13,449,084
Equity			
Retained profits	2,127,889	(21,842)	2,106,047
Other equity	5,626,609	-	5,626,609
Total equity	7,754,498		7,732,656
Total liabilities	5,716,428	-	5,716,428
Total equity and liabilities	13,470,926		13,449,084

NOTES TO THE FINANCIAL STATEMENTS
31 December 2020

48a. SIGNIFICANT CHANGES IN ACCOUNTING POLICIES (CONT'D.)

(iii) Reconciliation of the extract consolidated statement of profit or loss for the year ended 31 December 2019:

	As previously stated RM'000	Adoption of AD4 RM'000	As Restated RM'000
Revenue	2,909,461	-	2,909,461
Cost of sales	(2,112,024)	8,388	(2,103,636)
Gross profit	797,437	8,388	805,825
Other income	75,598	-	75,598
Selling and distribution expenses	(37,977)	-	(37,977)
Other expenses	(364,053)	-	(364,053)
Operating profit	471,005	8,388	479,393
Finance costs	(106,801)	(10,708)	(117,509)
Share of results of associates	(2,432)	-	(2,432)
Share of results of joint ventures	22,756	(441)	22,315
Profit before zakat and income tax	384,528	(2,761)	381,767
Zakat	(2,006)	-	(2,006)
Income tax expense	(159,852)	557	(159,295)
Profit for the year	222,670	(2,204)	220,466
Attributable to:			
Profit attributable to owners of the parent	223,801	(2,204)	221,597

(iv) Reconciliation of the extract consolidated statement of comprehensive income for the year ended 31 December 2019:

	As previously stated RM'000	Adoption of AD4 RM'000	As Restated RM'000
Profit for the year	222,670	(2,204)	220,466
Total other comprehensive expense	(14,546)	-	(14,546)
Total comprehensive income for the year	208,124	(2,204)	205,920
Total comprehensive income attributable to owners of the parent	209,277	(2,204)	207,073

The above changes did not have any impact on the earnings per share, other comprehensive income and cash flows of the Group and of the Company for the year ended 31 December 2019.

48b. BUSINESS COMBINATION

On 15 April 2019, Sunrise Berhad, a wholly-owned subsidiary of the Company, completed the subscription of 500,001 new ordinary shares representing 50% + 1 share of the equity interest in Mega Legacy (M) Sdn. Bhd. ("MLM") for a cash consideration of RM256,060,000. Consequently, MLM has become an indirect subsidiary of the Company. The Group accounted the acquisition of MLM as an acquisition of assets.

The assets and liabilities recognised in previous financial year as a result of the acquisition are as follows:

	Carrying value RM'000
Assets	
Land held for property development	657,205
Receivables	1,175
Cash and bank balances	106
	658,486
Liability	
Payables	(446,960)
Net identifiable assets acquired	211,526
Add: Land cost adjustment	150,297
Less: Non-controlling interests	(105,763)
Purchase consideration	256,060

Details of the cash outflow during the previous financial year are as follows:

	RM'000
Purchase consideration	256,060
Less: Deposit paid in 2018	(41,880)
Less: Cash and bank balances acquired	(106)
Paid in the previous financial year	214,074