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STATEMENT OF RESPONSIBILITY BY THE BOARD OF DIRECTORS

In Respect of the Audited Financial Statement for the Financial Year Ended 31 December 2021

The Directors are responsible for the preparation, integrity and fair representation of the annual financial statements of Sime Darby Property Berhad Group. As required by the Companies Act, 2016 (the Act) in Malaysia and the Main Market Listing Requirements of Bursa Malaysia Securities Berhad, the financial statements for the financial year ended 31 December 2021, as presented on pages 231 to 349, have been prepared in accordance with the Malaysian Financial Reporting Standards, International Financial Reporting Standards and the requirements of the Act.

The Directors consider that in preparing the financial statements, the Group and the Company have:

- used the appropriate accounting policies; and
- consistently applied and supported by reasonable and prudent judgement and estimates.

The Directors are satisfied that the information contained in the financial statements give a true and fair view of the financial position of the Group and of the Company at the end of the financial year and of the financial performance and cash flows for the financial year.

The Directors have responsibility for ensuring that proper accounting records are kept. The accounting records should disclose with reasonable accuracy the financial position of the Group and the Company and to enable the Directors to ensure that the financial statements comply with the Act. The Directors have the general responsibility for taking such steps as are reasonably open to them to safeguard the assets of the Group to prevent and detect fraud and other irregularities.

DIRECTORS' REPORT

For the financial year ended 31 December 2021

The Directors hereby present their Report together with the audited financial statements of the Group and the Company for the financial year ended 31 December 2021.

PRINCIPAL ACTIVITIES

The Company is principally engaged in the business of investment holding, property development and provision of management services. The principal activities of the Group are divided into three segments namely property development, investment and asset management, and leisure. The principal activities of the subsidiaries, joint ventures and associates are as stated in Note 42.

There has been no significant change in the principal activities of the Group and the Company during the financial year.

FINANCIAL RESULTS

The results of the Group and the Company for the financial year ended 31 December 2021 are as follows:

	Group RM thousand	Company RM thousand
Profit before taxation	268,253	221,878
Taxation	(117,265)	(11,622)
Profit for the financial year	150,988	210,256
Profit for the financial year attributable to:		
- owners of the Company	136,904	210,256
- non-controlling interests	14,084	-
Profit for the financial year	150,988	210,256

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, except as disclosed in Note 44(a)(ii) to the financial statements.

DIVIDENDS

Since the end of the previous financial year, the Company had declared and paid the following dividends:

	RM thousand
In respect of the financial year ended 31 December 2021, a first interim single tier dividend of 1.0 sen per ordinary share which was paid on 16 November 2021.	68,008

The Board of Directors do not recommend the payment of any final dividend for the financial year ended 31 December 2021.

DIRECTORS' REPORT

For the financial year ended 31 December 2021

RESERVES AND PROVISIONS

All material transfers to or from reserves and provisions during the financial year have been disclosed in the financial statements.

SHARE CAPITAL AND DEBENTURES

There were no issuances of shares and debentures during the financial year.

DIRECTORS

The Directors who have held office since the end of the previous financial year are as follows:

Rizal Rickman Ramli (Chairman)	(Redesignated as Chairman on 7 May 2021)
Dato' Azmir Merican Azmi Merican (Group Managing Director)	
Dato' Jaganath Derek Steven Sabapathy	
Tengku Datuk Seri Ahmad Shah Alhaj ibni Almarhum Sultan Salahuddin Abdul Aziz Shah Alhaj	
Dato' Seri Ahmad Johan Mohammad Raslan	
Datin Norazah Mohamed Razali	
Dato' Soam Heng Choon	
Mohamed Ridza Mohamed Abdulla	
Dato' Hamidah Naziadin	(Appointed on 1 October 2021)
Dr. Lisa Lim Poh Lin	(Appointed on 1 October 2021)
Tan Sri Dr. Zeti Akhtar Aziz	(Retired on 6 May 2021)

By way of relief order dated 28 February 2022, granted by the Companies Commission of Malaysia, the names of directors of subsidiary companies as required under Section 253(2) of the Companies Act 2016 in Malaysia are not disclosed in this Report. Their names are set out in the respective subsidiaries directors' report for the financial year ended 31 December 2021 and the said information is deemed incorporated herein by such reference and shall form part hereof.

DIRECTORS' BENEFITS

Since the end of the previous financial year, no Director of the Company has received or become entitled to receive any benefit (other than benefits disclosed as Directors' remuneration in Note 10 to the financial statements) by reason of a contract made by the Company or a related corporation with the Director or with a firm of which the Director is a member, or with a company in which the Director has a substantial financial interest except for any benefits which may be deemed to have arisen from the transactions disclosed in Note 38 to the financial statements.

During and at the end of the financial year, no arrangements subsisted to which the Company is a party, with the object or objects of enabling Directors of the Company to acquire benefits by means of the acquisition of shares in, or debentures of the Company or any other body corporate.

The Directors and Officers of the Group and the Company are covered by Directors and Officers liability insurance for any liability incurred in the discharge of their duties, provided that they have not acted fraudulently or dishonestly or derived any personal profit or advantage. The insurance is maintained on a group basis by the Company and the total premium incurred during the financial year amounted to RM153,632.

DIRECTORS' REPORT

For the financial year ended 31 December 2021

DIRECTORS' INTEREST IN SHARES

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 in, or debentures of, the Company during the financial year.

STATUTORY INFORMATION ON THE FINANCIAL STATEMENTS

- a. Before the financial statements of the Group and 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 impairment for doubtful debts, and satisfied themselves that all known bad debts had been written off and adequate impairment had been made for doubtful debts; and
 - ii. to ensure that any current assets, which were unlikely to realise in the ordinary course of business, their values as shown in the accounting records of the Group and of the Company, have been written down to amounts which they might be expected so to realise.
- b. At the date of this Report, the Directors are not aware of any circumstances:
 - i. which would render the amounts written off for bad debts or the amounts of impairment for doubtful debts in the financial statements of the Group and of the Company inadequate to any substantial extent; or
 - ii. which would render the values attributed to current assets in the financial statements of the Group and of the Company misleading; or
 - iii. which have arisen which render adherence to the existing method of valuation of assets or liabilities of the Group and of the Company misleading or inappropriate.
- c. As at the date of this Report:
 - i. there are no charges on the assets of the Group and of the Company which have arisen since the end of the financial year to secure the liability of any other person; and
 - ii. there are no contingent liabilities in the Group and in the Company which have arisen since the end of the financial year other than those arising in the ordinary course of business.
- d. At the date of this Report, the Directors are not aware of any circumstances not otherwise dealt with in the Report or financial statements which would render any amount stated in the financial statements misleading.
- e. 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 and of the Company to meet their obligations as and when they fall due; and
 - ii. except as disclosed in financial statements, 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 and of the Company for the financial year in which this Report is made.

DIRECTORS' REPORT

For the financial year ended 31 December 2021

IMMEDIATE AND ULTIMATE HOLDING COMPANIES

The Directors regard Permodalan Nasional Berhad as the Company's immediate holding company and Yayasan Pelaburan Bumiputra as its ultimate holding company. Both companies are incorporated in Malaysia.

AUDITORS

The audit fees for services rendered by the auditors to the Group and the Company for the financial year ended 31 December 2021 are disclosed in Note 9 to the financial statements.

The auditors, PricewaterhouseCoopers PLT have expressed their willingness to continue in office.

This Report was approved by the Board of Directors on 25 March 2022.

Rizal Rickman Ramli

Chairman

Petaling Jaya
25 March 2022

Dato' Azmir Merican Azmi Merican

Group Managing Director

STATEMENT BY DIRECTORS

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

We, Rizal Rickman Ramli and Dato' Azmir Merican Azmi Merican, being two of the Directors of Sime Darby Property Berhad, hereby state that, in the opinion of the Directors, the financial statements set out on pages 231 to 349 are drawn up in accordance with the Malaysian Financial Reporting Standards, International Financial Reporting Standards and the requirements of the Companies Act 2016 in Malaysia so as to give a true and fair view of the financial position of the Group and the Company as at 31 December 2021 and of the financial performance of the Group and the Company for the financial year ended on that date.

Signed on behalf of the Board of Directors of Sime Darby Property Berhad and dated on 25 March 2022.

Rizal Rickman Ramli

Chairman

Petaling Jaya

Dato' Azmir Merican Azmi Merican

Group Managing Director

STATUTORY DECLARATION

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

I, Betty Lau Sui Hing, the Officer primarily responsible for the financial management of Sime Darby Property Berhad, do solemnly and sincerely declare that, the financial statements set out on pages 231 to 349 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 1835.

Betty Lau Sui Hing

(MIA No. 8511)

Group Chief Financial Officer

Subscribed and solemnly declared by the abovenamed Betty Lau Sui Hing, at Harrow, Middlesex, United Kingdom on 25 March 2022.

Before me:

Madhubala Colwill

NOTARY PUBLIC



INDEPENDENT AUDITORS' REPORT

To the members of Sime Darby Property Berhad
(Incorporated in Malaysia) Registration No.197301002148 (15631-P)

REPORT ON THE AUDIT OF THE FINANCIAL STATEMENTS

Our Opinion

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

What we have audited

We have audited the financial statements of the Group and of the Company, which comprise the statements of financial position as at 31 December 2021 of the Group and of the Company, and the statements of profit or loss, statements of comprehensive income, statements of changes in equity and statements of cash flows of the Group and of the Company for the financial year then ended, and notes to the financial statements, including a summary of significant accounting policies, as set out on pages 231 to 349.

Basis for opinion

We conducted our audit in accordance with approved standards on auditing in Malaysia and International Standards on Auditing. Our responsibilities under those standards are further described in the "Auditors' responsibilities for the audit of the financial statements" section of our report.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Independence and other ethical responsibilities

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

Our audit approach

As part of designing our audit, we determined materiality and assessed the risks of material misstatement in the financial statements of the Group and of the Company. In particular, we considered where the Directors made subjective judgements; for example, in respect of significant accounting estimates that involved making assumptions and considering future events that are inherently uncertain. As in all of our audits, we also addressed the risk of management override of internal controls, including among other matters, consideration of whether there was evidence of bias that represented a risk of material misstatement due to fraud.

We tailored the scope of our audit in order to perform sufficient work to enable us to provide an opinion on the financial statements as a whole, taking into account the structure of the Group and of the Company, the accounting processes and controls, and the industry in which the Group and the Company operate.



INDEPENDENT AUDITORS' REPORT

To the members of Sime Darby Property Berhad
(Incorporated in Malaysia) Registration No.197301002148 (15631-P)

REPORT ON THE AUDIT OF THE FINANCIAL STATEMENTS (CONTINUED)

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 financial year. These matters were addressed in the context of our audit of the financial statements of the Group and of the Company as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

Key audit matters

How our audit addressed the key audit matters

Revenue and cost recognition – property development activities

The Group and the Company recognise revenue and costs relating to the property development activities using the stage of completion method.

The stage of completion is measured using the output method, which is based on the completion of the physical proportion of contract work to date, certified by professional consultants.

The Group and the Company recognised revenue of RM1,620.3 million and RM125.3 million respectively and costs of RM1,169.1 million and RM99.3 million respectively from property development activities recognised over time for the financial year ended 31 December 2021.

Revenue and cost recognised on property development activities have an inherent risk as it involves judgement and estimates. We focused on this area because there is key judgement involved in determining the following:

- Stage of completion;
- Extent of property development costs incurred to date;
- Estimated total property development costs;
- Estimation of provision due to liquidated ascertained damages as a reduction of revenue; and
- Estimation of common costs allocation to the project phases from the total budgeted common costs attributable to the respective property development projects.

Refer to Notes 4(a), 6 and 7 to the financial statements.

We performed the following audit procedures:

We tested the operating effectiveness of the key controls in respect of the review and approval of project cost budgets to assess the reliability of these budgets and the determination of the extent of costs incurred to-date.

We checked the stage of completion of property development projects, on a sample basis, to certifications from professional consultants (i.e. internal or external quantity surveyors).

We corroborated the certified stage of completion with the level of completion based on actual costs incurred to-date over the estimated total property development costs.

We agreed, on a sample basis, costs incurred to supporting documentation such as contractor claim certificates and invoices from vendors.

We checked the reasonableness of the estimated total property development costs of major projects, allocation of common costs and subsequent changes to the costs by agreeing to supporting documentation such as approved budgets, letter of awards, contracts, quotations, correspondences, contracts and variation orders with contractors.

We tested actual sales of development properties to signed sales and purchase agreements.

In instances where projects have been delayed, we have tested management's estimates of the liquidated ascertained damages provisions required to supporting documentation such as project progress report, extension of time approvals, correspondence with the relevant parties, where applicable.

On a test basis, we checked the mathematical calculation of the percentage of completion and we tested that the percentage of revenue and costs recognised in the statements of comprehensive income is mathematically accurate. We also tested the journal entries to ensure the revenue and costs are recorded appropriately.

Based on the above procedures performed, we noted no material exceptions.



INDEPENDENT AUDITORS' REPORT

To the members of Sime Darby Property Berhad
(Incorporated in Malaysia) Registration No.197301002148 (15631-P)

REPORT ON THE AUDIT OF THE FINANCIAL STATEMENTS (CONTINUED)

Key audit matters (continued)

Key audit matters	How our audit addressed the key audit matters
<p>Recoverability of properties under development and completed properties held for sale</p> <p>The Group and the Company have RM5,461.9 million and RM1,155.9 million of properties under development respectively, as well as RM329.6 million and RM6.0 million of completed properties held for sale respectively as at the reporting date.</p> <p>The carrying amounts of the properties under development and completed properties held for sale have been classified as inventories in the financial statements of the Group and of the Company.</p> <p>The recoverability of properties under development and completed properties held for sale are assessed based on estimation of the net realisable value ("NRV") of the underlying properties. This involves considerable analyses of estimated costs to completion, committed contracts and expected future selling price based on prevailing market conditions such as current market prices of comparable standards and locations.</p> <p>We focused on the recoverability of the carrying amount of inventories because of the estimates made by management in determining the net realisable values of inventories. Based on management's assessment, the Group and the Company recognised a write-down of RM1.9 million and RM Nil respectively; and a write-off of RM2.5 million and RM0.2 million respectively in respect of inventories during the financial year.</p> <p>Refer to Notes 4(b), 7 and 21 to the financial statements.</p>	<p>We performed the following audit procedures:</p> <p>We discussed with management on the basis used to write-down inventories at period end to its NRV.</p> <p>For properties under development, we tested the operating effectiveness of the key controls in respect of the review and approval of project cost budgets to assess the reliability of these budgets and the determination of the extent of costs incurred to-date.</p> <p>Based on the approved project cost budgets, on a sample basis, we assessed the profitability of the projects for indication of NRV.</p> <p>For those unsold development units which have recent sale transactions, we compared the carrying amount of these development units, on a sample basis, to the selling prices stated in the signed sale and purchase agreements, net of discounts given and an estimated selling cost.</p> <p>For those unsold development units which did not have recent sale transactions, on a sample basis, we obtained the recently transacted prices of comparable development units in similar or nearby locations, and taking into consideration of the estimated cost necessary to complete the sales.</p> <p>Based on the above procedures performed, we noted no material exceptions.</p>



INDEPENDENT AUDITORS' REPORT

To the members of Sime Darby Property Berhad
(Incorporated in Malaysia) Registration No.197301002148 (15631-P)

REPORT ON THE AUDIT OF THE FINANCIAL STATEMENTS (CONTINUED)

Key audit matters (continued)

Key audit matters	How our audit addressed the key audit matters
<p>Provision for onerous commitment</p> <p>The Group recorded a provision of RM158.2 million relating to a single onerous commitment on a property previously disposed.</p> <p>The onerous commitment is assessed by management to determine whether an onerous provision is required.</p> <p>Given the cash flows generated is not adequate to cover future commitments, this resulted in the recognition of an onerous commitment in respect of the unavoidable net cash outflows.</p> <p>Management judgement was applied in relation to future disposal value and rental commitment, commitment period and discount rate used when assessing the level of provision required.</p> <p>We focused on valuation and completeness of the onerous commitment provision by assessing the judgements used in arriving at the level of provision made.</p> <p>Refer to Notes 4(f) and 35 to the financial statements.</p>	<p>We performed the following audit procedures:</p> <p>We assessed the appropriateness of the projections by taking into consideration the rental income expected to be received from the third party and the rental rate for the commitment period set out in the rental agreement.</p> <p>We tested the accuracy of the information used within the onerous commitment calculation by agreeing the inputs back to the source data, which includes rental rates, sub-lease income, commitment period and the net lettable area.</p> <p>We assessed the appropriateness of the assumptions adopted in the calculation including discount rate used through comparison to appropriate external benchmarks (i.e. published interest rates).</p> <p>We obtained a legal opinion prepared the Group's legal advisor to understand the Group's legal obligations on this matter.</p> <p>We assessed the appropriateness of the related disclosures in Note 35 of the financial statements.</p> <p>Based on the above procedures performed, we noted no material exceptions.</p>



INDEPENDENT AUDITORS' REPORT

To the members of Sime Darby Property Berhad
(Incorporated in Malaysia) Registration No.197301002148 (15631-P)

REPORT ON THE AUDIT OF THE FINANCIAL STATEMENTS (CONTINUED)

Key audit matters (continued)

Key audit matters	How our audit addressed the key audit matters
<p>Impairment assessments of non-financial assets with impairment indicators</p> <p>Management performed impairment assessments of the non-financial assets of the Group and of the Company, which had impairment indicators.</p> <p>Management obtained and relied on external valuation for impairment assessments of the non-financial assets of the Group and of the Company, which did not result in material losses or impairment during the financial year ended 31 December 2021.</p> <p>We focused on this area as the recoverable amounts of the non-financial assets are determined based on valuations carried out by independent professional valuers, in which the computation of the recoverable amount involves professional judgements and estimates.</p> <p>Refer to Notes 4(g) and 4(h), 11, 12, 19, 20 and 22 to the financial statements.</p>	<p>We performed the following audit procedures:</p> <p>We evaluated the reliability and reasonableness of management's cash flows projections to the approved project's profitability in assessing the recoverable amount.</p> <p>We obtained external valuation from management which was prepared by independent professional external valuers.</p> <p>We evaluated the competency, capabilities and objectivity of the independent professional external valuers by checking their qualification and their registration to the respective boards of each country.</p> <p>We assessed and discussed with the independent professional external valuers of the methodologies used in estimating the fair value of the subjects under valuation. We assessed the reasonableness of assumptions adopted by the independent professional external valuers including term yield, reversion yield and allowance for void used by the valuers to comparable properties.</p> <p>We agreed the input used in the external valuation including rental rates, rental periods, net lettable area and outgoing expenses to the underlying tenancy agreement where applicable.</p> <p>We assessed the adequacy and reasonableness of the disclosures in the financial statements.</p> <p>Based on the above procedures performed, we noted no material exceptions.</p>



INDEPENDENT AUDITORS' REPORT

To the members of Sime Darby Property Berhad
(Incorporated in Malaysia) Registration No.197301002148 (15631-P)

REPORT ON THE AUDIT OF THE FINANCIAL STATEMENTS (CONTINUED)

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 Statement on Risk Management and Internal Control, Risk Management Committee Report, Directors' Report and Management Discussion and Analysis, which we obtained prior to the date of this auditors' report, and Audit Committee Report, Corporate Governance Overview Statement, Sustainability Report, Risk Management Committee Report, Chairman's Message and other sections of the 2021 Annual Report, which are expected to be made available to us after that date. Other information does not include the financial statements of the Group and of the Company and our auditors' report thereon.

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

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

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

Responsibilities of the Directors for the financial statements

The Directors of the Company are responsible for the preparation of the 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:

- (a) 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.
- (b) Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Group's and of the Company's internal control.
- (c) Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the Directors.



INDEPENDENT AUDITORS' REPORT

To the members of Sime Darby Property Berhad
(Incorporated in Malaysia) Registration No.197301002148 (15631-P)

REPORT ON THE AUDIT OF THE FINANCIAL STATEMENTS (CONTINUED)

Auditors' responsibilities for the audit of the financial statements (continued)

- (d) 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 on 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.
- (e) 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.
- (f) 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, actions taken to eliminate threats or safeguards applied.

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 financial 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 42 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.

PRICEWATERHOUSECOOPERS PLT
LLP0014401-LCA & AF 1146
Chartered Accountants

NURUL A'IN BINTI ABDUL LATIF
02910/02/2023 J
Chartered Accountant

Kuala Lumpur
25 March 2022

STATEMENTS OF PROFIT OR LOSS

For the financial year ended 31 December 2021

Amounts in RM thousand unless otherwise stated

	Note	Group		Company	
		2021	2020 Restated	2021	2020
Revenue	6	2,219,924	2,062,781	505,791	293,245
Cost of sales	7	(1,656,201)	(1,742,045)	(128,028)	(81,715)
Gross profit		563,723	320,736	377,763	211,530
Other operating income	8	12,752	15,806	2,484	1,671
Selling and marketing expenses	9	(88,985)	(74,060)	(6,299)	(6,209)
Administrative and other expenses	9	(195,691)	(233,962)	(164,067)	(185,743)
Operating profit		291,799	28,520	209,881	21,249
Other losses	11	(2,520)	(88,022)	(4,264)	(75,843)
Share of results of joint ventures	12	(29,578)	(419,602)	-	-
Share of results of associates	13	776	(1,300)	-	-
Profit/(Loss) before interest and taxation		260,477	(480,404)	205,617	(54,594)
Finance income	14	102,773	109,944	59,489	40,863
Finance costs	15	(94,997)	(104,344)	(43,228)	(19,296)
Profit/(Loss) before taxation		268,253	(474,804)	221,878	(33,027)
Taxation	16	(117,265)	(60,743)	(11,622)	(4,782)
Profit/(Loss) for the financial year		150,988	(535,547)	210,256	(37,809)
Profit/(Loss) for the financial year attributable to:					
- owners of the Company		136,904	(501,566)	210,256	(37,809)
- non-controlling interests		14,084	(33,981)	-	-
		150,988	(535,547)	210,256	(37,809)
Basic and diluted earnings/(loss) per share attributable to owners of the Company (Sen)	17	2.0	(7.4)		

The notes on pages 242 to 349 form an integral part of these financial statements.

STATEMENTS OF COMPREHENSIVE INCOME

For the financial year ended 31 December 2021

Amounts in RM thousand unless otherwise stated

	Note	Group		Company	
		2021	2020 Restated	2021	2020
Profit/(Loss) for the financial year		150,988	(535,547)	210,256	(37,809)
Other comprehensive income/(loss)					
<u>Items which will subsequently be reclassified to profit or loss (net of tax):</u>					
Currency translation differences		62,417	45,569	-	-
Net changes in fair value of investments	23	(775)	(2,298)	(775)	(2,298)
Share of other comprehensive (loss)/income of associates	13	(2,658)	1,074	-	-
		58,984	44,345	(775)	(2,298)
<u>Reclassified to profit or loss</u>					
Currency translation differences on repayment of net investments	11	-	6,642	-	-
Total other comprehensive income/(loss) for the financial year		58,984	50,987	(775)	(2,298)
Total comprehensive income/(loss) for the financial year		209,972	(484,560)	209,481	(40,107)
Total comprehensive income/(loss) for the financial year attributable to:					
- owners of the Company		195,558	(449,065)	209,481	(40,107)
- non-controlling interests		14,414	(35,495)	-	-
		209,972	(484,560)	209,481	(40,107)

STATEMENTS OF FINANCIAL POSITION

as at 31 December 2021

Amounts in RM thousand unless otherwise stated

	Note	Group		
		31.12.2021	31.12.2020 Restated	01.01.2020 Restated
Non-current assets				
Property, plant and equipment	19	615,247	626,178	636,284
Investment properties	20	774,002	709,030	745,785
Inventories	21	3,869,520	4,474,282	4,542,929
Joint ventures	12	3,161,988	2,476,101	2,800,416
Associates	13	138,035	139,142	139,137
Investments	23	53,418	56,276	58,788
Intangible assets	24	7,258	5,721	4,143
Deferred tax assets	25	623,212	617,535	594,446
Receivables	26	75,152	80,790	50,790
Contract assets	27	1,248,336	1,255,602	1,318,352
		10,566,168	10,440,657	10,891,070
Current assets				
Inventories	21	1,922,797	1,760,043	1,903,139
Receivables	26	713,283	622,660	628,711
Contract assets	27	1,097,673	1,123,772	1,198,933
Prepayments		15,468	7,794	17,549
Tax recoverable		31,607	32,203	23,334
Cash held under Housing Development Accounts	28	291,466	345,486	456,706
Bank balances, deposits and cash	29	618,198	456,351	286,632
		4,690,492	4,348,309	4,515,004
Total assets		15,256,660	14,788,966	15,406,074

STATEMENTS OF FINANCIAL POSITION

as at 31 December 2021

Amounts in RM thousand unless otherwise stated

	Note	Group		
		31.12.2021	31.12.2020 Restated	01.01.2020 Restated
Equity				
Share capital	30	6,800,839	6,800,839	6,800,839
Fair value reserve		31,718	35,151	36,375
Exchange reserve		104,133	42,046	(11,679)
Retained profits		2,204,704	2,135,808	2,829,090
Attributable to Owners of the Company		9,141,394	9,013,844	9,654,625
Non-controlling interests	31	185,143	179,529	219,162
Total equity		9,326,537	9,193,373	9,873,787
Non-current liabilities				
Payables	32	82,831	79,184	81,375
Borrowings	33	2,756,363	3,033,927	2,408,140
Lease liabilities	34	45,936	66,057	74,042
Provisions	35	136,612	131,188	99,332
Contract liabilities	27	243,757	244,937	251,623
Deferred tax liabilities	25	184,700	172,562	163,713
		3,450,199	3,727,855	3,078,225
Current liabilities				
Payables	32	1,016,242	1,248,094	1,304,027
Borrowings	33	1,075,237	292,542	796,147
Lease liabilities	34	20,812	16,880	17,670
Provisions	35	110,101	116,681	76,569
Contract liabilities	27	230,757	134,241	100,902
Tax provision		26,775	59,300	158,747
		2,479,924	1,867,738	2,454,062
Total liabilities		5,930,123	5,595,593	5,532,287
Total equity and liabilities		15,256,660	14,788,966	15,406,074

STATEMENTS OF FINANCIAL POSITION

as at 31 December 2021

Amounts in RM thousand unless otherwise stated

	Note	Company	
		2021	2020
Non-current assets			
Property, plant and equipment	19	20,600	27,212
Subsidiaries	22	7,911,038	6,768,048
Inventories	21	1,057,817	1,052,552
Joint ventures	12	-	-
Associates	13	47,223	46,448
Investments	23	53,418	56,276
Intangible assets	24	5,724	4,628
Deferred tax assets	25	25,876	29,708
Receivables	26	1,490,088	1,965,553
		10,611,784	9,950,425
Current assets			
Inventories	21	104,111	133,711
Receivables	26	492,496	170,311
Contract assets	27	38,583	33,257
Prepayments		3,514	4,164
Tax recoverable		5,561	1,585
Cash held under Housing Development Accounts	28	17,290	47,324
Bank balances, deposits and cash	29	86,573	191,945
		748,128	582,297
Total assets		11,359,912	10,532,722

STATEMENTS OF FINANCIAL POSITION

as at 31 December 2021

Amounts in RM thousand unless otherwise stated

	Note	Company	
		2021	2020
Equity			
Share capital	30	6,800,839	6,800,839
Fair value reserve		17,918	18,693
Retained profits		2,310,540	2,168,292
Attributable to Owners of the Company/Total Equity		9,129,297	8,987,824
Non-current liabilities			
Payables	32	6,667	-
Borrowings	33	1,163,641	1,229,996
Lease liabilities	34	8,012	15,679
		1,178,320	1,245,675
Current liabilities			
Payables	32	174,793	162,524
Borrowings	33	773,041	69,462
Lease liabilities	34	7,662	7,426
Provisions	35	4,025	-
Contract liabilities	27	92,774	59,811
		1,052,295	299,223
Total liabilities		2,230,615	1,544,898
Total equity and liabilities		11,359,912	10,532,722

STATEMENTS OF CHANGES IN EQUITY

For the financial year ended 31 December 2021

Amounts in RM thousand unless otherwise stated

Group	Note	Share capital	Fair value reserve	Exchange reserve	Retained profits	Attributable to owners of the Company	Non-controlling interests	Total equity
2021								
At 1 January 2021								
- as previously stated		6,800,839	35,151	42,046	2,225,657	9,103,693	185,763	9,289,456
- effect of the adoption of Agenda Decision		-	-	-	(89,849)	(89,849)	(6,234)	(96,083)
- as restated		6,800,839	35,151	42,046	2,135,808	9,013,844	179,529	9,193,373
Profit for the financial year		-	-	-	136,904	136,904	14,084	150,988
Other comprehensive (loss)/income for the financial year		-	(3,433)	62,087	-	58,654	330	58,984
Total comprehensive (loss)/income for the financial year		-	(3,433)	62,087	136,904	195,558	14,414	209,972
Transactions with owners:								
- dividends paid	18	-	-	-	(68,008)	(68,008)	(8,800)	(76,808)
At 31 December 2021		6,800,839	31,718	104,133	2,204,704	9,141,394	185,143	9,326,537
2020								
Restated								
At 1 January 2020								
- as previously stated		6,800,839	36,375	(11,679)	2,896,175	9,721,710	228,296	9,950,006
- effect of the adoption of Agenda Decision		-	-	-	(67,085)	(67,085)	(9,134)	(76,219)
- as restated		6,800,839	36,375	(11,679)	2,829,090	9,654,625	219,162	9,873,787
Loss for the financial year		-	-	-	(501,566)	(501,566)	(33,981)	(535,547)
Other comprehensive (loss)/income for the financial year		-	(1,224)	53,725	-	52,501	(1,514)	50,987
Total comprehensive (loss)/income for the financial year		-	(1,224)	53,725	(501,566)	(449,065)	(35,495)	(484,560)
Transactions with owners:								
- dividends paid	18	-	-	-	(204,025)	(204,025)	(4,400)	(208,425)
- reversal of tax provision on waiver on intercompany loan		-	-	-	15,409	15,409	-	15,409
- acquisition of non- controlling interest		-	-	-	(3,100)	(3,100)	262	(2,838)
At 31 December 2020		6,800,839	35,151	42,046	2,135,808	9,013,844	179,529	9,193,373

STATEMENTS OF CHANGES IN EQUITY

For the financial year ended 31 December 2021

Amounts in RM thousand unless otherwise stated

Company	Note	Share capital	Fair value reserve	Retained profits	Total equity
2021					
At 1 January 2021		6,800,839	18,693	2,168,292	8,987,824
Profit for the financial year		-	-	210,256	210,256
Other comprehensive loss for the financial year		-	(775)	-	(775)
Total comprehensive (loss)/income for the financial year		-	(775)	210,256	209,481
Transactions with owners:					
- dividend paid	18	-	-	(68,008)	(68,008)
At 31 December 2021		6,800,839	17,918	2,310,540	9,129,297
2020					
At 1 January 2020		6,800,839	20,991	2,410,126	9,231,956
Loss for the financial year		-	-	(37,809)	(37,809)
Other comprehensive loss for the financial year		-	(2,298)	-	(2,298)
Total comprehensive loss for the financial year		-	(2,298)	(37,809)	(40,107)
Transactions with owners:					
- dividend paid	18	-	-	(204,025)	(204,025)
At 31 December 2020		6,800,839	18,693	2,168,292	8,987,824

STATEMENTS OF CASH FLOWS

For the financial year ended 31 December 2021

Amounts in RM thousand unless otherwise stated

	Note	Group		Company	
		2021	2020 Restated	2021	2020
CASH FLOWS FROM OPERATING ACTIVITIES					
Profit/(Loss) for the financial year		150,988	(535,547)	210,256	(37,809)
Adjustments for:					
Share of results of:					
- joint ventures		29,578	419,602	-	-
- associates		(776)	1,300	-	-
Amortisation of intangible assets		1,955	1,652	1,586	1,501
Depreciation of:					
- property, plant and equipment		33,489	34,714	9,218	10,946
- investment properties		29,250	25,731	-	-
Impairment losses on:					
- property, plant and equipment		415	5,965	-	-
- investment properties		-	22,034	-	-
Net write-down of inventories		1,882	125,284	-	7,111
Write-off of:					
- property, plant and equipment		98	237	-	57
- inventories		2,543	73,111	162	3,021
- receivables		-	417	-	-
Gain on disposal of investment properties		(948)	-	-	-
Gain on disposal of property, plant and equipment		-	(15)	-	-
Changes in fair value of quoted investments		-	214	-	214
Provisions		1,788	73,735	4,025	-
Other items [note (a)]		318	17,166	7,848	77,354
Finance income		(102,773)	(109,944)	(59,489)	(40,863)
Finance costs		94,997	104,344	43,228	19,296
Taxation		117,265	60,743	11,622	4,782
Unrealised foreign currency exchange loss/(gain)		-	2,054	(5,832)	-
		360,069	322,797	222,624	45,610
Changes in working capital:					
- inventories		383,408	50,944	24,173	(5,446)
- trade and other receivables		(90,915)	3,533	(8,977)	(28,055)
- contract assets and contract liabilities		221,897	262,718	27,637	110,780
- trade and other payables		(237,890)	(65,503)	667	(4,234)
		636,569	574,489	266,124	118,655

STATEMENTS OF CASH FLOWS

For the financial year ended 31 December 2021

Amounts in RM thousand unless otherwise stated

	Note	Group		Company	
		2021	2020 Restated	2021	2020
Cash generated from operations		636,569	574,489	266,124	118,655
Tax paid		(142,733)	(167,828)	(11,766)	(24,815)
Dividends received from investments, joint ventures and associates		504	3,595	345	-
Net cash from operating activities		494,340	410,256	254,703	93,840
CASH FLOWS FROM INVESTING ACTIVITIES					
Finance income received		8,871	10,509	58,722	40,043
Proceeds from sale of:					
- property, plant and equipment		-	17	-	2
- investment properties		1,020	-	-	-
Purchase of:					
- property, plant and equipment		(5,491)	(17,008)	(2,606)	(633)
- investment properties		(9,030)	(14,206)	-	-
- intangible assets		(3,492)	(3,230)	(2,682)	(2,264)
Advances to joint ventures and associates		-	(37,031)	-	(32,031)
Advances to subsidiaries		-	-	(203,860)	(507,987)
Subscription of shares in subsidiaries		-	-	(781,729)	(33,734)
Proceeds from capital reduction by a subsidiary		-	-	323	8,152
Subscription of shares in joint ventures		(660,779)	(45,865)	-	-
Proceed from liquidation of an associate		-	950	-	950
Net cash used in investing activities		(668,901)	(105,864)	(931,832)	(527,502)
CASH FLOW FROM FINANCING ACTIVITIES					
Finance costs paid		(133,848)	(145,662)	(42,101)	(18,202)
Borrowings raised	33	98,791	872,704	-	800,000
Repayments of borrowings	33	(325,252)	(188,299)	(67,000)	-
Revolving credits (net)	33	736,929	(560,000)	708,929	-
Repayments of lease liabilities	34	(17,422)	(15,853)	(7,431)	(9,588)
Net advances from/(repayment to) subsidiaries	32	-	-	17,334	(84,856)
Dividends paid on ordinary shares		(68,008)	(204,025)	(68,008)	(204,025)
Dividends paid to non-controlling interests		(8,800)	(4,400)	-	-
Acquisition of non-controlling interest		-	(2,838)	-	-
Net cash from/(used in) financing activities		282,390	(248,373)	541,723	483,329

STATEMENTS OF CASH FLOWS

For the financial year ended 31 December 2021

Amounts in RM thousand unless otherwise stated

	Note	Group		Company	
		2021	2020 Restated	2021	2020
Net increase/(decrease) in cash and cash equivalents		107,829	56,019	(135,406)	49,667
Foreign exchange differences		(2)	2,480	-	-
Cash and cash equivalents at the beginning of the financial year		801,837	743,338	239,269	189,602
Cash and cash equivalents at the end of the financial year [note (b)]		909,664	801,837	103,863	239,269
a. Other items:					
Net impairment losses on:					
- investment in subsidiaries		-	-	8,128	12,163
- trade and other receivables		(1,503)	12,837	(2,035)	1,611
- contract assets		(70)	-	-	-
- quoted investment		2,083	-	2,083	-
- amounts due from subsidiaries		-	-	-	65,455
- amounts due from a joint venture		-	(1,296)	-	-
Loss from liquidation of subsidiaries		-	-	17	-
Foreign currency exchange loss transferred from equity		-	6,642	-	-
Gain on liquidation of an associate		-	(950)	-	(350)
Others		(192)	(67)	(345)	(1,525)
		318	17,166	7,848	77,354
b. Cash and cash equivalents at the end of the financial year:					
Cash held under Housing Development Accounts	28	291,466	345,486	17,290	47,324
Bank balances, deposits and cash	29	618,198	456,351	86,573	191,945
		909,664	801,837	103,863	239,269

The notes on pages 242 to 349 form an integral part of these financial statements.

NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 December 2021

Amounts in RM thousand unless otherwise stated

1 GENERAL INFORMATION

The Company is principally engaged in the business of investment holding, property development and provision of management services. The principal activities of the Group are divided into three segments namely property development, investment and asset management, and leisure. The principal activities of the subsidiaries, joint ventures and associates are as stated in Note 42.

There has been no significant change in the principal activities of the Group and the Company during the financial year.

2 BASIS OF PREPARATION

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

The financial statements have been prepared under the historical cost convention except as disclosed in the significant accounting policies in Note 3. The financial statements are presented in Ringgit Malaysia in thousands ("RM thousand") unless otherwise stated.

The preparation of financial statements in conformity with MFRS and IFRS requires the use of certain critical accounting estimates and assumptions that affect the reported amounts of assets and liabilities and the disclosure of contingent assets and liabilities at the date of the financial statements, and the reported amounts of revenue and expenses during the reported period.

The areas involving a higher degree of judgement or complexity or areas where assumptions and estimates are significant to the financial statements are disclosed in Note 4.

a. Accounting pronouncements that are adopted during the financial year

- i. Amendments that are effective and adopted during the financial year

Amendments to MFRS 16 - COVID-19 - Related Rent Concessions
 Amendments to MFRS 9, MFRS 139, MFRS 7, MFRS 4 and MFRS 16 - Interest Rate Benchmark Reform - Phase 2
 Agenda Decision on IAS 2 Costs Necessary to Sell Inventories
 Agenda Decision on IAS 23 Borrowing Costs relating to over time transfer of constructed goods ("Agenda Decision")

The adoption of the above did not result in any significant changes to the Group's results and financial position except for the adoption of Agenda Decision. The impact on adoption of Agenda Decision is shown in Note 43.

NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 December 2021

Amounts in RM thousand unless otherwise stated

2 BASIS OF PREPARATION (CONTINUED)

The Group and the Company have also considered the new accounting pronouncements in the preparation of the financial statements.

b. Accounting pronouncements that are not yet effective and have not been early adopted

- i. New standard and amendments that are effective on or after 1 January 2022, where their adoption is not expected to result in any significant changes to the Group's and to the Company's results or financial position.

MFRS 17 and related amendments	Insurance Contracts
Amendments to MFRS 3	Reference to Conceptual Framework
Amendments to MFRS 17 Insurance Contracts	Initial Application of MFRS 17 and MFRS 9 – Comparative Information
Amendments to MFRS 101	Classification of Liabilities as Current or Non-current
Amendments to MFRS 101 and MFRS Practice Statement 2	Disclosure of Accounting Policies
Amendments to MFRS 108	Definition of Accounting Estimates
Amendments to MFRS 112	Deferred Tax related to Assets and Liabilities arising from a Single Transaction
Amendments to MFRS 116	Property, Plant and Equipment – Proceeds before Intended Use
Amendments to MFRS 137	Onerous Contracts - Cost of Fulfilling a Contract
Annual Improvements to MFRS 1	Subsidiary as First-time Adopter
Annual Improvements to MFRS 9	Fees in the '10 percent' Test for Derecognition of Financial Liabilities
Annual Improvements to Illustrative Example accompanying MFRS 16	Leases: Lease Incentives
Annual Improvements to MFRS 141	Taxation in Fair Value Measurements

- ii. The effective date for the amendment to Sale or Contribution of Assets between an Investor and its Associate or Joint Venture (Amendments to MFRS 10 and MFRS 128) has been deferred to a date to be determined by MASB.

NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 December 2021

Amounts in RM thousand unless otherwise stated

3 SIGNIFICANT ACCOUNTING POLICIES

These significant accounting policies have been applied consistently in dealing with items that are considered material in relation to the financial statements, and to all the financial year presented, unless otherwise stated.

a. Basis of consolidation

The consolidated financial statements comprise the financial statements of the Company and all its subsidiaries made up to the end of the financial year and are prepared using uniform accounting policies for like transactions and other events in similar circumstances.

i. Subsidiaries

Subsidiaries are entities over which the Group has control. The Group controls an entity when the Group has power over the entity, has exposure to or rights to variable returns from its involvement with the entity and has the ability to affect those returns through its power over the entity.

Subsidiaries are consolidated using the acquisition method except for those subsidiaries acquired under common control. Under the acquisition method, subsidiaries are consolidated from the date on which control is transferred to the Group and de-consolidated from the date when control ceases. The consideration is measured at the fair value of the assets given, equity instruments issued and liabilities incurred at the date of exchange.

Contingent consideration is recorded at fair value as component of the purchase consideration with subsequent adjustment resulting from events after the acquisition date taken to profit or loss. Acquisition related costs are recognised as expenses when incurred.

In a business combination achieved in stages, previously held equity interests in the acquiree are re-measured to fair value at the date of acquisition and any corresponding gain or loss is recognised in the profit or loss.

Identifiable assets, liabilities and contingent liabilities assumed in a business combination are measured at their fair values, at the date of acquisition. The excess of the consideration and the fair value of previously held equity interests over the Group's share of the fair value of the identifiable net assets acquired at the date of acquisition is reflected as goodwill. Any gain from bargain purchase is recognised directly in the profit or loss.

Intercompany transactions and balances are eliminated on consolidation, but unrealised losses arising therefrom are eliminated on consolidation to the extent of the cost of the asset that can be recovered, and the balance is recognised in the profit or loss as reduction in net realisable value or as impairment loss.

Non-controlling interests in the results and net assets of non-wholly owned subsidiaries are presented separately in the financial statements. Transactions with owners of non-controlling interests without a change in control are treated as equity transactions in the statements of changes in equity.

When control ceases, the disposal proceeds and the fair value of any retained investment are compared to the Group's share of its net assets disposed. The difference together with the carrying amount of allocated goodwill and the exchange reserve that relate to the subsidiary is recognised as gain or loss on disposal.

NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 December 2021

Amounts in RM thousand unless otherwise stated

3 SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

a. Basis of consolidation (continued)

ii. Business combinations under common control

Business combinations under common control are accounted using the predecessor method of merger accounting. Under the predecessor method of merger accounting, the profit or loss and other comprehensive income include the results of each of the combining entities from the earliest date presented or from the date when these entities came under the control of the common controlling party (if later).

The assets and liabilities of the combining entities are accounted for based on the carrying amounts from the perspective of the common controlling party, or the combining entities if the common controlling party does not prepare consolidated financial statements.

The difference in cost of acquisition over the aggregate carrying amount of the assets and liabilities of the combining entities as of the date of the combination is taken to equity. Transaction cost for the combination is recognised in the profit or loss.

iii. Joint ventures

Joint ventures are separate vehicles in which the Group has rights to its net assets and where its strategic, financial and operating decisions require unanimous consent of the Group and one or more parties sharing the control.

Joint ventures are accounted using the equity method. Equity method is a method of accounting whereby the investment is recorded at cost inclusive of goodwill and adjusted thereafter for the Group's share of the post-acquisition results and other changes in the net assets of the joint ventures based on their latest audited financial statements or management accounts. Dividends received or receivable from a joint venture are recognised as a reduction in the carrying amount of the investment. Where necessary, adjustments are made to the financial statements of joint ventures used by the Group in applying the equity method to ensure consistency of accounting policies with those of the Group.

After application of the equity method, the carrying amount of the joint ventures will be assessed for impairment. Equity method is discontinued when the carrying amount of the joint venture reaches zero, or reaches the limit of the obligations in the case where the Group has incurred legal or constructive obligations in respect of the joint venture.

Unrealised gains on transactions between the Group and its joint ventures are eliminated to the extent of the Group's interest in the joint ventures. Unrealised losses are also eliminated on the same basis but only to the extent of the costs that can be recovered, and the balance that provides evidence of reduction in net realisable value or an impairment loss on the assets transferred are recognised in profit or loss.

When joint control ceases, the disposal proceeds and the fair value of any retained investment are compared to the carrying amount of the joint venture. The difference together with the exchange reserve that relate to the joint venture is recognised in the profit or loss as gain or loss on disposal. In the case of partial disposal without losing joint control, the difference between the proceeds and the carrying amount disposed, and the proportionate exchange reserve is recognised as gain or loss on disposal. Shareholder's advances to joint ventures of which the Group does not expect repayment in the foreseeable future are considered as part of the Group's investments in the joint ventures.

iv. Associates

Associates are entities in which the Group is in a position to exercise significant influence. Significant influence is the power to participate in the financial and operating policy decisions, but not control over those policies.

Investment in associates are accounted for using the equity method, similar to Note 3(a)(iii) above.

NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 December 2021

Amounts in RM thousand unless otherwise stated

3 SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

b. Foreign currencies

i. Presentation and functional currency

Ringgit Malaysia is the presentation currency of the Group and the Company. Ringgit Malaysia is also the functional currency of the Company. The functional currency is the currency of the primary economic environment in which the Company operates. The Group's foreign operations have different functional currencies.

ii. Transactions and balances

Foreign currency transactions and monetary items are translated into the functional currency using the exchange rates prevailing at the transaction dates and at the end of the reporting period, respectively. Foreign exchange differences arising therefrom and on settlement are recognised in the profit or loss.

iii. Translation of foreign currency financial statements

For consolidation purposes, foreign operations' results are translated into the Group's presentation currency at average exchange rates for the financial year whilst the assets and liabilities, including goodwill and fair value adjustments arising on consolidation, are translated at exchange rates ruling at the end of the reporting period. The resulting translation differences are recognised in other comprehensive income and accumulated in exchange reserve.

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

Exchange reserve in respect of a foreign operation is recognised to profit or loss when control, joint control or significant influence over the foreign operation is lost. On partial disposal without losing control, a proportion of the exchange reserve in respect of the subsidiary is re-attributed to the non-controlling interest. The proportionate share of the cumulative translation differences is reclassified to profit or loss in respect of all other partial disposals.

c. Property, plant and equipment

Property, plant and equipment are stated at cost less accumulated depreciation and accumulated impairment losses. Cost of property, plant and equipment includes expenditure that is directly attributable to the acquisition of an asset. The carrying amount of the replaced part is derecognised and all repairs and maintenance costs are charged to the profit or loss.

Freehold land is not depreciated as it has indefinite life. Assets in the course of construction are shown as work in progress. Depreciation on these assets commences when they are ready for use. Other property, plant and equipment are depreciated on a straight-line basis to write-down the cost of each asset to their residual values over their estimated useful lives.

The principal annual depreciation rates are:

Leasehold land	over the lease period ranging from 35 to 99 years
Buildings	2% to 5%, or over the lease term if shorter
Plant and machinery	20% to 33.3%
Vehicles, equipment and fixtures	20% to 33.3%

The assets' residual values and useful lives are reviewed, and adjusted if appropriate, annually.

NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 December 2021

Amounts in RM thousand unless otherwise stated

3 SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

d. Investment properties

Investment properties are land and buildings held for rental income and/or capital appreciation and, which are not substantially occupied or intended to be occupied for use by, or in the operations of the Group.

Investment properties are stated at cost less accumulated depreciation and accumulated impairment losses. Freehold land and buildings under construction are not depreciated. Other investment properties are depreciated on a straight-line basis to write-down the cost of each asset to their residual values over their estimated useful lives.

The principal annual depreciation rates are:

Leasehold land	over the lease period of 99 years
Buildings and buildings improvements	buildings - 2% and buildings improvements - 16.7% to 33.3%

The assets' residual values and useful lives are reviewed, and adjusted if appropriate, annually.

e. Right-of-use assets

The right to use an underlying asset for the lease term is recognised as a right-of-use asset ("ROU"). ROUs are presented under property, plant and equipment and investment properties and are stated at cost less accumulated amortisation and accumulated impairment losses.

The cost of ROU includes an amount equal to the lease liability at the inception of the lease, lease payments made at or before commencement date less lease incentives received, initial direct costs incurred and an estimate of costs to restore, dismantle and remove the underlying asset or to restore the site on which it is located.

f. Investments in subsidiaries, joint ventures and associates

Investments in subsidiaries, joint ventures and associates and loans, which are treated as part of the Company's net investment in the investee, are recorded at costs less accumulated impairment losses, if any, in the Company's financial statements.

g. Intangible assets

Intangible assets are carried at cost less accumulated amortisation and accumulated impairment losses. They are amortised on a straight-line basis over their contractual periods or estimated useful lives once they are available for use. The annual amortisation rates are 5% to 33.3%. Intangible assets that is in the course of development are not amortised as these assets are not yet available for use.

NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 December 2021

Amounts in RM thousand unless otherwise stated

3 SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

h. Inventories

i. Land held for property development

Land held for property development where development activities are not expected to be completed within the normal operating cycle, is classified as non-current and carried at the lower of cost and net realisable value.

The cost includes cost of land and development costs common to the whole project.

Land held for property development is transferred to property development costs under current assets when development activities have commenced and are expected to be completed within the normal operating cycle.

ii. Property development costs

Property development costs are stated at the lower of cost and net realisable value. The cost includes cost of land, related development costs common to whole project and direct building costs less cumulative amounts recognised as cost of sales in the profit or loss.

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

iii. Completed development units

Units of development properties completed and held for sale are stated at the lower of cost and net realisable value.

iv. Finished goods, raw materials and consumable stores

Finished goods, raw materials and consumable stores are stated at the lower of cost and net realisable value. Cost includes cost of purchase plus incidental cost and other costs of bringing the inventories to their present location and condition. The cost of inventories is determined on a weighted average basis.

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

NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 December 2021

Amounts in RM thousand unless otherwise stated

3 SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

i. Financial assets

The Group's and the Company's financial assets are classified into three categories and the accounting policy for each of these categories are as follows:

i. Amortised cost

Receivables, amounts due from subsidiaries, cash held under Housing Development Accounts and bank balances, deposits and cash are held for collection of contractual cash flows. Their contractual terms give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding. These financial assets are measured at fair value at inception plus transaction cost and thereafter at amortised cost less accumulated impairment losses.

Interest income from these financial assets is calculated using the effective interest rate method. Any gain or loss arising on derecognition is recognised directly in profit or loss.

ii. Fair value through profit or loss ("FVTPL") and Fair value through other comprehensive income ("FVOCI")

Investments in quoted equity instruments are measured at FVTPL. The investments are recorded initially at fair value plus transaction cost and thereafter, they are measured at fair value. Changes in the fair value and dividend income from the investment are recognised in profit or loss.

At initial recognition, the Group and the Company elected to designate the investments in unquoted equity instruments as financial assets measured at FVOCI. The investments are recorded initially at fair value plus transaction costs and thereafter, they are measured at fair value. Changes in fair value of the investments are recognised in other comprehensive income, whilst dividend income are recognised in profit or loss. On derecognition of the investment measured at FVOCI, the fair value reserve is transferred to retained profits.

Financial assets are classified as current assets for those having maturity dates of not more than 12 months after the end of the reporting period, otherwise the balance is classified as non-current. For financial assets measured at FVTPL and FVOCI, the classification is based on expected date of realisation of the assets.

Regular way of purchase or sale of a financial asset is recognised on the settlement date i.e. the date that an asset is delivered to or by the Group and the Company. A contract that requires or permits net settlement of the change in the value of the contract is not a regular way contract. Such contract is accounted for as a derivative in the period between the trade date and the settlement date.

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

NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 December 2021

Amounts in RM thousand unless otherwise stated

3 SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

j. Assets (or disposal groups) held for sale

Assets or groups of assets are classified as “held for sale” if their carrying amounts will be recovered principally through a sale transaction rather than through continuing use. Depreciation ceases when an asset is classified as asset held for sale. Assets held for sale are stated at the lower of carrying amount and fair value less cost to sell.

A discontinuing operation is a component of the entity that has been disposed of or is classified as held for sale and that represents a separate major line of business or geographical area of operations, is part of a single co-ordinated plan to dispose of such a line of business or area of operations or is a subsidiary acquired exclusively with a view to resale. The results of discontinuing operations are presented separately in the statement of profit or loss and statement of comprehensive income.

k. Contract assets and contract liabilities

Contract asset is the right to consideration for goods or services transferred to the customers. In the case of property development and concession arrangement, contract asset is the excess of cumulative revenue earned over the billings to date, for which the billings to-date are based on progress milestone set out in the contract or agreement with the customers. Contract asset is stated at cost less accumulated impairment losses.

Contract liability is the obligation to transfer goods or services to customer for which the Group and the Company have received the consideration or has billed the customer. In the case of property development and concession arrangement, contract liability is the excess of the billings to date over the cumulative revenue earned. Contract liabilities include the golf club membership fees, down payments received from customers and other deferred income where the Group and the Company have billed or collected the payment before the goods are delivered or services are provided to the customers.

l. Impairment

Intangible assets that have an indefinite useful life or are not yet available for use are tested for impairment. Other non-financial assets, investment in subsidiaries and interest in joint ventures and associates are assessed for indication of impairment. If an indication exists, an impairment test is performed. In the case of financial assets and contract assets, impairment loss is recognised based on expected credit losses.

This exercise is performed annually and whenever events or circumstances occur indicating that impairment may exist.

The recognition and measurement of impairment losses are as follows:

i. Non-financial assets

An impairment loss is recognised for the amount by which the carrying amount of the non-financial asset exceeds its recoverable amount. The recoverable amount is the higher of an asset’s fair value less costs to sell and value in use. Impairment loss on non-financial assets is charged to profit or loss.

Assets that were previously impaired are reviewed for possible reversal of the impairment losses at the end of each reporting period. Any subsequent increase in recoverable amount is recognised in the profit or loss. Reversal of impairment loss is restricted by the carrying amount that would have been determined had no impairment loss been recognised for the asset in prior financial years.

NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 December 2021

Amounts in RM thousand unless otherwise stated

3 SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

I. Impairment (continued)

The recognition and measurement of impairment losses are as follows: (continued)

ii. Subsidiaries, joint ventures and associates

An impairment loss is recognised for the amount by which the carrying amount of the subsidiary, joint venture or associate exceeds its recoverable amount. The recoverable amount is the higher of an asset's fair value less costs to sell and present value of the estimated future cash flows expected to be derived from the investment including the proceeds from its disposal.

Any subsequent increase in recoverable amount is recognised in the profit or loss.

iii. Financial assets and contract assets

An impairment loss is recognised based on expected credit losses and is charged to profit or loss. Reversal of impairment loss to profit or loss, if any, is restricted to not exceeding what the amortised cost would have been had the impairment loss not been recognised previously.

The Group and the Company apply the simplified approach to measure the impairment losses on trade receivables and contract assets at lifetime expected credit losses ("Lifetime ECL"). Expected credit losses of all other financial assets are measured at an amount equal to 12 month expected credit losses ("12 - month ECL") if credit risk on a financial asset has not increased significantly. The Group and the Company compare the risk of default occurring on the asset as at the reporting date with the risk of default as at the date of initial recognition to ascertain whether there is a significant increase in credit risk. The assessment takes into consideration the macro economic information, credit rating and other supportable forward-looking information.

A significant increase in credit risk is presumed if a debt is more than 180 days past due. Where the credit risk has increased significantly, the impairment loss is measured at an amount equal to lifetime expected credit losses ("Lifetime ECL - Underperforming").

Full impairment losses are made for financial assets and contract assets that are determined to be credit-impaired ("Lifetime ECL - Credit Impaired"). These are debtor who have defaulted on payments and are in financial difficulties.

Expected credit losses represent a probability-weighted estimate of the difference between present value of cash flows according to contract and present value of cash flows the Group and the Company expect to receive over the lifetime of the financial instrument.

m. Share capital

Proceeds from shares issued are accounted for in equity. Cost directly attributable to the issuance of new equity shares are deducted from equity.

Dividends to owners of the Company and non-controlling interests are recognised in the statements of changes in equity in the financial year in which they are paid or declared.

NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 December 2021

Amounts in RM thousand unless otherwise stated

3 SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

n. Provisions

Provisions are recognised when the Group and the Company have a legal or constructive obligation, where the outflow of resources is probable and can be reliably estimated. Provisions are measured at the present value of the obligation. The increase in the provisions due to the passage of time is recognised as interest expense.

The Group and the Company recognise provision for onerous contracts when the expected benefits to be derived from a contract are less than the unavoidable costs of meeting the obligations under the contract.

o. Employee costs

i. Short-term employee benefits

Wages, salaries, paid annual leave and sick leave, bonuses and non-monetary benefits are accrued in the period in which the services are rendered by employees.

ii. Defined contribution plans

A defined contribution pension plan is a pension plan under which the Group and the Company pay fixed contributions into a separate entity. The Group and the Company have no legal or constructive obligations to pay further contributions if the fund does not hold sufficient assets to pay all employees the benefits relating to employee service in the current and prior periods.

The Group has various defined contribution plans in accordance with local conditions and practices in the countries in which it operates. The Group's and the Company's contributions to defined contribution plans are charged to the profit or loss in the financial year in which they relate.

iii. Termination benefits

Termination benefits are payable whenever an employee's employment is terminated in exchange for these benefits. The Group and the Company recognise termination benefits when it is demonstrably committed to either terminate the employment of current employees according to a detailed formal plan without possibility of withdrawal or to provide termination benefits as a result of a proposal to encourage voluntary separation.

p. Financial liabilities

The Group's and the Company's borrowings and payables are classified as financial liabilities measured at amortised cost. They are measured initially at fair value plus transaction costs and thereafter, at amortised cost using the effective interest method. Amortisation is charged to profit or loss.

Financial liabilities are classified as current liabilities for those having maturity dates of not more than 12 months after the end of the reporting period, otherwise the balance is classified as non-current. Financial liabilities are derecognised when the obligation specified in the contract is discharged, cancelled or expired.

NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 December 2021

Amounts in RM thousand unless otherwise stated

3 SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

q. Leases

Lease liabilities are initially measured at the present value of future lease payments, discounted using the interest rate implicit in the lease.

Except under Amendment to MFRS 16 - COVID-19 - Related Rent Concessions where the Group has elected to apply the practical expedient to recognise the rent concession as a variable lease payment, lease liabilities are remeasured when there is a change in the lease term, a revision to the in-substance fixed lease payments or a change in the assessment to purchase the underlying asset. The amount of remeasurement of the lease liability is adjusted to the ROU. If the carrying amount of ROU is reduced to zero, any further reduction in the measurement of the lease liability is recognised in the profit or loss.

Interest on the lease liability and variable lease payments not included in the measurement of the lease liability are recognised in profit or loss.

Short-term leases of 12 months or less at the commencement date and leases for which the underlying asset is of low value are not recognised as ROU and lease liabilities. Lease payments associated with those leases are charged to the profit or loss on a straight-line basis over the lease term.

r. Cash and cash equivalents

For the purpose of the statements of cash flows, cash and cash equivalents include cash in hand and at bank, deposits held at call with banks and cash held under Housing Development Accounts. Bank overdrafts, if any, are included within borrowings in current liabilities on the statements of financial position.

s. Revenue recognition

i. Revenue from property development

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.

The revenue from property development is measured at the fixed transaction price agreed under the sale and purchase agreement.

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 and the Company 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 and the Company's performance do 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.

If control of the asset transfers over time, revenue is recognised over the period of the contract by reference to the progress towards complete satisfaction of that performance obligation. Otherwise, revenue is recognised at a point in time when the customer obtains control of the asset.

NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 December 2021

Amounts in RM thousand unless otherwise stated

3 SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

s. Revenue recognition (continued)

i. Revenue from property development (continued)

The Group and the Company recognise revenue over time using the output method, which is based on the level of completion of the physical proportion of contract work to date, certified by professional consultants.

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. The purchasers could enforce its rights to the promised properties if the Group and the Company seek to sell the unit to another purchaser. The contractual restriction on the Group's and the Company's ability to direct the promised 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 Company. The Group and the Company have the right to payment for performance completed to date, are entitled to continue to transfer to the customer the development units promised, and have the rights to complete the construction of the properties and enforce its rights to full payment.

The Group and the Company recognise sales at a point in time for the sale of completed properties, when the control of the properties has been transferred to the purchasers and it is probable that the Group and the Company will collect the consideration to which it will be entitled to in exchange for the assets sold.

ii. Revenue from concession arrangement

Revenue from the supply of teaching equipment is recognised when:

- the Group has delivered and transferred the physical possession of the asset and has a present right to payment for the asset; and
- the customer has accepted the assets after these assets have been tested and commissioned and the customer has significant risks and rewards of ownership of the asset.

Maintenance service charges are recognised over the period which the services are rendered.

iii. Revenue from golf club activities

Revenue from golf club activities consist of golfing, golf club membership fees, driving range, sports and other recreation facilities and sale of golfing equipment, which are separate performance obligation. The transaction price will be allocated to each of the separate performance obligations. When these are not directly observable, they are estimated based on expected cost plus margin and net of discounts, allowance and indirect taxes.

Revenue from golf club activities except for golf club membership fees is recognised when the services are rendered or goods are delivered. The payment of the transaction price is due immediately upon delivery of the services or sale of goods. Golf club membership fees is received upfront and recognised on a straight-line basis over the tenure of the membership.

iv. Rental income

Rental income is recognised on an accrual basis in accordance with the substance of the relevant agreements. Other rent related income is recognised in the accounting period in which the services have been rendered.

NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 December 2021

Amounts in RM thousand unless otherwise stated

3 SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

s. Revenue recognition (continued)

v. Interest income

Interest income is recognised on an accrual basis, using the effective interest method, unless collectability is in doubt, in which case it is recognised on a cash receipt basis.

vi. Dividend income

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

vii. Management fees

Management fee is recognised over time during the period in which the services are rendered.

t. Borrowing costs

General and specific borrowing costs directly attributable to the acquisition, construction or production of qualifying assets, which are assets that necessarily take a substantial period of time to get ready for their intended use or sale, are added to the cost of those assets, until such time as the assets are substantially ready for their intended use or sale.

The capitalisation of borrowing costs as part of the cost of a qualifying asset commences when:

- i. expenditure for the asset is being incurred;
- ii. borrowing costs are being incurred; and
- iii. activities that are necessary to prepare the assets for its intended use or sale are in progress.

Capitalisation of borrowing costs is suspended or ceases when substantially all the activities necessary to prepare the qualifying asset for its intended use or sale are interrupted or completed.

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

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

The Group had adopted the Agenda Decision to exclude properties under construction where control of these properties is transferred over time as qualifying assets for the purposes of borrowing cost capitalisation.

The adoption of the Agenda Decision had been applied retrospectively where comparative information for December 2020 have been restated. The cumulative effects of initially adopting the Agenda Decision were adjusted against retained earnings as at 1 January 2020.

The detailed impact of the adoption of the Agenda Decision are set out in Note 43.

NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 December 2021

Amounts in RM thousand unless otherwise stated

3 SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

u. Taxation

The tax expense for the financial year comprises current and deferred tax. Tax is recognised in the profit or loss, except to the extent that it relates to items recognised directly in other comprehensive income. In this case, the tax is recognised in other comprehensive income.

The current income tax charge for the Group and for the Company is the expected income taxes payable in respect of the taxable profit for the financial year and is measured using the tax rates that have been enacted at the end of the reporting year. Management periodically evaluates positions taken in tax returns with respect to situations in which applicable tax regulation is subject to interpretation. Provisions are established where appropriate on the basis of amounts expected to be paid to the tax authorities.

Deferred tax is recognised on temporary difference arising between the tax bases of assets and liabilities and their carrying amounts in the financial statements.

Deferred tax assets are recognised to the extent that it is probable that future taxable profits will be available against which the temporary differences can be utilised. Deferred tax is recognised on temporary differences arising on investments in subsidiaries, joint ventures and associates except where the timing of the reversal of the temporary difference can be controlled and it is probable that the temporary difference will not reverse in the foreseeable future.

Deferred tax is measured at the tax rates (and laws) that have been enacted or substantively enacted at the end of the reporting date and are expected to apply when the related deferred income tax asset is realised or the deferred income tax liability is settled.

Deferred tax assets and liabilities are offset when the enterprise has a legally enforceable right to offset and intends to settle either on a net basis or to realise the asset and settle the liability simultaneously.

v. Segment reporting

Segment information is presented in a manner that is consistent with the internal reporting provided to management for the allocation of resources and assessment of its performance. The Group's operating businesses are organised and managed separately according to the nature of the products and services provided, with each segment representing a strategic business unit that offers different products and serves different markets.

Segment revenue, expense, assets and liabilities are those amounts resulting from operating activities of a segment that are directly attributable to the segment and the relevant portion that can be allocated on a reasonable basis to the segment. Segment revenue, expense, assets and liabilities are determined before intragroup balances and intragroup transactions are eliminated as part of the consolidation process, except to the extent that such balances and transactions are between Group companies within a single segment. Inter-segment pricing is based on similar terms as those available to external parties.

w. Contingent liabilities

The Group and the Company do not recognise contingent liabilities, but discloses their existence in the notes to the financial statements. A contingent liability is a possible obligation that arises from past events which existence will be confirmed by the occurrence or non-occurrence of one or more uncertain future events beyond the control of the Group and the Company or a present obligation that is not recognised because it is not probable that an outflow of resources will be required to settle the obligation. A contingent liability also arises in the extremely rare circumstances where there is a liability that is not recognised because it cannot be measured reliably.

NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 December 2021

Amounts in RM thousand unless otherwise stated

4 CRITICAL ACCOUNTING ESTIMATES AND JUDGEMENT IN APPLYING ACCOUNTING POLICIES

The preparation of financial statements in conforming to MFRS and IFRS require the use of certain critical accounting estimates that involve complex and subjective judgements and the use of assumptions, some of which may be for matters that are inherently uncertain and susceptible to change. The Directors exercise their judgement in the process of applying the Group's accounting policies. Estimates and assumptions are based on the Directors' best knowledge of current events. Such estimates and judgement could change from period to period and have a material impact on the results, financial position, cash flows and other disclosures.

The estimates and assumptions that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year are outlined below:

a. Revenue and cost recognition from property development activities

Revenue is recognised as and when the control of the asset is transferred to customers and it is probable that the Group and the Company 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 applicable laws governing the contract, control of the asset may transfer over time or at a point in time.

If control of the asset transfers over time, revenue is recognised over the period of the contract by reference to the progress towards complete satisfaction of that performance obligation based on the physical proportion of contract work-to-date certified by professional consultants. Significant judgement is required in determining the progress towards complete satisfaction of that performance obligation based on the certified work-to-date corroborated by the level of completion of the development based on actual costs incurred to date over the estimated total property development costs. The total estimated costs are based on approved budgets, which require assessments and judgements to be made on changes in, for example, work scope, changes in costs and costs to completion. In making these judgements, management relies on past experience and the work of specialists.

During the financial year ended 31 December 2021, for activities recognised over time using the stage of completion method, the Group and the Company recognised revenue of RM1,620.3 million (2020: RM1,498.9 million) and RM125.3 million (2020: RM36.2 million) respectively and cost of RM1,169.1 million (2020 (restated): RM1,126.0 million) and RM99.3 million (2020: RM22.7 million) respectively.

b. Write-down and write-off of inventories to net realisable value

The Group and the Company write-down the inventories to their net realisable values based on the estimated selling prices by reference to recent sales transactions of similar properties or comparable properties in similar or nearby locations net of the estimated cost necessary to complete the sale. In the current financial year, further review on the estimation of the selling price are conducted in particular the impact of the COVID-19 pandemic to the market demand.

The Group and the Company also write-off the development costs based on the latest pipeline launches, which depends on various factors, such as changes to development plans due to replanning, zoning issues with local authorities, etc and is therefore subject to significant inherent uncertainties.

Whilst the Directors exercise due care and attention to make reasonable estimates, taking into account all available information in estimating the selling price and the related cost to complete the sale, the estimates will, in all likelihood, differ from the actual transactions achieved in future periods and these differences may, in certain circumstances, be significant.

During the financial year ended 31 December 2021, the Group and the Company have written down inventories by RM1.9 million (2020 (restated): RM125.3 million) and RM Nil (2020: RM7.1 million) respectively. The Group and the Company have also written-off inventories by RM2.5 million (2020: RM73.1 million) and RM0.2 million (2020: RM3.0 million) respectively.

NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 December 2021

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4 CRITICAL ACCOUNTING ESTIMATES AND JUDGEMENT IN APPLYING ACCOUNTING POLICIES (CONTINUED)

The estimates and assumptions that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year are outlined below: (continued)

c. Capitalisation of borrowing costs

The Group capitalises borrowing costs that are directly attributable to the property development activities. The Group ceases the capitalization of the borrowing costs when substantially all the activities necessary to prepare the qualifying asset for its intended use or sale are complete.

Significant judgement is involved in determining whether the development activities carried out meet the criteria for capitalisation of borrowing costs and, management is also required to estimate the appropriate apportionment of borrowing costs eligible for capitalisation to the various development phases.

During the financial year ended 31 December 2021, the Group capitalised RM47.5 million (2020 (restated): RM48.7 million) borrowing costs into inventories.

d. Deferred tax assets

Deferred tax assets arose mainly from property development, unutilised tax losses, unabsorbed capital allowances and other deductible temporary differences. Deferred tax assets are recognised to the extent that it is probable that future taxable profits will be available against which temporary differences or unutilised tax losses and tax credits can be utilised. This involves judgement regarding the future taxable profits of a particular entity in which the deferred tax asset has been recognised.

Deferred tax assets relating to property development are mainly attributable to unrealised profits reversed at the Group level, which arose from disposal of lands within the Group. Deferred taxation on unrealised profits are charged to the profit or loss upon sales of developed units to the customers.

The future taxable profits are determined based on the expected future profits arising from the Group's property development projects including other income expected to be generated from these projects. In evaluating whether it is probable that future taxable profits will be available, all available evidences were considered, including the approved budgets and analysis of historical operating results. These forecasts are consistent with those prepared and used internally for business planning and measurement of the Group's performance.

The deferred tax assets recognised are disclosed in Note 25.

e. Income tax

The Group is subjected to income taxes in various jurisdictions where it operates. Significant judgement is required in determining the estimated taxable income based on the contractual arrangements entered into by the Group, the amount of capital allowances claimed, tax provisions for the purpose of complying with relevant accounting standards and deductibility of certain expenses based on the interpretation of the tax laws and legislations.

Where the final tax outcome is different from the amounts that were initially recorded, such differences may result in significant impact on the income tax and deferred income tax provisions, where applicable, in the period in which such determination is made.

NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 December 2021

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4 CRITICAL ACCOUNTING ESTIMATES AND JUDGEMENT IN APPLYING ACCOUNTING POLICIES (CONTINUED)

The estimates and assumptions that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year are outlined below: (continued)

f. Provisions

Provision has been made in respect of an undertaking arrangement entered on the disposal of a property in financial year 2017.

The provision is calculated based on future rental and other obligations net of estimated sub-lease income and discounted to present value using an appropriate discount rate. Significant assumptions are used in the calculations and changes in assumptions and future events could cause the value of these provisions to change. The provision for this undertaking is disclosed in Note 35.

g. Impairment of property, plant and equipment, investment properties, right-of-use assets, intangible assets and investment in joint ventures

The Group tests property, plant and equipment, investment properties, right-of-use assets, intangible assets and investment in joint ventures for impairment if there is any objective evidence in accordance with the respective accounting policies. The determination of the recoverable amount involves significant judgement over the future performance of these assets or entities, which may differ materially from the actual results.

During the financial year ended 31 December 2021, the Group has recognised impairment of property, plant and equipment and investment property totalling RM0.4 million (2020: RM28.0 million) as disclosed in Note 11.

h. Impairment losses on cost of investment in subsidiaries and recoverability of amount due from subsidiaries

The Company assesses whether there is any indication that the cost of investment in subsidiaries are impaired at the end of each reporting date. Impairment loss is measured by comparing the carrying amount of an asset with its recoverable amount. Recoverable amount is measured at the higher of the fair value less cost to sell and value-in-use for that asset.

As at 31 December 2021, the accumulated impairment losses on investment in subsidiaries and amount due from subsidiaries amounted to RM1,340.8 million (2020: RM1,207.9 million) and RM54.6 million (2020: RM226.2 million) respectively.

5 FINANCIAL RISK AND CAPITAL MANAGEMENT POLICIES

a. Financial risk management

The Group's and the Company's operations expose them to a variety of financial risks, including foreign currency exchange risk, price risk, interest rate risk, credit risk and liquidity and cash flow risk. The Group's overall financial risk management policies seek to manage and minimise the potential adverse effects of these risks on the financial performance of the Group.

The Group's and the Company's exposure to these financial risks are managed through risk reviews, internal control systems, insurance programmes and adherence to Group Policies and Authorities which are implemented on a group-wide basis. The Board regularly reviews these risks and approves the policies covering the management of these risks.

NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 December 2021

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5 FINANCIAL RISK AND CAPITAL MANAGEMENT POLICIES (CONTINUED)

a. Financial risk management (continued)

i. Foreign currency exchange risk

The Group has minimal exposure to foreign currency transaction risk as the Group's financial assets and liabilities are largely denominated in the Group's functional currencies. However, the Group has significant exposure to foreign currency translation risk due to its 40% interest in Battersea Project Holding Company Limited group in the United Kingdom. The Group does not hedge its long term investment in foreign operations but hedges planned capital injection, where necessary, to minimise adverse impact arising from short term fluctuation in foreign currency exchange rates.

ii. Price risk

The Group and the Company are exposed to securities price risk arising from investments held which are classified in the statements of financial position as investments. The Group and the Company consider the impact of changes in prices of equity securities on the statements of profit or loss and the statements of comprehensive income to be insignificant.

iii. Interest rate risk

The Group's and the Company's interest rate risk arises primarily from interest bearing borrowings. The Group and the Company manage their interest rate risk by maintaining a mix of fixed and floating rate borrowings.

The interest-bearing assets are primarily the amounts due from joint ventures, associates and subsidiaries and short-term bank deposits with financial institutions. All interest-bearing amounts due to the Group and the Company bear interest at floating rate except those under negotiated terms where fixed rates are used after taking into account the borrower's risk profile. The interest rates on short-term bank deposits are monitored closely to ensure that the deposits are maintained at favourable rates and placements are made at varying maturities. The Group and the Company consider the risk of significant changes to interest rates to be low and the sensitivity is disclosed in Note 40(a).

iv. Credit risk

Financial assets that are primarily exposed to credit risk are receivables and bank balances.

Credit risk arising from sales made on credit terms

The Group and the Company seek to control credit risk by dealing with counterparties with appropriate credit histories. Customers' most recent financial statements, payment history and other relevant information are considered in the determination of credit risk. Counterparties are assessed at least annually and more frequently when information on significant changes in their financial position becomes known. Credit terms and limit are set based on this assessment, and where appropriate, guarantees or securities are obtained to limit credit risk.

Credit risk arising from property development

The Group and the Company do not have any significant credit risk as its services and products are predominantly rendered and sold to a large number of customers comprise substantially property purchasers with financing facilities from reputable end-financiers. Credit risks with respect to property purchasers with no end-financing facilities are limited as the ownership and rights to the properties revert to the Group and the Company in the event of default. The Group and the Company do not have any significant exposure to any individual or counterparty nor any major concentration of credit risk related to any financial instruments.

NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 December 2021

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5 FINANCIAL RISK AND CAPITAL MANAGEMENT POLICIES (CONTINUED)

a. Financial risk management (continued)

iv. Credit risk (continued)

Credit risk arising from property investment

Credit risk arising from outstanding receivables from tenants is minimised by closely monitoring the limit of the Group's associations to business partners and their credit worthiness. In addition, the tenants have placed security deposits with the Group which act as collateral.

Credit risk arising from golfing and sporting activities

Concentration of credit risk with respect to amounts due from members is limited due to the large number of members, the security deposits paid by members and advance payment of annual licence fees for individual members. Sales to members are usually suspended when outstanding amounts are overdue exceeding 180 days.

Credit risk arising from deposits with licensed banks

Credit risk also arises from deposits with licensed banks. The deposits are placed with credit worthy financial institutions. The Group and the Company consider the risk of material loss in the event of non-performance by a financial counterparty to be unlikely.

Credit risk arising from other receivables

The Group's and the Company's historical experience in collection of other receivables fall within the recorded allowances. No additional credit risk beyond amounts allowed for collection losses is inherent in the Group's and in the Company's other receivables.

Credit risk arising from subsidiaries, joint ventures and associates

The amounts due from subsidiaries, joint ventures and associates are monitored closely by the Group and the Company. The Group and the Company are of the view that the carrying amounts as at the reporting date are recoverable.

The Group's and the Company's maximum credit risk exposure are disclosed in Note 40(c).

NOTES TO THE FINANCIAL STATEMENTS

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5 FINANCIAL RISK AND CAPITAL MANAGEMENT POLICIES (CONTINUED)

a. Financial risk management (continued)

v. Liquidity and cash flow risks

Liquidity risk refers to the risk that the Group or the Company will encounter difficulty in meeting financial obligations when they fall due. The Group maintains a prudent borrowing policy which is aimed towards maintaining sufficient cash for all cash flow requirements, managing debt and investment portfolio within the relevant time buckets to maturity, obtaining a diverse range of funding sources and keeping an adequate amount of credit facilities to provide an ample liquidity cushion.

The Group and the Company perform quarterly twelve-months rolling cash flow projections to ensure that requirements are identified as early as possible so that the Group and the Company have sufficient cash to meet operational needs. Such projections take into consideration the Group's and the Company's financing plans and are also used for monitoring of covenant compliance.

The Group and the Company maintain centralised treasury functions where all funding requirements are managed. As at 31 December 2021, the Group has an existing unutilised Islamic Medium Term Notes of RM3,700.0 million and unutilised bank credit facilities of RM1,064.9 million which it can tap upon at an appropriate time.

Cash and cash equivalents of the Group and the Company comprise the following:

	Group		Company	
	2021	2020	2021	2020
Cash held under Housing Development Accounts [Note 28]	291,466	345,486	17,290	47,324
Bank balances, deposits and cash [Note 29]	618,198	456,351	86,573	191,945
	909,664	801,837	103,863	239,269

The Group believes that its contractual obligations, including those shown in contingent liabilities, material litigation and capital commitments in Note 36 can be met from existing cash and investments, operating cash flows, credit lines available and other financing that the Group reasonably expects to be able to secure should the need arises.

Further details on the undiscounted contractual cash flows of the Group's and the Company's financial liabilities as at the reporting date are disclosed in Note 40(b).

NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 December 2021

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5 FINANCIAL RISK AND CAPITAL MANAGEMENT POLICIES (CONTINUED)

b. Capital management

Capital management refers to implementing measures to maintain sufficient capital to support its businesses. The Group's and the Company's capital management objectives are to ensure its ability to continue as a going concern, provide a competitive cost of capital and to maximise shareholders' value. The Group and the Company are committed towards optimising their capital structure, which includes balancing between debt and equity, and putting in place appropriate dividend and financing policies which influence the level of debt and equity.

i. Rating by External Rating Agency

Malaysian Rating Corporation Berhad has reaffirmed its AA+_{IS} rating with a stable outlook on the Company's Islamic Medium Term Notes (IMTN) Programme of RM4.5 billion.

ii. Gearing ratios

The Group and the Company use the gearing ratio to assess the appropriateness of their debt levels, hence determining their capital structure. The Group and the Company maintain a debt to equity ratio that complies with debt covenants and regulatory requirements. The ratio is calculated as total debt divided by total equity.

The Group's and the Company's gearing ratios are as follows:

	Group		Company	
	2021	2020	2021	2020
Borrowings				
- principal	3,821,154	3,316,513	1,933,257	1,296,511
- interest	10,446	9,956	3,425	2,947
Total borrowings	3,831,600	3,326,469	1,936,682	1,299,458
Lease liabilities	66,748	82,937	15,674	23,105
Total debt	3,898,348	3,409,406	1,952,356	1,322,563
Total equity	9,326,537	9,193,373	9,129,297	8,987,824
Gearing ratio	41.8%	37.1%	21.4%	14.7%

Given the moderate gearing level, the Group and the Company still have the capacity to borrow for expansion, provided an acceptable level of gearing ratio is maintained.

NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 December 2021

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6 REVENUE

	Group		Company	
	2021	2020	2021	2020
Revenue from contracts with customers	2,148,360	2,014,658	288,191	251,153
Revenue from other sources:				
- rental income from investment properties and other assets	71,564	48,123	4,147	2,692
- dividend income from subsidiaries	-	-	213,108	37,600
- dividend income from investment	-	-	345	-
- dividend income from associates	-	-	-	1,800
	2,219,924	2,062,781	505,791	293,245
Disaggregation of the revenue from contract with customers:				
Property development	2,057,424	1,909,532	174,871	123,933
Property investment				
- maintenance service charges	29,851	26,658	-	-
- supply of teaching equipment	417	1,525	-	-
- others	6,969	7,009	-	-
Leisure and hospitality				
- golf club activities	53,157	60,596	-	-
- others	542	9,338	-	-
Management fee charged to subsidiaries	-	-	113,320	127,220
	2,148,360	2,014,658	288,191	251,153
Geographical markets				
Malaysia	2,147,880	1,893,617	287,920	250,844
Vietnam	480	549	-	-
Australia	-	120,492	-	-
Singapore	-	-	215	157
United Kingdom	-	-	56	152
	2,148,360	2,014,658	288,191	251,153
Timing of revenue recognition				
Over time	1,681,342	1,558,594	238,638	163,401
At a point in time	467,018	456,064	49,553	87,752
	2,148,360	2,014,658	288,191	251,153

Revenue from contracts with customers of the Group and of the Company include RM134.2 million (2020: RM100.9 million) and RM59.8 million (2020: RM17.0 million) respectively that were included in contract liabilities at the beginning of the reporting period.

NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 December 2021

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7 COST OF SALES

	Group		Company	
	2021	2020 Restated	2021	2020
Property development costs	1,169,053	1,125,978	99,341	22,684
Cost of completed development units sold	299,031	225,792	5,743	50,385
Write-down of inventories	1,882	125,284	-	7,111
Write-off of inventories	2,543	73,111	162	3,021
Other direct expenses	65,114	61,766	21,152	(3,382)
Cost under concession arrangement	20,040	17,481	-	-
Employee costs	61,623	78,072	1,614	1,752
Depreciation of:				
- property, plant and equipment	6,658	7,651	16	144
- investment properties	28,936	25,263	-	-
Amortisation of intangible assets	172	9	-	-
Rental of land and buildings	333	351	-	-
Hire of plant and machinery	816	1,287	-	-
	1,656,201	1,742,045	128,028	81,715

8 OTHER OPERATING INCOME

	Group		Company	
	2021	2020	2021	2020
Late payment interest	3,504	3,167	167	-
Forfeiture of deposits	1,566	2,389	68	233
Recoveries and claims	986	2,286	-	-
Rental income	922	712	552	503
Non-refundable tender deposits	813	489	53	66
Maintenance charges	574	488	125	-
Other miscellaneous income	4,387	6,275	1,519	869
	12,752	15,806	2,484	1,671

NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 December 2021

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9 SELLING, MARKETING, ADMINISTRATIVE AND OTHER EXPENSES

	Group		Company	
	2021	2020	2021	2020
Selling and marketing expenses	88,985	74,060	6,299	6,209
Administrative and other expenses	195,691	233,962	164,067	185,743
	284,676	308,022	170,366	191,952
Selling, marketing, administrative and other expenses comprise the following:				
Depreciation, amortisation, impairment losses and write-off				
Depreciation of:				
- property, plant and equipment	26,831	27,063	9,202	10,802
- investment properties	314	468	-	-
Amortisation of intangible assets	1,783	1,643	1,586	1,501
Impairment losses on receivables	2,906	14,753	-	1,611
Reversal of impairment losses on receivables	(4,409)	(1,916)	(2,035)	-
Write-off of property, plant and equipment	98	237	-	57
Bad debt recovered	-	(67)	-	-
	27,523	42,181	8,753	13,971
Auditors' remuneration				
Fees for statutory audits				
- PricewaterhouseCoopers PLT, Malaysia	1,360	1,282	280	260
- member firms of PricewaterhouseCoopers International Limited	505	519	-	-
- other firm	126	14	-	-
Fees for other assurance related services				
- PricewaterhouseCoopers PLT, Malaysia	379	272	240	233
	2,370	2,087	520	493
Fees for non-audit services				
- PricewaterhouseCoopers PLT, Malaysia	124	329	34	329
- member firms of PricewaterhouseCoopers International Limited	350	125	-	-
	2,844	2,541	554	822

NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 December 2021

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9 SELLING, MARKETING, ADMINISTRATIVE AND OTHER EXPENSES (CONTINUED)

	Group		Company	
	2021	2020	2021	2020
Selling, marketing, administrative and other expenses comprise the following: (continued)				
Employee and Directors costs				
Employee costs	116,553	139,416	105,546	130,467
Directors' fees and allowances	2,970	3,243	2,970	3,243
	119,523	142,659	108,516	133,710
Others				
Advertising and promotion	52,250	31,680	4,260	4,701
Sales commission and other selling expenses	10,770	12,308	2,039	1,508
Contribution payable to Yayasan Sime Darby	20,000	10,000	14,500	5,000
Rental of land and buildings	98	1,198	-	-
Hire of plant and machinery	510	520	331	617
IT related expenses	14,164	13,312	13,052	11,339
Other operating expenses	36,994	51,623	18,361	20,284
	134,786	120,641	52,543	43,449
Total	284,676	308,022	170,366	191,952

In the previous financial year, as a result of COVID-19 pandemic, the Company had received rent concessions from its subsidiary amounting to RM165,780.

NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 December 2021

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10 EMPLOYEE AND DIRECTORS COSTS

	Group		Company	
	2021	2020	2021	2020
Employee and Directors costs included in:				
- cost of sales	61,623	78,072	1,614	1,752
- selling, marketing, administrative and other expenses	119,523	142,659	108,516	133,710
	181,146	220,731	110,130	135,462
Staff:				
- salaries, allowances, overtime and bonus	134,144	144,800	80,857	87,839
- defined contribution plan	22,410	22,229	12,137	13,985
- termination benefits	-	24,220	-	13,289
- training, insurance and other benefits	17,715	24,803	10,259	15,670
	174,269	216,052	103,253	130,783
Executive Directors:				
- salaries, allowances and bonus	3,376	1,262	3,376	1,262
- defined contribution plan	531	174	531	174
	3,907	1,436	3,907	1,436
Non-Executive Directors:				
- fees	2,970	3,204	2,970	3,204
- allowances	-	39	-	39
	2,970	3,243	2,970	3,243
Total	181,146	220,731	110,130	135,462

Estimated monetary value of benefits received by the Executive and Non-Executive Directors from the Company amounted to RM7,312 (2020: RM4,384) and RM234,254 (2020: RM233,714) respectively. The Directors did not receive any benefits from the subsidiaries.

During the financial year, a Director of the Company purchased a property amounting to RM2.0 million (2020: RM Nil).

Other than as disclosed above, there were no compensation to Directors for loss of office, no loans, quasi-loans and other dealings in favour of Directors and no material contracts subsisting as at 31 December 2021 or if not then subsisting, entered into since the end of the previous financial year by the Company or its subsidiaries which involved the interests of Directors.

NOTES TO THE FINANCIAL STATEMENTS

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11 OTHER LOSSES

	Group		Company	
	2021	2020	2021	2020
Gain on disposal of:				
- investment properties	948	-	-	-
- property, plant and equipment	-	15	-	-
(Impairment losses)/Reversal of impairment losses on:				
- quoted investment	(2,083)	-	(2,083)	-
- property, plant and equipment	(415)	(5,965)	-	-
- investment properties	-	(22,034)	-	-
- investment in subsidiaries	-	-	(8,128)	(12,163)
- amounts due from subsidiaries [Note 26]	-	-	-	(65,455)
- amounts due from a joint venture [Note 26]	-	1,296	-	-
Loss from liquidation of subsidiaries	-	-	(17)	-
Gain on liquidation of an associate	-	950	-	350
Surplus from capital reduction by a subsidiary	-	-	-	1,359
Changes in fair value of quoted investments	-	(214)	-	(214)
Provision on obligation in relation to a property disposed [Note 35]	-	(50,776)	-	-
Foreign currency exchange loss transferred from equity	-	(6,642)	-	-
Foreign currency exchange (losses)/gain:				
- realised	(970)	(2,598)	132	280
- unrealised	-	(2,054)	5,832	-
	(2,520)	(88,022)	(4,264)	(75,843)

12 JOINT VENTURES

The Group's interest in the joint ventures, their respective principal activities and countries of incorporation are shown in Note 42.

The Group's joint ventures are accounted for using the equity method in the financial statements.

The Directors are of the opinion that Battersea Project Holding Company Limited ("Battersea"), a property company incorporated and domiciled in Jersey, is material to the Group. Other joint ventures are individually immaterial to the Group.

NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 December 2021

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12 JOINT VENTURES (CONTINUED)

Battersea is a joint venture between Setia International Limited, Kwasa Global (Jersey) Limited and Sime Darby Property (Hong Kong) Limited. Battersea was formed to acquire and develop the Battersea Power Station site in London, United Kingdom, which is a strategic investment for the Group to expand its footprint into a key international market for property development and investment.

The Group's investments in joint ventures are as follows:

Group	Battersea	Others	Total
31.12.2021			
Share of results	(30,061)	483	(29,578)
Unquoted shares, at costs	3,419,759	103,918	3,523,677
Unrealised profit	-	(46,614)	(46,614)
Share of post-acquisition reserves	(364,460)	(43,796)	(408,256)
Shareholder's advances	-	93,181	93,181
Carrying amount as at 31 December 2021	3,055,299	106,689	3,161,988
Dividend income	-	312	312
Unrecognised share of loss:			
- At 1 January 2021	-	21,740	21,740
- Total for the financial year	-	14,180	14,180
- At 31 December 2021	-	35,920	35,920
31.12.2020			
Restated			
Share of results (restated)	(395,428)	(24,174)	(419,602)
Unquoted shares, at costs	2,698,450	101,731	2,800,181
Unrealised profit	-	(46,614)	(46,614)
Share of post-acquisition reserves	(326,532)	(39,958)	(366,490)
Shareholder's advances	-	93,181	93,181
Carrying amount at the end of the financial year, as previously reported	2,371,918	108,340	2,480,258
Effects from Agenda Decision [Note 43]	-	(4,157)	(4,157)
Carrying amount as at 31 December 2020 (restated)	2,371,918	104,183	2,476,101
Dividend income	-	1,794	1,794
Unrecognised share of loss for the financial year/as at 31 December 2020	-	21,740	21,740

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12 JOINT VENTURES (CONTINUED)

The Group's investments in joint ventures are as follows: (continued)

01.01.2020

Restated	Battersea	Others	Total
Carrying amount as at 1 January 2020, as previously reported	2,687,799	117,202	2,805,001
Effects from Agenda Decision [Note 43]	-	(4,585)	(4,585)
Carrying amount as at 1 January 2020	2,687,799	112,617	2,800,416

The Company's investment in a joint venture is as follows:

	Company	
	2021	2020
Unquoted shares, at costs	125	125
Shareholder's advance	28,785	28,785
Accumulated impairment losses	(28,910)	(28,910)
Carrying amount at the end of the financial year	-	-

The shareholder's advance to joint ventures of the Group and the Company are unsecured and interest free with no fixed term of repayment. The advance is considered as part of the Group's and the Company's investment in the joint venture.

a. Material joint venture of the Group

Summarised financial information

The information below reflects the amounts presented in the consolidated financial statements of Battersea, adjusted for differences in accounting policies between the Group and the joint venture.

i. The summarised consolidated statements of comprehensive income of Battersea are as follows:

	2021	2020
Revenue	1,802,670	1,192,388
Write-down of inventories	-	(842,754)
Depreciation and amortisation	(9,662)	(28,120)
Finance income	820	-
Finance cost	(4,866)	(9,831)
Loss before taxation	(71,559)	(988,836)
Taxation	(3,594)	267
Loss for the financial year	(75,153)	(988,569)
Share of results	(30,061)	(395,428)

NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 December 2021

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12 JOINT VENTURES (CONTINUED)

a. Material joint venture of the Group (continued)

Summarised financial information (continued)

- i. The summarised consolidated statements of comprehensive income of Battersea are as follows: (continued)

In the previous financial year, the Group's share of Battersea's write-down in the work-in-progress and inventories amounted to £62.4 million (RM337.1 million). The write-down reflects the impact of prolongation costs associated with the COVID-19 pandemic, notably the implementation of social distancing measures and the impact of the UK lockdown which had an impact on the delivery of Battersea project. There were no write-down in the work-in-progress and inventories for Battersea during the financial year.

- ii. The summarised consolidated statements of financial position of Battersea are as follows:

	2021	2020
Non-current assets	322,314	367,647
Current assets		
Inventories	14,217,071	11,709,932
Cash and cash equivalents	921,628	554,794
Other current assets	403,620	383,970
	15,542,319	12,648,696
Non-current liabilities		
Financial liabilities (excluding payables)	544,109	4,528,622
Other non-current liabilities	61,951	83,617
	606,060	4,612,239
Current liabilities		
Financial liabilities (excluding payables)	6,113,716	897,210
Other current liabilities	1,506,609	1,577,098
	7,620,325	2,474,308
Net assets	7,638,248	5,929,796

NOTES TO THE FINANCIAL STATEMENTS

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12 JOINT VENTURES (CONTINUED)

a. Material joint venture of the Group (continued)

Summarised financial information (continued)

ii. The summarised consolidated statements of financial position of Battersea are as follows: (continued)

	2021	2020
Net assets		
At 1 January	5,929,796	6,719,497
Total comprehensive loss for the financial year	(75,153)	(988,569)
Additional investment during the financial year	1,647,322	83,538
Exchange differences	136,283	115,330
At 31 December	7,638,248	5,929,796
Group's interest in the joint venture	40%	40%
Carrying amount at the end of the financial year	3,055,299	2,371,918

Capital commitments and contingent liabilities

There are no contingent liabilities relating to the Group's interest in the joint ventures. The Group's commitments in relation to its joint ventures are disclosed in Note 36(c)(ii).

NOTES TO THE FINANCIAL STATEMENTS

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13 ASSOCIATES

The Group's interest in the associates, their respective principal activities and countries of incorporation are shown in Note 42.

The Group's associates are accounted for using the equity method in the financial statements.

In the opinion of the Directors, the Group has no associate which is individually material as at 31 December 2021.

The Group's and the Company's investments in associates are as follows:

	Group	
	2021	2020
Share of results	776	(1,300)
Share of other comprehensive (loss)/income	(2,658)	1,074
Share of total comprehensive loss for the financial year	(1,882)	(226)

	Group		Company	
	2021	2020	2021	2020
Unquoted shares, at costs	36,203	36,203	36,000	36,000
Share of post-acquisition reserves	90,666	92,548	-	-
Shareholder's advance	12,969	12,194	12,969	12,194
Accumulated impairment losses	(1,803)	(1,803)	(1,746)	(1,746)
Carrying amount at the end of the financial year	138,035	139,142	47,223	46,448

The shareholder's advance to an associate is unsecured and bears interest at a rate of 7.21% (2020: 7.21%) per annum. The advance is considered as part of the Group's and the Company's investment in the associate.

Capital commitments and contingent liabilities

There are neither capital commitment nor contingent liabilities relating to the Group's interest in the associates.

NOTES TO THE FINANCIAL STATEMENTS

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14 FINANCE INCOME

	Group		Company	
	2021	2020	2021	2020
Finance income arising from:				
- accretion of interest on contract assets [Note 27(a)]	93,126	99,435	-	-
- banks and other financial institutions	8,092	8,535	2,405	3,351
- subsidiaries	-	-	56,317	36,692
- a joint venture	788	1,154	-	-
- an associate	767	820	767	820
	102,773	109,944	59,489	40,863

15 FINANCE COSTS

	Group		Company	
	2021	2020 Restated	2021	2020
Finance costs charged by:				
- banks and other financial institutions	20,963	29,953	798	-
- non-controlling interest	5,488	5,732	-	-
- lease liabilities [Note 34]	3,285	3,971	613	240
Accretion of interest on:				
- payables	4,289	4,677	-	-
- provisions [Note 35]	3,872	4,966	-	-
	37,897	49,299	1,411	240
Islamic financing distribution payment:				
- Syndicated Islamic term financing	46,636	52,036	-	-
- Islamic Medium Term Notes	27,378	2,101	27,378	2,101
- Term loans and revolving credits	30,593	49,646	14,439	16,955
	104,607	103,783	41,817	19,056
Total finance costs	142,504	153,082	43,228	19,296
Interest capitalised in inventories [Note 21]	(47,507)	(48,738)	-	-
Net finance costs	94,997	104,344	43,228	19,296

The Group's weighted average capitalisation rate in determining interest eligible for capitalisation is 3.4% (2020: 4.0%) per annum.

NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 December 2021

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16 TAXATION

	Group		Company	
	2021	2020 Restated	2021	2020
Income tax:				
In respect of current financial year				
- Malaysian income tax	95,142	88,528	11,574	12,340
- foreign income tax	1	5	-	-
In respect of prior financial years				
- Malaysian income tax	15,661	(13,584)	(3,784)	(527)
- foreign income tax	-	35	-	-
Total income tax	110,804	74,984	7,790	11,813
Deferred tax: [Note 25]				
- origination and reversal of temporary differences	7,892	(16,756)	(2,459)	(8,138)
- (over)/under provision in prior financial years	(1,431)	2,515	6,291	1,107
Total deferred tax expense/(credit)	6,461	(14,241)	3,832	(7,031)
Total taxation	117,265	60,743	11,622	4,782

Tax reconciliation

Reconciliation from tax at applicable tax rate to tax expense are as follows:

	Group		Company	
	2021	2020 Restated	2021	2020
Profit/(Loss) before taxation	268,253	(474,804)	221,878	(33,027)
Less:				
Share of results of:				
- joint ventures [Note 12]	29,578	419,602	-	-
- associates [Note 13]	(776)	1,300	-	-
	297,055	(53,902)	221,878	(33,027)

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For the financial year ended 31 December 2021

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16 TAXATION (CONTINUED)

Tax reconciliation (continued)

Reconciliation from tax at applicable tax rate to tax expense are as follows: (continued)

	Group		Company	
	2021	2020 Restated	2021	2020
Tax at the domestic rates applicable to profits in the country concerned	76,850	(9,005)	53,251	(7,926)
Effect of tax incentives and income not subject to tax:				
- single tier and tax exempt dividends	-	-	(51,229)	(9,456)
- others	(249)	(770)	(1,431)	(477)
Effect of expenses not deductible for tax purposes:				
- (reversal of impairment)/impairment losses on amounts due from subsidiaries	-	-	(488)	15,709
- impairment losses on investment in subsidiaries, joint ventures and associates	-	-	1,951	2,919
- provisions	-	8,632	-	-
- depreciation and amortisation	10,183	9,507	763	875
- others	5,452	13,099	6,298	2,558
Movement in unrecognised deferred tax assets	10,799	50,314	-	-
Under/(Over) provision in prior years	14,230	(11,034)	2,507	580
Taxation for the financial year	117,265	60,743	11,622	4,782
Applicable tax rate (%)	17.0 – 24.0	17.0 – 30.0	24.0	24.0
Effective tax rate (%)	39.5	(112.7)	5.2	(14.5)

The applicable tax of the Group represents the applicable taxes of all companies under the Group based on their respective domestic tax rate.

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17 EARNINGS/(LOSS) PER SHARE

Basic earnings/(loss) per share attributable to owners of the Company are computed as follows:

	Group	
	2021	2020 Restated
Profit/(Loss) for the financial year attributable to the owners of the Company	136,904	(501,566)
Number of ordinary shares in issue (thousand)	6,800,839	6,800,839
Basic earnings/(loss) per share (sen)	2.0	(7.4)

The basic and diluted earnings/(loss) per share is the same as there is no dilutive potential ordinary shares in issue as at the end of the financial year.

18 DIVIDENDS

	Group/Company	
	2021	2020
In respect of the financial year ended 31 December 2021, an interim single tier dividend of 1.0 sen per ordinary share which was paid on 16 November 2021.	68,008	-
In respect of the financial year ended 31 December 2020, a first interim single tier dividend of 1.0 sen per ordinary share which was paid on 22 December 2020.	-	68,008
In respect of the financial year ended 31 December 2019, a second interim single tier dividend of 2.0 sen per ordinary share which was paid on 20 April 2020.	-	136,017
	68,008	204,025

The Board of Directors do not recommend the payment of any final dividend for the financial year ended 31 December 2021.

NOTES TO THE FINANCIAL STATEMENTS

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19 PROPERTY, PLANT AND EQUIPMENT

Group	Freehold land	Leasehold land	Buildings and golf course	Plant and machinery	Vehicles, equipment and fixtures	Work in progress	Total
2021							
At 1 January 2021	58,619	52,813	460,421	1,725	49,952	2,648	626,178
Additions	-	325	938	57	3,631	540	5,491
Impairment losses	-	-	-	-	(415)	-	(415)
Write-off	-	-	-	-	(98)	-	(98)
Transfer from/(to):							
- inventories [Note 21]	-	-	-	-	4,581	13,369	17,950
- investment properties [Note 20]	-	-	(831)	-	-	-	(831)
Reclassification	-	-	-	-	1,716	(1,716)	-
Depreciation [Notes 7 & 9]	-	(1,020)	(19,730)	(418)	(12,321)	-	(33,489)
Exchange differences	-	-	196	2	263	-	461
At 31 December 2021	58,619	52,118	440,994	1,366	47,309	14,841	615,247
Cost	58,619	57,051	710,027	42,181	207,369	14,841	1,090,088
Accumulated depreciation	-	(4,933)	(259,864)	(40,765)	(159,107)	-	(464,669)
Accumulated impairment losses	-	-	(9,169)	(50)	(953)	-	(10,172)
Carrying amount at the end of the financial year	58,619	52,118	440,994	1,366	47,309	14,841	615,247
2020							
At 1 January 2020	58,619	53,828	472,641	2,878	40,798	7,520	636,284
Additions	-	-	3,714	578	12,889	6,849	24,030
Impairment losses	-	-	(5,431)	-	(534)	-	(5,965)
Disposals	-	-	-	-	(2)	-	(2)
Write-off	-	-	-	-	(57)	(180)	(237)
Transfer from inventories [Note 21]	-	-	-	-	6,852	-	6,852
Reclassification	-	-	9,441	-	2,100	(11,541)	-
Depreciation [Notes 7 & 9]	-	(1,015)	(19,859)	(1,732)	(12,108)	-	(34,714)
Exchange differences	-	-	(85)	1	14	-	(70)
At 31 December 2020	58,619	52,813	460,421	1,725	49,952	2,648	626,178
Cost	58,619	56,726	709,199	42,083	199,785	2,648	1,069,060
Accumulated depreciation	-	(3,913)	(239,649)	(40,308)	(149,299)	-	(433,169)
Accumulated impairment losses	-	-	(9,129)	(50)	(534)	-	(9,713)
Carrying amount at the end of the financial year	58,619	52,813	460,421	1,725	49,952	2,648	626,178

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For the financial year ended 31 December 2021

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19 PROPERTY, PLANT AND EQUIPMENT (CONTINUED)

Company	Buildings	Vehicles, equipment and fixtures	Work in progress	Total
2021				
At 1 January 2021	22,874	4,338	-	27,212
Additions	-	2,606	-	2,606
Depreciation [Notes 7 & 9]	(7,625)	(1,593)	-	(9,218)
At 31 December 2021	15,249	5,351	-	20,600
Cost	22,874	43,286	-	66,160
Accumulated depreciation	(7,625)	(37,935)	-	(45,560)
Carrying amount at the end of the financial year	15,249	5,351	-	20,600
2020				
At 1 January 2020	9,527	4,729	194	14,450
Additions	22,874	862	31	23,767
Disposals	-	(2)	-	(2)
Write-off	-	(57)	-	(57)
Reclassification	-	225	(225)	-
Depreciation [Notes 7 & 9]	(9,527)	(1,419)	-	(10,946)
At 31 December 2020	22,874	4,338	-	27,212
Cost	22,874	40,680	-	63,554
Accumulated depreciation	-	(36,342)	-	(36,342)
Carrying amount at the end of the financial year	22,874	4,338	-	27,212

The Group has recognised impairment of property, plant and equipment of RM0.4 million (2020: RM6.0 million) during the financial year due to the shortfall of the recoverable amount as compared to the carrying amount of the assets. The recoverable amount of these assets is determined based on the value-in-use method.

NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 December 2021

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19 PROPERTY, PLANT AND EQUIPMENT (CONTINUED)

a. Right-of-use assets

Right-of-use assets included in property, plant and equipment are as follows:

Group	Leasehold land	Buildings	Vehicles	Total
2021				
At 1 January 2021	52,813	290,323	5,569	348,705
Additions	325	231	297	853
Transfer to investment properties [Note 20(a)]	-	(831)	-	(831)
Depreciation	(1,020)	(9,286)	(1,584)	(11,890)
Exchange differences	-	204	-	204
At 31 December 2021	52,118	280,641	4,282	337,041
Cost	57,051	437,005	7,319	501,375
Accumulated depreciation	(4,933)	(149,582)	(3,037)	(157,552)
Accumulated impairment losses	-	(6,782)	-	(6,782)
Carrying amount at the end of the financial year	52,118	280,641	4,282	337,041
2020				
At 1 January 2020	53,828	300,811	-	354,639
Additions	-	2,937	7,022	9,959
Impairment losses	-	(3,044)	-	(3,044)
Depreciation	(1,015)	(10,298)	(1,453)	(12,766)
Exchange differences	-	(83)	-	(83)
At 31 December 2020	52,813	290,323	5,569	348,705
Cost	56,726	436,885	7,022	500,633
Accumulated depreciation	(3,913)	(139,819)	(1,453)	(145,185)
Accumulated impairment losses	-	(6,743)	-	(6,743)
Carrying amount at the end of the financial year	52,813	290,323	5,569	348,705

NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 December 2021

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19 PROPERTY, PLANT AND EQUIPMENT (CONTINUED)

a. Right-of-use assets (continued)

Right-of-use assets included in property, plant and equipment are as follows (continued):

Company	Buildings	Vehicles	Total
2021			
At 1 January 2021	22,874	243	23,117
Depreciation	(7,625)	(77)	(7,702)
At 31 December 2021	15,249	166	15,415
Cost	22,874	297	23,171
Accumulated depreciation	(7,625)	(131)	(7,756)
Carrying amount at the end of the financial year	15,249	166	15,415
2020			
At 1 January 2020	9,527	-	9,527
Additions	22,874	297	23,171
Depreciation	(9,527)	(54)	(9,581)
At 31 December 2020	22,874	243	23,117
Cost	22,874	297	23,171
Accumulated depreciation	-	(54)	(54)
Carrying amount at the end of the financial year	22,874	243	23,117

The Company's right-of-use building is leased from a subsidiary company.

b. Assets pledged as security

As at 31 December 2021, property, plant and equipment of certain subsidiaries with a total carrying amount of RM69.0 million (2020: RM70.9 million) were pledged as security for borrowings of the Group (see Note 33).

c. Additions of property, plant and equipment

	Group		Company	
	2021	2020	2021	2020
Additions	5,491	24,030	2,606	23,767
Financed by lease liabilities	-	(7,022)	-	(23,134)
Total cash outflow	5,491	17,008	2,606	633

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20 INVESTMENT PROPERTIES

Group	Freehold land	Leasehold land	Buildings and buildings improvements	Work in progress	Total
2021					
At 1 January 2021	84,169	7,818	611,835	5,208	709,030
Additions	-	-	775	8,255	9,030
Transfer from property, plant and equipment [Note 19]	-	-	831	-	831
Transfer from inventories [Note 21]	-	-	-	83,732	83,732
Reclassification	-	-	8,079	(8,079)	-
Depreciation [Notes 7 & 9]	-	(608)	(28,642)	-	(29,250)
Disposal	(8)	-	(64)	-	(72)
Exchange differences	-	-	701	-	701
At 31 December 2021	84,161	7,210	593,515	89,116	774,002
Cost	84,161	12,838	774,441	89,116	960,556
Accumulated depreciation	-	(2,263)	(115,911)	-	(118,174)
Accumulated impairment losses	-	(3,365)	(65,015)	-	(68,380)
Carrying amount at the end of the financial year	84,161	7,210	593,515	89,116	774,002
2020					
At 1 January 2020	43,665	8,262	291,938	401,920	745,785
Additions	-	-	1,914	12,292	14,206
Impairment losses	-	-	(22,034)	-	(22,034)
Transfer to inventories [Note 21]	-	(242)	-	-	(242)
Reclassified from provisions [Note 35]	-	-	(2,886)	-	(2,886)
Reclassification	40,504	-	368,500	(409,004)	-
Depreciation [Notes 7 & 9]	-	(202)	(25,529)	-	(25,731)
Exchange differences	-	-	(68)	-	(68)
At 31 December 2020	84,169	7,818	611,835	5,208	709,030
Cost	84,169	12,838	763,470	5,208	865,685
Accumulated depreciation	-	(1,655)	(86,947)	-	(88,602)
Accumulated impairment losses	-	(3,365)	(64,688)	-	(68,053)
Carrying amount at the end of the financial year	84,169	7,818	611,835	5,208	709,030

In the previous financial year, the Group recognised impairment of investment properties of RM22.0 million. The recoverable amount of these assets are determined based on valuation performed by independent professional valuers using the investment method of valuation.

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20 INVESTMENT PROPERTIES (CONTINUED)

a. Right-of-use assets

Right-of-use assets included in investment properties are as follows:

Group	Leasehold land	Buildings and buildings improvements	Work in progress	Total
2021				
At 1 January 2021	7,818	70,619	-	78,437
Additions	-	-	69	69
Transfer from property, plant and equipment [Note 19]	-	831	-	831
Transfer from inventories	-	-	851	851
Depreciation	(608)	(12,363)	-	(12,971)
Exchange differences	-	701	-	701
At 31 December 2021	7,210	59,788	920	67,918
Cost	12,838	120,693	920	134,451
Accumulated depreciation	(2,263)	(35,458)	-	(37,721)
Accumulated impairment losses	(3,365)	(25,447)	-	(28,812)
Carrying amount at the end of the financial year	7,210	59,788	920	67,918
2020				
At 1 January 2020	8,262	83,377	-	91,639
Additions	-	1,914	-	1,914
Transfer to inventories [Note 21]	(242)	-	-	(242)
Reclassified from provisions [Note 35]	-	(2,886)	-	(2,886)
Depreciation	(202)	(11,718)	-	(11,920)
Exchange differences	-	(68)	-	(68)
At 31 December 2020	7,818	70,619	-	78,437
Cost	12,838	118,477	-	131,315
Accumulated depreciation	(1,655)	(22,738)	-	(24,393)
Accumulated impairment losses	(3,365)	(25,120)	-	(28,485)
Carrying amount at the end of the financial year	7,818	70,619	-	78,437

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20 INVESTMENT PROPERTIES (CONTINUED)

b. Fair Value

The fair value of the Group's investment properties are as follows:

	Group	
	2021	2020
Owned assets	977,263	791,023
Right-of-use assets	186,969	187,797
	1,164,232	978,820

The fair value of the Group's investment properties are determined using Level 3 inputs in the fair value hierarchy of MFRS 13 - Fair Value Measurements, which are measured by reference either to valuation by independent professional valuers or the open market value of properties in the vicinity under the income approach or market approach.

Properties valued using the income approach are based on the rental expected to be achieved, location, size and condition of the properties, taking into consideration outgoings such as quit rent and assessment, utilities and other general expenses. Key inputs consist of term yield, reversion yield and rental per square foot. Properties valued using the market approach are derived from transacted prices per square foot from sales of comparable properties, adjusted for the property size, location and date of transaction.

Investment property under work in progress is valued at cost on the basis that the fair value of the work in progress building is unable to be reliably measured.

c. Assets pledged as security

As at 31 December 2021, investment properties of certain subsidiaries with a total carrying amount of RM173.5 million (2020: RM177.7 million) were pledged as security for borrowings of the Group (see Note 33).

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20 INVESTMENT PROPERTIES (CONTINUED)

d. Operating leases

Rental income generated from and direct operating expenses incurred on the Group's investment properties are as follows:

	Group	
	2021	2020
Rental income	57,146	38,508
Direct operating expenses, before depreciation and amortisation	(32,529)	(31,997)

The future minimum lease payments receivable under operating leases contracted for as at the end of reporting period but not recognised as receivable are as follows:

	Group	
	2021	2020
Lease payments due		
- not later than 1 year	51,976	40,731
- later than 1 year and not later than 2 years	43,241	41,889
- later than 2 years and not later than 3 years	6,045	34,399
- later than 3 years and not later than 4 years	5,684	5,399
- later than 4 years and not later than 5 years	5,684	5,589
- later than 5 years	101,190	79,534
	213,820	207,541

The Group entered into non-cancellable operating lease agreements on its investment properties. These leases have remaining non-cancellable lease term ranging from 1 to 27 years (2020: ranging from 1 to 28 years).

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21 INVENTORIES

	Group			Company	
	31.12.2021	31.12.2020 Restated	01.01.2020 Restated	31.12.2021	31.12.2020
Non-current					
Land held for property development [note (a)]	3,869,520	4,474,282	4,542,929	1,057,817	1,052,552
Current					
Cost:					
- completed development units	90,848	131,902	121,722	6,001	7,241
- finished goods, raw materials and consumables	776	1,467	1,722	-	-
Net realisable value:					
- completed development units	238,724	441,738	404,586	-	4,503
	330,348	575,107	528,030	6,001	11,744
Property development costs [note (b)]	1,592,449	1,184,936	1,375,109	98,110	121,967
	1,922,797	1,760,043	1,903,139	104,111	133,711
Total inventories	5,792,317	6,234,325	6,446,068	1,161,928	1,186,263

During the financial year, the Group and the Company recognised inventories cost of RM1,472.5 million (2020 (restated): RM1,550.2 million) and RM105.2 million (2020: RM83.2 million), respectively, as cost of sales.

As at 31 December 2021, certain inventories of the Group and the Company with a total carrying amount of RM733.6 million (2020: RM761.4 million) and RM52.9 million (2020: RM47.6 million) were pledged as security for borrowings of the Group and the Company respectively (see Note 33).

The cost of sales included write-down of inventories to net realisable value by the Group and the Company of RM1.9 million (2020 (restated): RM125.3 million) and RM Nil (2020: RM7.1 million), respectively.

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21 INVENTORIES (CONTINUED)

a. Land held for property development

	Group		Company	
	2021	2020	2021	2020
At 1 January	4,474,282	4,542,929	1,052,552	1,094,867
Additions	363,798	458,800	62,302	65,892
Write-down	-	(5,541)	-	(7,111)
Write-off	(384)	(68,236)	(162)	-
Transfer (to)/from:				
- property, plant and equipment [Note 19]	(4,581)	(6,852)	-	-
- investment properties [Note 20]	-	242	-	-
- property development costs [note (b)]	(963,595)	(447,060)	(56,875)	(101,096)
At 31 December	3,869,520	4,474,282	1,057,817	1,052,552

Land held for property development is analysed as follows:

	Group		Company	
	2021	2020	2021	2020
Freehold land, at cost	1,374,851	1,442,022	907,583	915,244
Leasehold land, at cost	470,761	514,126	-	-
Development costs	2,023,908	2,518,134	150,234	137,308
	3,869,520	4,474,282	1,057,817	1,052,552

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21 INVENTORIES (CONTINUED)

b. Property development costs

	Group		Company	
	2021	2020 Restated	2021	2020
At 1 January	1,299,081	1,455,335	121,967	75,598
Effects from Agenda Decision [Note 43]	(114,145)	(80,226)	-	-
At 1 January (restated)	1,184,936	1,375,109	121,967	75,598
Development costs incurred during the financial year	770,870	881,817	18,609	12,623
Costs recognised during the financial year [Note 7]	(1,169,053)	(1,125,978)	(99,341)	(22,684)
Transfer (to)/from:				
- property, plant and equipment [Note 19]	(13,369)	-	-	-
- land held for property development [note (a)]	963,595	447,060	56,875	101,096
- investment properties [Note 20]	(83,732)	-	-	-
- completed development units	(57,623)	(298,422)	-	(41,645)
Write-down	(1,016)	(85,239)	-	-
Write-off	(2,159)	(4,875)	-	(3,021)
Exchange differences	-	(4,536)	-	-
At 31 December	1,592,449	1,184,936	98,110	121,967

Property development costs is analysed as follows:

	Group			Company	
	31.12.2021	31.12.2020 Restated	01.01.2020 Restated	31.12.2021	31.12.2020
Freehold land, at cost	257,355	232,957	254,436	25,006	21,304
Leasehold land, at cost	101,416	51,997	51,339	-	-
Development costs	1,233,678	899,982	1,069,334	73,104	100,663
	1,592,449	1,184,936	1,375,109	98,110	121,967

Included in the Group's land held for property development and property development costs incurred during the financial year are finance costs capitalised amounting to RM47.5 million (2020 (restated): RM48.7 million) (see Note 15).

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22 SUBSIDIARIES

The Group's effective equity interest in the subsidiaries, their respective principal activities and countries of incorporation are shown in Note 42.

	Company	
	2021	2020
Unquoted shares:		
At cost	9,228,310	7,952,498
Accumulated impairment losses	(1,340,757)	(1,207,935)
	7,887,553	6,744,563
Contribution to a subsidiary	23,485	23,485
Carrying amount at the end of the financial year	7,911,038	6,768,048

During the financial year ended 31 December 2021, the Company increased its investment in subsidiaries by RM1,321.0 million (2020: RM33.7 million) via capital injections of RM781.7 million (2020: RM33.7 million) and capitalisation of amounts due from subsidiaries of RM539.3 million (2020: RM Nil).

Movements in accumulated impairment losses are as follows:

	Company	
	2021	2020
At 1 January	1,207,935	1,195,772
Impairment losses	8,128	12,163
Reclassified from accumulated impairment losses on amounts due from subsidiaries following the increase in investment in those subsidiaries through debt capitalisation [Note 26(c)]	169,571	-
Liquidation of subsidiaries	(44,877)	-
At 31 December	1,340,757	1,207,935

The contribution to a subsidiary has no fixed term of repayment and any repayment is at the discretion of the subsidiary upon notification by the subsidiary to the Company.

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23 INVESTMENTS

Group/Company	Quoted shares	Unquoted shares	Total
2021			
At 1 January 2021	2,083	54,193	56,276
Net changes in fair value recognised in other comprehensive income	-	(775)	(775)
Impairment losses	(2,083)	-	(2,083)
At 31 December 2021	-	53,418	53,418
2020			
At 1 January 2020	2,297	56,491	58,788
Net changes in fair value:			
- recognised in other comprehensive income	-	(2,298)	(2,298)
- recognised in profit or loss	(214)	-	(214)
At 31 December 2020	2,083	54,193	56,276

24 INTANGIBLE ASSETS

	Group		Company	
	2021	2020	2021	2020
At 1 January	5,721	4,143	4,628	3,865
Additions	3,492	3,230	2,682	2,264
Amortisation [Notes 7 & 9]	(1,955)	(1,652)	(1,586)	(1,501)
At 31 December	7,258	5,721	5,724	4,628
Cost	33,691	30,199	29,814	27,132
Accumulated amortisation	(26,433)	(24,478)	(24,090)	(22,504)
Carrying amount at the end of the financial year	7,258	5,721	5,724	4,628

The intangible assets for the Group and the Company comprise mainly computer software.

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25 DEFERRED TAX

	Group			Company	
	31.12.2021	31.12.2020 Restated	01.01.2020 Restated	31.12.2021	31.12.2020
Deferred tax assets	623,212	617,535	594,446	25,876	29,708
Deferred tax liabilities	(184,700)	(172,562)	(163,713)	-	-
	438,512	444,973	430,733	25,876	29,708

The Group has recognised deferred tax assets amounting to RM44.9 million (2020: RM70.8 million) arising from the unutilised tax losses of subsidiaries which are loss-making during the financial year, based on future taxable profits expected to be generated by these subsidiaries. The future taxable profits are estimated based on the expected future profits arising from these subsidiaries' property development projects and other income.

The amount of deductible temporary differences, which have no expiry dates, and unutilised tax losses for which no deferred tax asset is recognised in the statements of financial position are as follows:

	Group		Company	
	2021	2020 Restated	2021	2020
Unutilised tax losses	743,079	651,860	-	-
Deductible temporary differences	523,294	569,517	-	-
	1,266,373	1,221,377	-	-
Deferred tax assets not recognised	303,929	293,130	-	-

Under the Malaysia Finance Act 2021 which was gazetted on 31 December 2021, the existing time limit to carry forward unutilised tax losses has been extended to 10 consecutive years (2020: 7 consecutive years) of assessment. Accordingly, any accumulated unutilised tax losses brought forward from year of assessment 2018 onwards can be carried forward for 10 consecutive years of assessment.

Unutilised tax losses:

	Group		Company	
	2021	2020 Restated	2021	2020
- expiring in/before 2027	-	651,860	-	-
- expiring in 2028	366,480	-	-	-
- expiring in 2029	214,886	-	-	-
- expiring in 2030	89,498	-	-	-
- expiring in 2031	72,215	-	-	-
	743,079	651,860	-	-

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25 DEFERRED TAX (CONTINUED)

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

Group	Property, plant and equipment	Investment properties	Inventories	Contract assets	Allowance and provision	Tax losses and unabsorbed capital allowances	Others	Total
2021								
At 1 January 2021	6,029	-	382,519	(201,811)	114,539	96,915	21,482	419,673
Effects from Agenda Decision [Note 43]	-	-	25,300	-	-	-	-	25,300
At 1 January 2021 (restated)	6,029	-	407,819	(201,811)	114,539	96,915	21,482	444,973
Recognised in profit or loss: [Note 16]								
- temporary differences	(412)	(12,016)	(10,512)	(3,158)	5,213	6,196	6,797	(7,892)
- (under)/over provision in prior financial years	(261)	-	8,097	(916)	5,362	(11,057)	206	1,431
At 31 December 2021	5,356	(12,016)	405,404	(205,885)	125,114	92,054	28,485	438,512

Group	Property, plant and equipment	Inventories	Contract assets	Allowance and provision	Tax losses and unabsorbed capital allowances	Others	Total
2020							
Restated							
At 1 January 2020		5,930	384,612	(192,962)	98,468	99,250	415,663
Effects from Agenda Decision [Note 43]		-	15,070	-	-	-	15,070
At 1 January 2020 (restated)		5,930	399,682	(192,962)	98,468	99,250	430,733
Recognised in profit or loss: [Note 16]							
- temporary differences		292	8,023	(8,849)	17,180	(753)	16,756
- (under)/over provision in prior financial years		(193)	114	-	(1,109)	(1,581)	(2,515)
Exchange differences		-	-	-	-	(1)	(1)
At 31 December 2020		6,029	407,819	(201,811)	114,539	96,915	444,973

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25 DEFERRED TAX (CONTINUED)

The components and movements of the deferred tax assets and liabilities during the financial year are as follows: (continued)

Company	Property, plant and equipment	Inventories	Allowance and provision	Total
2021				
At 1 January 2021	(331)	19,175	10,864	29,708
Recognised in profit or loss: [Note 16]				
- temporary differences	(390)	1,570	1,279	2,459
- over/(under) provision in prior financial years	154	(6,445)	-	(6,291)
At 31 December 2021	(567)	14,300	12,143	25,876
2020				
At 1 January 2020	(303)	13,015	9,965	22,677
Recognised in profit or loss: [Note 16]				
- temporary differences	(28)	7,267	899	8,138
- under provision in prior financial years	-	(1,107)	-	(1,107)
At 31 December 2020	(331)	19,175	10,864	29,708

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26 RECEIVABLES

	Group		Company	
	2021	2020	2021	2020
Non-current				
Trade receivables	8,612	-	-	-
Amounts due from:				
- joint ventures [note (a)]	103,750	118,000	89,000	89,000
- subsidiaries [note (b)]	-	-	1,491,382	1,974,847
	112,362	118,000	1,580,382	2,063,847
Accumulated impairment losses on: [note (c)]				
- amounts due from a joint venture	(37,210)	(37,210)	(37,210)	(37,210)
- amounts due from subsidiaries	-	-	(53,084)	(61,084)
	75,152	80,790	1,490,088	1,965,553
Current				
Trade receivables	656,366	586,959	62,000	51,447
Other receivables	79,273	82,600	18,888	20,447
Deposits	98,430	74,371	7,355	5,540
GST recoverable	109	747	-	-
Amounts due from:				
- joint ventures [note (a)]	6,277	6,658	6,259	6,515
- subsidiaries [note (b)]	-	-	421,293	273,267
	840,455	751,335	515,795	357,216
Accumulated impairment losses on: [note (c)]				
- trade receivables	(64,698)	(66,682)	-	-
- other receivables	(57,938)	(57,457)	(17,242)	(17,242)
- amounts due from joint ventures	(4,536)	(4,536)	(4,536)	(4,536)
- amounts due from subsidiaries	-	-	(1,521)	(165,127)
	(127,172)	(128,675)	(23,299)	(186,905)
	713,283	622,660	492,496	170,311
Total receivables	788,435	703,450	1,982,584	2,135,864

Credit quality of financial assets

Trade receivables that are neither past due nor impaired are amounts due from a large number of customers comprise substantially property purchasers with financing facilities from reputable end-financiers. In respect of property purchasers with no end-financing facilities, ownership and rights to the properties revert to the Group and to the Company in the event of default.

NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 December 2021

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26 RECEIVABLES (CONTINUED)

Trade receivables also include amounts due from tenants and golf club members. Amounts due from tenants are secured with deposits paid by tenants prior to occupancy of premises and rentals paid in advance. Amounts due from golf club members are those with good payment track records with the Group. Management monitors closely the trade receivables which are past due with outstanding balances exceeding the security deposits.

Other receivables and amounts due from joint ventures and subsidiaries which are not impaired are monitored closely.

a. Amounts due from joint ventures

The amounts due from joint ventures are unsecured, repayable on demand and are non-interest bearing except for the following:

	Group		Company	
	2021	2020	2021	2020
Non-current				
Amounts due from joint ventures				
Interest bearing	103,750	118,000	89,000	89,000
Accumulated impairment losses				
At 1 January	(37,210)	(38,506)	(37,210)	(37,210)
Impairment losses [Note 11]	-	1,296	-	-
At 31 December	(37,210)	(37,210)	(37,210)	(37,210)
	66,540	80,790	51,790	51,790

The amounts due from joint ventures of the Group and the Company bear interest at fixed rates ranging from 5.0% to 8.0% (2020: 5.0% to 8.0%) per annum.

b. Amounts due from subsidiaries

The amounts due from subsidiaries are unsecured, repayable on demand and are non-interest bearing except for an amount of RM1,360.8 million (2020: RM1,844.3 million) which bears interest at 3.15% (2020: 3.60%) per annum.

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26 RECEIVABLES (CONTINUED)

c. Movements in accumulated impairment losses

Movements in accumulated impairment losses on receivables are as follows:

Group	12-month ECL	Lifetime ECL	Total
2021			
At 1 January 2021	17,780	148,105	165,885
Impairment losses on trade and other receivables	1,804	1,102	2,906
Reversal of impairment losses on trade and other receivables	-	(4,409)	(4,409)
Reclassification	(13,214)	13,214	-
At 31 December 2021	6,370	158,012	164,382
Gross carrying amount at the end of the financial year	14,772	938,045	952,817
Carrying value net of ECL at the end of the financial year	8,402	780,033	788,435
2020			
At 1 January 2020	12,132	144,605	156,737
Impairment losses on trade and other receivables	6,975	7,778	14,753
Reversal of impairment losses on:			
- trade and other receivables	(1,893)	(23)	(1,916)
- amounts due from a joint venture	-	(1,296)	(1,296)
Write-back/(write-off)	566	(2,959)	(2,393)
At 31 December 2020	17,780	148,105	165,885
Gross carrying amount at the end of the financial year	131,855	737,480	869,335
Carrying value net of ECL at the end of the financial year	114,075	589,375	703,450

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26 RECEIVABLES (CONTINUED)

c. Movements in accumulated impairment losses (continued)

Movements in accumulated impairment losses on receivables are as follows: (continued)

Company	12-month ECL	Lifetime ECL	Total
2021			
At 1 January 2021	1,917	283,282	285,199
Reversal of impairment losses on amounts due from subsidiaries	-	(2,035)	(2,035)
Reclassified to accumulated impairment losses on cost of investment in subsidiaries following the capitalisation of the amounts due from those subsidiaries [Note 22]	-	(169,571)	(169,571)
At 31 December 2021	1,917	111,676	113,593
Gross carrying amount at the end of the financial year	7,355	2,088,822	2,096,177
Carrying value net of ECL at the end of the financial year	5,438	1,977,146	1,982,584
2020			
At 1 January 2020	1,182	216,951	218,133
Impairment losses on:			
- trade and other receivables	735	876	1,611
- amounts due from subsidiaries	-	65,455	65,455
At 31 December 2020	1,917	283,282	285,199
Gross carrying amount at the end of the financial year	10,662	2,410,401	2,421,063
Carrying value net of ECL at the end of the financial year	8,745	2,127,119	2,135,864

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27 CONTRACT ASSETS AND CONTRACT LIABILITIES

	Group		Company	
	2021	2020	2021	2020
Contract Assets				
Contract assets from customers on concession arrangement [note (a)]	1,397,155	1,467,322	-	-
Contract assets from property development [note (b)]	948,854	912,052	38,583	33,257
Carrying amount at the end of the financial year	2,346,009	2,379,374	38,583	33,257
Non-current				
Due later than 1 year	1,248,336	1,255,602	-	-
Current				
Due not later than 1 year	1,097,673	1,123,772	38,583	33,257
	2,346,009	2,379,374	38,583	33,257
Contract Liabilities				
Contract liabilities from property development [note (b)]	224,447	128,059	92,774	59,811
Advance annual license fees on golf club memberships	250,067	251,119	-	-
Carrying amount at the end of the financial year	474,514	379,178	92,774	59,811
Non-current				
Due later than 1 year	243,757	244,937	-	-
Current				
Due not later than 1 year	230,757	134,241	92,774	59,811
	474,514	379,178	92,774	59,811

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27 CONTRACT ASSETS AND CONTRACT LIABILITIES (CONTINUED)

a. Concession arrangement

	Group	
	2021	2020
Revenue recognised to date	1,577,005	1,576,588
Accretion of interest	594,614	501,488
Progress billings to date	(774,464)	(610,754)
Carrying amount at the end of the financial year	1,397,155	1,467,322
Non-current		
Construction contract	1,221,479	1,231,767
Supply of teaching equipment	26,857	23,835
	1,248,336	1,255,602
Current		
Construction contract	140,579	147,549
Supply of teaching equipment	8,240	64,171
	148,819	211,720
Total	1,397,155	1,467,322

Contract assets from customers on concession arrangement represent revenue attributable to the concession arrangement entered into by Sime Darby Property Selatan Sdn Bhd and its subsidiaries for the construction and development of the Pagoh Education Hub ("the Project"). The Project is undertaken on a concession basis under the concept of "Build-Lease-Maintain-Transfer".

Under the Concession Agreements entered on 7 November 2012, the Group agreed to undertake the construction works for Government of Malaysia ("GoM"), Universiti Tun Hussein Onn Malaysia ("UTHM"), International Islamic University Malaysia ("IIUM") and Universiti Teknologi Malaysia ("UTM") over a period of three years, together with the supply of teaching equipment. The construction commenced in May 2014. Upon completion of the construction works on 2 May 2017, the campuses were handed over to GoM, UTHM, IIUM and UTM. Under the Concession Agreements, the Group maintains the facilities and infrastructure of the campuses for a period of twenty (20) years.

In consideration of the construction works and the maintenance of the facilities, the Group receives Availability Charges and Asset Management Services Charges over the period of 20 years. Costs of teaching equipment are received based on delivery dates and agreed payment terms. The consideration is allocated by reference to the relative fair values of the construction works, asset management services and costs of teaching equipment, taking into account the deferred payment arrangement.

The Group maintains bank accounts that are required to be operated under the asset management programme, which forms part of the Concession Agreements. The monies deposited in these accounts can only be utilised for purposes of replacement and refurbishment works for the facilities and infrastructure of the campuses, of which the utilisation of the funds are subject to approval by the GoM, UTHM, IIUM and UTM. These amounts are set-off against the amounts due to the GoM, UTHM, IIUM and UTM as the residual balances in these bank accounts at the expiry of the concession period accrues to them.

The contract asset is pledged as security for borrowings of the Group (see Note 33).

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27 CONTRACT ASSETS AND CONTRACT LIABILITIES (CONTINUED)

b. Property Development

The Group and the Company issue progress billings to purchasers when the billing milestones are attained and recognise revenue when the performance obligation are satisfied.

The Group's and the Company's contract assets and contract liabilities relating to the sale of properties as of each reporting period are as follows:

	Group		Company	
	2021	2020	2021	2020
Contract assets	948,854	912,052	38,583	33,257
Contract liabilities	(224,447)	(128,059)	(92,774)	(59,811)
	724,407	783,993	(54,191)	(26,554)
At 1 January	783,993	894,321	(26,554)	84,226
Revenue recognised during the financial year	2,057,424	1,909,532	174,871	123,933
Progress billings during the financial year	(2,117,010)	(2,019,860)	(202,508)	(234,713)
At 31 December	724,407	783,993	(54,191)	(26,554)

c. Unsatisfied performance obligations

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

	Group		Company	
	2021	2020	2021	2020
Within 1 year	1,484,861	1,280,035	139,238	88,053
More than 1 year	1,174,351	554,546	41,228	17,151
	2,659,212	1,834,581	180,466	105,204

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28 CASH HELD UNDER HOUSING DEVELOPMENT ACCOUNTS

The Group's and the Company's cash held under the Housing Development Accounts represent receipts from purchasers of residential properties less payments or withdrawals provided under Section 7A of the Housing Developers (Control and Licensing) Amendment Act 2002. The utilisation of these balances is restricted before completion of the housing development projects and fulfillment of all relevant obligations to the purchasers, such that the cash could only be withdrawn from such accounts for the purpose of completing the particular projects.

The interest rate of bank balances under Housing Development Accounts as at the end of the financial year ranges from 0.5% to 1.7% (2020 : 0.5% to 1.8%) per annum.

29 BANK BALANCES, DEPOSITS AND CASH

	Group		Company	
	2021	2020	2021	2020
Deposits placed	392,096	218,846	25,000	91,929
Cash at banks and in hand	226,102	237,505	61,573	100,016
Carrying amount at the end of the financial year	618,198	456,351	86,573	191,945
Effective interest rate per annum as at the end of the financial year:	%	%	%	%
Deposits with licensed banks	1.75	1.89	1.92	1.95

Bank balances, deposits and cash of certain subsidiaries with carrying amount of RM75.3 million (2020: RM67.1 million) were pledged as security for borrowings of the Group (see Note 33).

The bank balances, deposit and cash of the Group included bank balances with finance institutions amounting to RM31.2 million (2020: RM22.6 million) as part of the security obligations relating to certain borrowings. These deposits are subject to contractual restrictions set forth in the financing facility agreements.

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30 SHARE CAPITAL

	Group/Company			
	Number of shares (thousand)		Share capital	
	2021	2020	2021	2020
Issued and fully paid up:				
Ordinary shares with no par value				
At the beginning/end of the financial year	6,800,839	6,800,839	6,800,839	6,800,839

31 NON-CONTROLLING INTERESTS

In the opinion of the Directors, the subsidiaries of the Group that have non-controlling interests which are material to the Group as at 31 December 2021 are as follows:

Name of subsidiaries	Proportion of equity held by non-controlling interests		Place of business
	2021	2020	
Sime Darby Brunfield Holding Sdn Bhd ("SDBH")	40%	40%	Malaysia
Sime Darby Property Selatan Sdn Bhd ("SDPS")	40%	40%	Malaysia

Total non-controlling interests of the Group area as follows:

	31.12.2021	31.12.2020 Restated	01.01.2020 Restated
SDBH	(72,173)	(79,891)	(15,006)
SDPS	243,061	235,444	214,813
Others	14,255	23,976	19,355
	185,143	179,529	219,162

The other non-controlling interests are individually not significant.

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31 NON-CONTROLLING INTERESTS (CONTINUED)

Summarised financial information

- i. The summarised consolidated financial information of each subsidiary that has non-controlling interests that are material to the Group are set out below. The financial information is based on amounts before inter-company eliminations:

	SDBH		SDPS	
	2021	2020 Restated	2021	2020
Summarised statements of comprehensive income:				
Revenue	173,164	277,313	36,869	35,521
(Loss)/Profit for the financial year	(532)	(115,394)	40,610	61,372
Total comprehensive (loss)/income for the financial year	(532)	(110,538)	40,610	61,372
Attributable to non-controlling interests:				
- (loss)/profit for the financial year	(213)	(46,157)	16,244	24,549
- other comprehensive income	-	1,942	-	-
- total comprehensive (loss)/income	(213)	(44,215)	16,244	24,549
Dividends paid to owners of non-controlling interest	-	-	(8,800)	(4,400)
Summarised statements of cash flows:				
Net cash (used in)/from:				
Operating activities	(20,578)	(31,215)	158,897	158,756
Investing activities	723	1,524	716	478
Financing activities	12,219	27,749	(150,116)	(182,855)
Net (decrease)/increase in cash and cash equivalents	(7,636)	(1,942)	9,497	(23,621)
Cash and cash equivalents at the beginning of the financial year	12,993	14,935	71,275	94,896
Cash and cash equivalents at the end of the financial year	5,357	12,993	80,772	71,275

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31 NON-CONTROLLING INTERESTS (CONTINUED)

Summarised financial information (continued)

- i. The summarised consolidated financial information of each subsidiary that has non-controlling interests that are material to the Group are set out below. The financial information is based on amounts before inter-company eliminations: (continued)

Summarised statements of financial position:

	31.12.2021	31.12.2020 Restated	01.01.2020 Restated
SDBH			
Non-current assets	337,048	390,582	423,922
Current assets	799,104	755,399	711,279
Non-current liabilities	(1,173,433)	(1,171,058)	(1,097,543)
Current liabilities	(168,770)	(180,441)	(132,638)
Net liabilities	(206,051)	(205,518)	(94,980)
SDPS			
Non-current assets	1,250,376	1,297,303	1,320,399
Current assets	266,925	283,456	383,147
Non-current liabilities	(786,045)	(858,437)	(854,224)
Current liabilities	(123,829)	(133,504)	(312,289)
Net assets	607,427	588,818	537,033

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32 PAYABLES

	Group		Company	
	2021	2020	2021	2020
Non-current				
Trade payables [note (a)]	75,423	79,184	-	-
Other payables	7,408	-	6,667	-
	82,831	79,184	6,667	-
Current				
Trade payables [note (a)]	727,472	948,145	50,864	60,624
Other payables	200,028	196,549	13,746	10,632
Accruals	88,742	103,400	35,697	34,116
Amounts due to subsidiaries [note (b)]	-	-	74,486	57,152
	1,016,242	1,248,094	174,793	162,524
Total payables	1,099,073	1,327,278	181,460	162,524

a. Trade payables

Credit terms of trade payables range from 30 days to 60 days (2020: 30 days to 60 days) except for the following amount owing to a contractor of Pagoh Education Hub, which is on a deferred payment term.

	Group	
	2021	2020
Work performed to date	99,601	99,601
Accretion of interest	21,338	17,049
Progress billing to date	(37,466)	(29,412)
	83,473	87,238
Non-current		
Due later than 1 year	75,423	79,184
Current		
Due not later than 1 year	8,050	8,054
	83,473	87,238

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32 PAYABLES (CONTINUED)

b. Amounts due to subsidiaries

The amounts due to subsidiaries are unsecured, interest free and repayable on demand.

Movements in the amounts due to subsidiaries are as follows:

	Company	
	2021	2020
At 1 January	57,152	142,008
Net advances from/(repayment to) subsidiaries	17,334	(84,856)
At 31 December	74,486	57,152

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33 BORROWINGS

	Group		Company	
	2021	2020	2021	2020
Non-current				
<u>Secured</u>				
Term loans [note (a)]	476,668	515,490	-	-
Islamic financing [note (b)]	719,058	891,155	364,546	431,061
Syndicated Islamic term financing [note (c)]	532,763	613,349	-	-
<u>Unsecured</u>				
Islamic Medium Term Notes [note (d)]	799,095	798,935	799,095	798,935
Amounts due to non-controlling interests [note (f)]	228,779	214,998	-	-
	2,756,363	3,033,927	1,163,641	1,229,996
Current				
<u>Secured</u>				
Term loans [note (a)]	44,679	36,324	-	-
Islamic financing [note (b)]	211,836	169,298	66,787	67,375
Syndicated Islamic term financing [note (c)]	84,468	84,833	-	-
<u>Unsecured</u>				
Islamic Medium Term Notes [note (d)]	2,087	2,087	2,087	2,087
Revolving credits [note (e)]	732,167	-	704,167	-
	1,075,237	292,542	773,041	69,462
Total borrowings	3,831,600	3,326,469	1,936,682	1,299,458
Secured	2,069,472	2,310,449	431,333	498,436
Unsecured	1,762,128	1,016,020	1,505,349	801,022
Total borrowings	3,831,600	3,326,469	1,936,682	1,299,458

NOTES TO THE FINANCIAL STATEMENTS

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33 BORROWINGS (CONTINUED)

Movements in the borrowings are as follows:

	Group		Company	
	2021	2020	2021	2020
At 1 January	3,326,469	3,204,287	1,299,458	498,364
Long-term borrowings:				
- raised	98,791	872,704	-	800,000
- repaid	(325,252)	(188,299)	(67,000)	-
Incidental costs	-	(1,079)	-	(1,079)
Short-term borrowings (net)	736,929	(560,000)	708,929	-
Finance costs	131,058	139,468	42,615	19,056
Finance costs paid	(130,563)	(140,612)	(41,488)	(16,883)
Exchange differences	(5,832)	-	(5,832)	-
At 31 December	3,831,600	3,326,469	1,936,682	1,299,458

a. Term loans - secured

	Group	
	2021	2020
The maturity periods are as follows:		
- Less than 1 year	44,679	36,324
- Between 1 and 2 years	198,040	41,541
- Between 2 and 5 years	99,182	264,731
- More than 5 years	179,446	209,218
Total	521,347	551,814

The term loans of the Group are secured by way of charges over certain property, plant and equipment, investment properties and inventories.

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33 BORROWINGS (CONTINUED)

b. Islamic financing - Secured

	Group		Company	
	2021	2020	2021	2020
The maturity periods are as follows:				
- Less than 1 year	211,836	169,298	66,787	67,375
- Between 1 and 2 years	160,179	198,664	66,515	66,515
- Between 2 and 5 years	558,879	477,743	298,031	199,545
- More than 5 years	-	214,748	-	165,001
Total	930,894	1,060,453	431,333	498,436

The Islamic financing facilities of the Group and the Company are secured by way of:

- i. legal charge over certain land of the subsidiaries;
- ii. specific debenture incorporating fixed and floating charges over project assets and properties of certain subsidiaries;
- iii. assignment of rights, titles, profits and benefits under project contracts and proceeds from projects and insurance; and
- iv. subordination of shareholders advances of certain subsidiaries.

c. Syndicated Islamic term financing - Secured

The Syndicated Islamic term financing consist of four facilities with facility limit of RM895.4 million to four subsidiaries in which the Group has 60% equity interest. The facilities are repayable over 24 semi-annual instalments commencing no later than 36 months from their respective first drawdown dates.

	Group	
	2021	2020
The maturity periods are as follows:		
- Less than 1 year	84,468	84,833
- Between 1 and 2 years	80,586	80,586
- Between 2 and 5 years	248,474	243,997
- More than 5 years	203,703	288,766
Total	617,231	698,182

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For the financial year ended 31 December 2021

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33 BORROWINGS (CONTINUED)

c. Syndicated Islamic term financing - Secured (continued)

The Syndicated Islamic term financing are secured by way of:

- i. a first ranking debenture incorporating fixed and floating charges over all present and future assets of the four subsidiaries. The carrying value of these assets including cash and bank balances as at 31 December 2021 is RM1,506.9 million (2020: RM1,573.4 million);
- ii. legal assignment over all of the four subsidiaries' rights, titles, interest and benefits of the pre-completion and post-completion as and when executed;
- iii. legal assignment over all of the four subsidiaries' rights, titles, interest and benefits under Takaful and insurance;
- iv. legal assignment over all of the four subsidiaries' rights, titles, interests and benefits under the performance bonds/ guarantees for the project;
- v. second legal charge over the shares of the four subsidiaries; and
- vi. deed of subordinations to subordinate all shareholders' present and future financing/advances to the four subsidiaries provided that the four subsidiaries may repay the shareholders' advances if the distribution payment conditions are met before and after such payment or repayment.

d. Islamic Medium Term Note - Unsecured

On 23 November 2020, the Group and the Company have amended its Islamic Medium Term Notes (IMTN) programme of RM4.5 billion under the Shariah principle of Musharakah to incorporate the rating of IMTN programme, as well as terms for the issuance of ASEAN Sustainable and Responsible Investment (SRI) Sukuk, as well as rating of the IMTN programme.

Details of the IMTNs issued on 3 December 2020 and the outstanding balances as at 31 December 2021 are as follows:

Issuance Type	Tenor (Years)	Periodic	Nominal Value (RM thousand)
		distribution rate (per annum)	
ASEAN Sustainability SRI Sukuk Musharakah	5	3.10%	150,000
Sukuk Musharakah	7	3.42%	500,000
Sukuk Musharakah	10	3.64%	150,000

The Sukuk Musharakah Programme has been assigned a final credit rating of AA₊ with a stable outlook by Malaysian Rating Corporation Berhad.

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33 BORROWINGS (CONTINUED)

e. Revolving credits

The Group and the Company have a total unsecured revolving credit facilities of RM1.78 billion. The facilities have an availability period of 5 years from the date of the availability of the facilities and the outstanding balances is payable within a year.

f. Amounts due to non-controlling interests

Amounts due to non-controlling interests relate to unsecured shareholders' advances, in proportion to their respective shareholdings in the subsidiaries. The amount included in current is repayable on demand whilst the amount included in non-current is repayable at the discretion of the shareholder with 12 months notice or other terms of repayment as agreed by both the subsidiary and the shareholder.

g. Other information on borrowings

	Group		Company	
	2021 % per annum	2020 % per annum	2021 % per annum	2020 % per annum
i. Islamic financing				
The average effective distribution payments by currency profile are as follows:				
<u>Ringgit Malaysia</u>				
- Islamic financing	3.02	3.00	2.86	2.86
- Syndicated Islamic term financing	7.00	7.00	-	-
- Islamic Medium Term Notes	3.40	3.40	3.40	3.40
<u>Sterling Pound</u>				
- Revolving credits	0.63	-	0.63	-

NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 December 2021

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33 BORROWINGS (CONTINUED)

g. Other information on borrowings (continued)

	Group		Company	
	2021 % per annum	2020 % per annum	2021 % per annum	2020 % per annum
ii. Conventional financing				
The average effective interest rates by currency profile are as follows:				
<u>Ringgit Malaysia</u>				
- Term loans	3.26	3.26	-	-
- Revolving credits	2.51	-	2.51	-
- Amounts due to non-controlling interests	3.60	3.60	-	-
<u>Sterling Pound</u>				
- Revolving credits	0.91	-	0.91	-

iii. Secured financing

As at 31 December 2021, borrowings amounting to RM2,069.5 million (2020: RM2,310.4 million) and RM431.3 million (2020: RM498.4 million) were secured by fixed and floating charges over the assets of the Group and the Company, respectively.

The carrying amounts of assets that the Group and the Company have pledged as collateral for the borrowings are as follows:

	Group		Company	
	2021	2020	2021	2020
Property, plant and equipment [Note 19]	69,000	70,859	-	-
Investment properties [Note 20]	173,492	177,734	-	-
Inventories [Note 21]	733,580	761,447	52,925	47,621
Contract assets [Note 27]	1,397,155	1,467,322	-	-
Bank balances, deposits and cash [Note 29]	75,281	67,123	-	-
Other assets	34,450	38,915	-	-
	2,482,958	2,583,400	52,925	47,621

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34 LEASE LIABILITIES

	Group		Company	
	2021	2020	2021	2020
At 1 January	82,937	91,712	23,105	9,725
Additions	-	7,022	-	23,134
Finance costs [Note 15]	3,285	3,971	613	240
Payments	(20,707)	(19,824)	(8,044)	(9,828)
Rent concessions received	-	-	-	(166)
Exchange differences	1,233	56	-	-
At 31 December	66,748	82,937	15,674	23,105
Non-current				
Due later than 1 year	45,936	66,057	8,012	15,679
Current				
Due not later than 1 year	20,812	16,880	7,662	7,426
	66,748	82,937	15,674	23,105

The underlying assets of the lease liabilities are included in property, plant and equipment and investment properties in Notes 19 and 20. Lease contracts are typically entered for fixed periods and the terms are negotiated on an individual basis and contains a wide range of different terms and conditions. The maturity periods of the lease liabilities are shown in Note 40(b).

The lease liabilities of the Company is in relation to a rental of office building from its subsidiary.

a. Leases not included in lease liabilities

Short-term leases, leases of low-value assets and variable lease payments are not included in lease liabilities. Details of these leases which are charged to profit or loss in the current financial year are as follows:

	Group		Company	
	2021	2020	2021	2020
Short-term leases	1,447	2,548	162	278
Leases of the low-value assets	310	808	169	339
	1,757	3,356	331	617

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34 LEASE LIABILITIES (CONTINUED)

b. Total cash outflow

The total cash outflow for leases are as follows:

	Group		Company	
	2021	2020	2021	2020
<u>Included in cashflow used in operating activities</u>				
Lease payments associated with				
- short-term leases	1,447	2,548	162	278
- leases of low-value assets	310	808	169	339
<u>Included in cashflow used in financing activities</u>				
Finance cost	3,285	3,971	613	240
Principal portion of the lease liabilities	17,422	15,853	7,431	9,588
Total cash outflow	22,464	23,180	8,375	10,445

NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 December 2021

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35 PROVISIONS

Group	Obligation in relation to a property disposed	Relocation and construction costs	Total
2021			
At 1 January 2021	152,360	95,509	247,869
Additions	-	1,788	1,788
Accretion of interest [Note 15]	3,872	-	3,872
Utilised	-	(8,803)	(8,803)
Exchange differences	1,973	14	1,987
At 31 December 2021	158,205	88,508	246,713
Non-current	125,092	11,520	136,612
Current	33,113	76,988	110,101
	158,205	88,508	246,713
2020			
At 1 January 2020	99,332	76,569	175,901
Additions	50,776	22,959	73,735
Reclassified to investment properties [Note 20]	(2,886)	-	(2,886)
Accretion of interest [Note 15]	4,966	-	4,966
Utilised	-	(4,030)	(4,030)
Exchange differences	172	11	183
At 31 December 2020	152,360	95,509	247,869
Non-current	119,668	11,520	131,188
Current	32,692	83,989	116,681
	152,360	95,509	247,869
Company		Relocation and construction costs	Total
2021			
At 1 January 2021			-
Additions		4,025	4,025
At 31 December 2021		4,025	4,025
Current		4,025	4,025

NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 December 2021

Amounts in RM thousand unless otherwise stated

35 PROVISIONS (CONTINUED)

a. Obligation in relation to a property disposed

The provision is in relation to an undertaking arrangement entered on the disposal of a property with the purchaser in financial year 2017.

In the previous financial year, part of the undertaking had been converted into a leaseback arrangement. As such, a provision amounting to RM2.9 million had been reclassified to investment properties as impairment losses of the right to use the underlying asset for the lease term.

b. Relocation and construction costs

The provision for relocation and construction costs are made following contractual obligations in relation to property development projects. Amounts in RM thousand unless otherwise stated

36 CONTINGENT LIABILITIES, MATERIAL LITIGATION AND COMMITMENTS

a. Contingent Liabilities

i. Claim against Sime Darby Property (Ara Damansara) Sdn Bhd ("SDPAD")

A civil suit was commenced by 72 purchasers (reduced to 71 purchasers pursuant to the Plaintiffs' amendment application which was allowed in parts on 15 November 2021 as stated below) of Ara Hill ("Plaintiffs") against SDPAD, claiming general and specific damages of approximately RM40.0 million and specific performance arising from SDPAD's alleged breaches of the terms of the sale and purchase agreements ("SPAs") and the provisions of various statutes including, the Uniform Building By-Laws 1984 and the Street, Drainage and Building Act 1974.

The Plaintiffs alleged that the breaches by SDPAD have, amongst others, caused the delay in delivery of strata titles, which caused the Plaintiffs to suffer loss and damage, including indirect losses (which have not been proven by the Plaintiffs). The dispute was referred to mediation and the parties explored possible settlement proposals. However, the parties were unable to reach a global settlement. The trial commenced on 16 April 2018. A site visit was held on 7 April 2021 together with the Judge and the Plaintiffs. On 28 April 2021, the court allowed the Plaintiffs' application to add the Joint Management Body of Ara Hill as a co-defendant to this suit. On 15 November 2021, the court allowed the Plaintiffs' amendments to their claim in part with costs to be paid by the Plaintiffs to SDPAD. Further trial dates have been fixed in April, May, July and August 2022.

The Plaintiffs' claim is divided into various allegations leveled against SDPAD. These claims and allegations have yet to be proven by the Plaintiffs and it would be speculative, at this juncture, to ascertain SDPAD's potential liability to the Plaintiffs in respect of this civil suit.

NOTES TO THE FINANCIAL STATEMENTS

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36 CONTINGENT LIABILITIES, MATERIAL LITIGATION AND COMMITMENTS (CONTINUED)

a. Contingent Liabilities (continued)

- ii. Arbitration between Bumimetro Construction Sdn Bhd (“BCSB”) v Sime Darby Property (KL East) Sdn Bhd (“SDPKE”)

BCSB (“Claimant”), the main contractor of a development in Melawati, Kuala Lumpur (“Project”) has referred disputes arising from the Project and the construction contract (“Contract”) with SDPKE (“Respondent”) to arbitration, pursuant to the Letter of Acceptance/Contract by issuing a notice of arbitration (“Notice”) on 20 September 2018. In the Notice, the Claimant is claiming for specific damages of approximately RM40.0 million. The Respondent had disputed the claims by the Claimant, in its written response to the Notice (“Response”) on 22 October 2018.

The parties have filed its Statement of Claim, Statement of Defence and Counterclaim and replies thereto. On 3 March 2021, the Claimant filed an amendment to its claim where it had, amongst others, amended its claim for specific damages from approximately RM41.9 million (pursuant to its Statement of Claim of 19 June 2020) to approximately RM42.0 million. In response, the Respondent made consequential amendments to its Statement of Defence and Counterclaim (which also consists of a claim for specific damages of approximately RM17.5million) and filed its revised Statement of Defence and Counterclaim on 12 March 2021.

The arbitration proceedings are being held in accordance with the rules of the Asian International Arbitration Centre before a single arbitrator. The hearing commenced on 15 June 2020 and continued for another 28 days on various dates between June 2020 to March 2021. Further hearing dates have been fixed in June, August and September 2022.

Solicitors for the Respondent are of the view that there are tenable grounds on the positions taken by the Respondent in resisting the claim subject to documentary and evidentiary proof.

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36 CONTINGENT LIABILITIES, MATERIAL LITIGATION AND COMMITMENTS (CONTINUED)

b. Material Litigation

Compulsory Land Acquisition by Lembaga Lebuhraya Malaysia/West Coast Expressway of the lands owned by Sime Darby Property (Klang) Sdn Bhd ("SDP Klang")

On 26 June 2015, SDP Klang was awarded an aggregate compensation of RM169.3 million ("LA's Award") by the Land Administrator ("Respondent") in respect of the acquisition by Lembaga Lebuhraya Malaysia/West Coast Expressway (collectively "Acquiring Authority") of certain plots of lands owned by SDP Klang situated in Mukim Kapar, District of Klang, Selangor ("Lands") for the construction of the West Coast Expressway project, which consists of the aggregate compensation for market value of the Lands ("MV") of RM90.7 million and the aggregate compensation for severance and injurious affection ("IA") of RM78.6 million.

The Acquiring Authority's and SDP Klang's respective objections to the LA's Award were later referred to the High Court of Malaya ("High Court"), and heard simultaneously, despite not being consolidated. On 22 March 2017, the High Court held, inter alia, that the MV is to be maintained at RM90.7 million, whilst the IA is to be reduced to RM72.9 million. Consequently, two separate High Court Orders were drawn up, each hereby referred to as "SDP Klang Order" and "Acquiring Authority Order". No appeal was filed in respect of the SDP Klang Order whilst the Acquiring Authority chose to appeal against the Acquiring Authority Order.

On 22 October 2018, the Court of Appeal upon hearing the Acquiring Authority's appeal, remitted the Acquiring Authority's Land Reference to the High Court to be re-heard before a new Judge ("Re-Hearing"). The hearing date for the Re-Hearing has been fixed from 8 to 10 June 2022.

On 21 September 2020, the Acquiring Authority filed an Originating Summons ("OS") to set aside the SDP Klang Order, which was allowed by the High Court on 21 September 2021 ("OS Decision"). On 18 October 2021, SDP Klang filed an appeal to the Court of Appeal against the OS Decision ("Appeal"). The hearing date of the Appeal has yet to be fixed.

At this juncture, the solicitors for SDP Klang are of the view that there is an even chance that the High Court Judge in the Re-Hearing may arrive at a similar decision made by the earlier High Court Judge on 22 March 2017 (as reflected in the SDP Klang Order/Acquiring Authority Order), namely that the Award of compensation for IA to SDP Klang would be in the region of approximately RM72.9 million.

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36 CONTINGENT LIABILITIES, MATERIAL LITIGATION AND COMMITMENTS (CONTINUED)

c. Commitments

i. Capital commitments

	Group		Company	
	2021	2020	2021	2020
Contracted capital commitments:				
- property, plant and equipment	1,418	4,404	-	2,010
- investment properties	8,203	631	-	-
- intangible assets	655	456	-	-
	10,276	5,491	-	2,010

ii. Commitment in relation to joint ventures:

The Group's estimated commitment to subscribe for shares in joint ventures pursuant to the respective shareholders' agreements on joint ventures and/or as approved by the Board of Directors are as follows:

	Group	
	2021	2020
Joint ventures		
- Battersea Project Holding Company Limited (2021: £38.0 million; 2020: £150.0 million)	213,989	823,871
- Others	73,884	57,600
	287,873	881,471

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37 SEGMENT INFORMATION - GROUP

The Group has three (3) reportable business segments – property development, investment and asset management and leisure. The strategic business units offer different products and services, and are managed separately by each Chief Operating Officer. The Senior Management of the Group reviews the operations and performance of the respective business segments on a regular basis and their respective performances are as follows:

Property development	Development of residential, commercial and industrial properties
Investment and asset management	Leasing of properties, and provision of assets and management services
Leisure	Provision of golf, hotel and other recreational facilities and services

Transactions between segments are carried out on agreed terms between both parties. The effects of such intersegment transactions are eliminated on consolidation. The measurement basis and classification are consistent with those adopted in the previous financial year.

a. Segment results

2021	Property development	Investment and asset management	Leisure	Elimination	Total
Segment revenue:					
External	2,069,716	94,679	55,529	-	2,219,924
Inter-segment	91,698	7,994	4,511	(104,203)	-
	2,161,414	102,673	60,040	(104,203)	2,219,924
Cost of sales	(1,598,425)	(80,990)	(34,115)	57,329	(1,656,201)
Gross profit	562,989	21,683	25,925	(46,874)	563,723
Other operating income	11,217	986	549	-	12,752
Selling and marketing expenses	(85,333)	(2,959)	(693)	-	(88,985)
Administrative and other expenses	(150,275)	(14,984)	(39,252)	8,820	(195,691)
Operating profit/(loss)	338,598	4,726	(13,471)	(38,054)	291,799
Share of results of joint ventures and associates	(24,194)	(4,608)	-	-	(28,802)
Segment results	314,404	118	(13,471)	(38,054)	262,997
Other (losses)/gains	(3,040)	948	(428)	-	(2,520)
Profit/(Loss) before interest and taxation	311,364	1,066	(13,899)	(38,054)	260,477
Finance income	12,057	89,657	1,059	-	102,773
Finance costs	(30,101)	(63,702)	(1,194)	-	(94,997)
Profit/(Loss) before tax	293,320	27,021	(14,034)	(38,054)	268,253
Tax expense	(109,085)	(12,314)	329	3,805	(117,265)
Profit/(Loss) for the year	184,235	14,707	(13,705)	(34,249)	150,988

There is no single customer who contributed to 10% or more of the Group's total revenue.

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37 SEGMENT INFORMATION - GROUP (CONTINUED)

a. Segment results (continued)

2021	Property development	Investment and asset management	Leisure	Elimination	Total
Included in segment results are:					
Depreciation and amortisation	(16,141)	(31,458)	(17,095)	-	(64,694)
Impairment losses on receivables	(146)	(2,661)	(99)	-	(2,906)
Reversal of impairment losses on receivables	1,553	2,811	45	-	4,409
Write-down of inventories	(1,882)	-	-	-	(1,882)
Write-off of:					
- property, plant and equipment	(96)	(2)	-	-	(98)
- inventories	(2,543)	-	-	-	(2,543)
Included in other (losses)/gains are:					
Gain on disposal of investment properties	-	948	-	-	948
Impairment of:					
- property, plant and equipment	-	-	(415)	-	(415)
- quoted investments	(2,083)	-	-	-	(2,083)

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37 SEGMENT INFORMATION - GROUP (CONTINUED)

a. Segment results (continued)

2020 Restated	Property development	Investment and asset management	Leisure	Elimination	Total
Segment revenue:					
External	1,922,096	69,006	71,679	-	2,062,781
Inter-segment	355	9,781	1,507	(11,643)	-
	1,922,451	78,787	73,186	(11,643)	2,062,781
Cost of sales	(1,635,198)	(62,941)	(44,580)	674	(1,742,045)
Gross profit	287,253	15,846	28,606	(10,969)	320,736
Other operating income	12,742	1,695	1,464	(95)	15,806
Selling and marketing expenses	(68,505)	(4,872)	(683)	-	(74,060)
Administrative and other expenses	(163,021)	(25,223)	(56,782)	11,064	(233,962)
Operating profit/(loss)	68,469	(12,554)	(27,395)	-	28,520
Share of results of joint ventures and associates	(394,421)	(26,481)	-	-	(420,902)
Segment results	(325,952)	(39,035)	(27,395)	-	(392,382)
Other losses	(12,169)	(75,409)	(444)	-	(88,022)
Loss before interest and taxation	(338,121)	(114,444)	(27,839)	-	(480,404)
Finance income	14,834	94,075	1,035	-	109,944
Finance costs	(31,417)	(71,674)	(1,253)	-	(104,344)
Loss before tax	(354,704)	(92,043)	(28,057)	-	(474,804)
Tax expense	(44,589)	(19,651)	3,497	-	(60,743)
Loss for the year	(399,293)	(111,694)	(24,560)	-	(535,547)

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37 SEGMENT INFORMATION - GROUP (CONTINUED)

a. Segment results (continued)

2020 Restated	Property development	Investment and asset management	Leisure	Elimination	Total
Included in segment results are:					
Depreciation and amortisation	(14,620)	(28,783)	(18,694)	-	(62,097)
Impairment losses on receivables	(13,012)	(1,446)	(295)	-	(14,753)
Reversal of impairment losses on receivables	1,887	-	29	-	1,916
Write-down of inventories	(125,284)	-	-	-	(125,284)
Write-off of:					
- property, plant and equipment	(236)	(1)	-	-	(237)
- inventories	(73,111)	-	-	-	(73,111)
Included in other losses are:					
Gain on disposal of properties, plant and equipment	5	-	10	-	15
(Impairment)/Reversal of impairment of:					
- property, plant and equipment	(2,386)	(3,579)	-	-	(5,965)
- investment properties	(965)	(21,069)	-	-	(22,034)
- amounts due from a joint venture	1,296	-	-	-	1,296
Surplus from liquidation of an associate	950	-	-	-	950
Provision on obligation for property disposed	-	(50,776)	-	-	(50,776)

NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 December 2021

Amounts in RM thousand unless otherwise stated

37 SEGMENT INFORMATION - GROUP (CONTINUED)

b. Segment assets and liabilities and additions to non-current assets

	Property development	Investment and asset management	Leisure	Elimination	Total
31.12.2021					
Segment assets:					
Operating assets	9,099,964	2,625,299	519,015	(942,460)	11,301,818
Joint ventures and associates	3,118,618	228,019	-	(46,614)	3,300,023
	12,218,582	2,853,318	519,015	(989,074)	14,601,841
Segment liabilities:					
Liabilities	1,285,381	1,145,334	332,045	(942,460)	1,820,300
Additions to non-current assets are as follows:					
- capital expenditure	6,455	10,671	887	-	18,013
- additions to interests in joint ventures	658,929	1,850	-	-	660,779
	665,384	12,521	887	-	678,792

31.12.2020

Restated

Segment assets:

Operating assets	9,080,516	2,408,814	550,092	(515,437)	11,523,985
Joint ventures and associates	2,428,595	233,262	-	(46,614)	2,615,243
	11,509,111	2,642,076	550,092	(562,051)	14,139,228

Segment liabilities:

Liabilities	1,005,282	1,037,190	427,290	(515,437)	1,954,325
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Additions to non-current assets
are as follows:

- capital expenditure	12,731	17,030	11,705	-	41,466
- additions to interests in joint ventures	33,415	12,450	-	-	45,865
	46,146	29,480	11,705	-	87,331

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For the financial year ended 31 December 2021

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37 SEGMENT INFORMATION - GROUP (CONTINUED)

b. Segment assets and liabilities and additions to non-current assets (continued)

	Property development	Investment and asset management	Leisure	Elimination	Total
01.01.2020					
Restated					
Segment assets:					
Operating assets	9,246,448	2,570,431	590,648	(558,786)	11,848,741
Joint ventures and associates	2,741,437	244,730	-	(46,614)	2,939,553
	11,987,885	2,815,161	590,648	(605,400)	14,788,294
Segment liabilities:					
Liabilities	994,682	975,329	502,603	(558,786)	1,913,828
Additions to non-current assets are as follows:					
- capital expenditure	10,009	159,343	3,157	-	172,509
- additions to interests in joint ventures	170,462	16,750	-	-	187,212
	180,471	176,093	3,157	-	359,721

NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 December 2021

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37 SEGMENT INFORMATION - GROUP (CONTINUED)

Capital expenditure consists of the following:

	2021	2020
Property, plant and equipment	5,491	24,030
Investment properties	9,030	14,206
Intangible assets	3,492	3,230
	18,013	41,466

Segment by geography

Revenue by location of customers and the Group's operations are analysed as follows:

	2021	2020
Malaysia	2,207,048	1,929,374
Singapore	11,956	11,893
United Kingdom	480	473
Vietnam	440	549
Australia	-	120,492
	2,219,924	2,062,781

Non-current assets, other than financial instruments and deferred tax assets, by location of the Group's operations are analysed as follows:

	31.12.2021	31.12.2020 Restated	01.01.2020 Restated
Malaysia	6,678,210	7,225,443	7,391,945
United Kingdom	3,069,057	2,385,459	2,701,556
Singapore	61,681	69,247	86,754
Vietnam	5,438	5,907	6,675
Australia	-	-	116
	9,814,386	9,686,056	10,187,046

NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 December 2021

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37 SEGMENT INFORMATION - GROUP (CONTINUED)

Reconciliation of non-current assets, other than financial instruments and deferred tax assets to the total non-current assets are as follows:

	31.12.2021	31.12.2020 Restated	01.01.2020 Restated
Non-current assets other than financial instruments and deferred tax assets	9,814,386	9,686,056	10,187,046
Investments	53,418	56,276	58,788
Deferred tax assets	623,212	617,535	594,446
Receivables	75,152	80,790	50,790
	10,566,168	10,440,657	10,891,070

Reconciliation of segment assets and liabilities to total assets and total liabilities are as follows:

	Segment assets		
	31.12.2021	31.12.2020 Restated	01.01.2020 Restated
Segment total	14,601,841	14,139,228	14,788,294
Tax assets	654,819	649,738	617,780
Total	15,256,660	14,788,966	15,406,074

	Segment liabilities		
	31.12.2021	31.12.2020 Restated	01.01.2020 Restated
Segment total	1,820,300	1,954,325	1,913,828
Tax liabilities	211,475	231,862	322,460
Borrowings	3,831,600	3,326,469	3,204,287
Lease liabilities	66,748	82,937	91,712
Total	5,930,123	5,595,593	5,532,287

NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 December 2021

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38 RELATED PARTIES

Significant related party transactions and balances other than as disclosed elsewhere in the financial statements are set out below:

	Group	
	2021	2020
a. Transactions between subsidiaries and significant non-controlling interest:		
Turnkey construction works rendered to Sime Darby Brunsfield Holding Sdn Bhd and its subsidiaries ("SDBH Group") by Brunsfield Engineering Sdn Bhd, a company in which Tan Sri Dato' Dr Ir Gan Thian Leong ("Tan Sri Dato' Gan") and Encik Mohamad Hassan Zakaria ("Encik Hassan") are substantial shareholders	(135,760)	(232,828)
Maintenance of district cooling system and supply of cooling energy to Sime Darby Property Selatan Satu Sdn Bhd ("SDPS1") by Tunas Cool Energy Sdn Bhd ("TCE"), a company in which Sin Heng Chan (Malaya) Berhad is the ultimate holding company of TCE and an indirect shareholder of SDPS1	(8,757)	-

b. Transactions with shareholders and Government:

Permodalan Nasional Berhad ("PNB") and the funds managed by its subsidiary, Amanah Saham Nasional Berhad ("ASNB"), together own 58.2% (2020: 58.6%) as at 31 December 2021 of the issued share capital of the Company. PNB is an entity controlled by the Malaysian Government through Yayasan Pelaburan Bumiputra ("YPB"). The Group considers that, for the purpose of MFRS 124 – Related Party Disclosures, YPB and the Malaysian Government are in the position to exercise significant control over it. As a result, the Malaysian Government and Malaysian Government's controlled bodies (collectively referred to as government-related entities) are related parties of the Group and the Company.

Transactions entered by the Group and the Company with shareholders and government-related entities include purchase of raw materials, placement of bank deposits and use of public utilities and amenities. All the transactions entered into by the Group and the Company with the government-related entities are conducted in the ordinary course of the Group's and the Company's businesses on negotiated terms or terms comparable to those with other entities that are not government-related.

NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 December 2021

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38 RELATED PARTIES (CONTINUED)

Significant related party transactions and balances other than as disclosed elsewhere in the financial statements are set out below:
(continued)

	Group		Company	
	2021	2020	2021	2020
b. Transactions with shareholders and Government: (continued)				
<u>Yayasan Sime Darby</u>				
- Contribution paid/payable to Yayasan Sime Darby	(20,000)	(10,000)	(14,500)	(5,000)
<u>Sime Darby Berhad Group</u>				
- Rental income	11,917	11,893	-	-
- Annual branding royalty fee	(2,000)	(2,000)	(2,000)	(2,000)
- Deposit paid for land acquisition (refer below)	(28,000)	-	-	-
<u>Sime Darby Plantation Berhad Group</u>				
- Rental income	11,285	7,428	4,147	2,692

During the financial year, Sime Darby Property (MVV Central) Sdn Bhd had on 27 October 2021 entered into a Sale and Purchase Agreement ("SPA") with Kumpulan Sime Darby Berhad ("KSDB"), a wholly owned subsidiary of Sime Darby Berhad, to acquire part of the land held under GRN 76723 Lot No. 3235, Mukim of Labu, District of Seremban, Negeri Sembilan measuring approximately 760.12 acres for a total cash consideration of RM280.0 million.

The land is part of the option land under the Call Option Agreements between SDPB and KSDB, which has been previously disclosed in Section 4.1.2(ii) of the Prospectus of SDPB dated 28 November 2017 issued pursuant to its listing on the Main Market of Bursa Malaysia Securities Berhad.

The purchase price was arrived based on the joint valuation conducted by Sime Darby Property Berhad ("SDPB") and KSDB in September 2021.

The payment terms are as follows:

- (a) 10% of the purchase price to be paid on signing of the SPA; and
- (b) 90% of the purchase price ("Balance Purchase Price") to be paid within 3 months from the date when all conditions precedent are fulfilled or such other date as the parties may mutually agree in writing.

NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 December 2021

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38 RELATED PARTIES (CONTINUED)

Significant related party transactions and balances other than as disclosed elsewhere in the financial statements are set out below:
(continued)

b. Transactions with shareholders and Government: (continued)

Completion of the SPA shall take place at the office of KSDB or such other place as the parties agree when the following business shall be transacted:

- (a) KSDB shall deliver a letter confirming delivery of vacant possession of the land
- (b) A copy of the letter duly signed by KSDB and Sime Darby Plantation Berhad ("Tenant") or such other documentary proof confirming the mutual termination of the tenancy in respect of the land which is currently tenanted to the Tenant pursuant to the tenancy agreement dated 19 July 2017 made between the KSDB and the Tenant (which term was renewed for another 3 years to expire on 28 June 2023); and
- (c) Full payment of the Balance Purchase Price to KSDB.

	Group		Company	
	2021	2020	2021	2020
c. Transactions with joint ventures				
<u>Sime Darby Property CapitaLand (Melawati Mall) Sdn Bhd</u>				
- Recovery of construction costs	-	4,212	-	-
<u>Aster Real Estate Investment Trust 1</u>				
- Rental expense	(17,578)	(17,415)	-	-
d. Transactions with Directors, key management personnel and their close family members				
Remuneration of Directors and key management personnel				
- salaries, fees and other emoluments	12,743	9,151	12,743	9,151
- defined contribution plan	1,458	856	1,458	856
- estimated monetary value of benefits by way of usage of the Group's and of the Company's assets	298	370	298	370
Sale of properties to a Director of the Company	2,034	-	-	-

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For the financial year ended 31 December 2021

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38 RELATED PARTIES (CONTINUED)

Significant related party transactions and balances other than as disclosed elsewhere in the financial statements are set out below:
(continued)

	Group		Company	
	2021	2020	2021	2020
e. Outstanding balances with related parties				
<u>Amount due to non-controlling interest included in borrowings</u>				
Brunsfeld Metropolitan Sdn Bhd	228,779	214,998	-	-
<u>Included in payables</u>				
Brunsfeld Metropolitan Sdn Bhd	90,230	90,230	-	-
Brunsfeld Engineering Sdn Bhd	6,335	36,522	-	-
Tunas Cool Energy Sdn Bhd	1,246	-	-	-

Other than as disclosed above, the significant outstanding balance with related parties are shown in Notes 12, 13, 22, 26, 32 and 33.

39 FINANCIAL INSTRUMENTS

a. Financial instruments measured at fair value

In estimating the financial instruments carried at fair value, there are, in general, three different levels which can be defined as follows:

Level 1	Quoted prices in active markets for identical assets or liabilities
Level 2	Valuation inputs (other than Level 1 input) that are observable for the asset or liability
Level 3	Valuation inputs that are not based on observable market data

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39 FINANCIAL INSTRUMENTS (CONTINUED)

a. Financial instruments measured at fair value (continued)

If there are quoted market prices in active markets, these are considered Level 1. If such quoted market prices are not available, fair value are determined using market prices for similar assets or present value techniques, applying an appropriate risk-free interest rate adjusted for non-performance risk. The inputs used in present value techniques are observable and fall into the Level 2 category. It is classified into the Level 3 category if significant unobservable inputs are used.

The fair values of the Group's and the Company's investments are categorised as follows:

	Group/Company	
	2021	2020
Level 1 - quoted shares	-	2,083
Level 3 - unquoted shares	53,418	54,193
	53,418	56,276

The quoted shares are measured at Level 1 of the fair value hierarchy, based on quoted prices of the shares in active markets. Unquoted shares are measured at Level 3 of the fair value hierarchy. The fair values of the unquoted shares are determined using valuation technique based on inputs other than quoted prices.

b. Financial instruments measured at amortised cost

Other than the financial liabilities disclosed below, the carrying amounts of the financial assets and liabilities approximate their fair values due to the insignificant impact of discounting and the relative short term nature of the financial instruments.

	Group		Company	
	Carrying amount	Fair value	Carrying amount	Fair value
2021				
Payables	1,099,073	1,106,706	181,460	181,460
Borrowings	3,831,600	3,871,836	1,936,682	1,911,692
Lease liabilities	66,748	67,868	15,674	15,553
2020				
Payables	1,327,278	1,335,265	162,524	162,524
Borrowings	3,326,469	3,409,215	1,299,458	1,299,938
Lease liabilities	82,937	83,959	23,105	23,105

NOTES TO THE FINANCIAL STATEMENTS

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40 FINANCIAL RISK MANAGEMENT

The Group's activities expose it to a variety of financial risks, including foreign exchange risk, price risk, interest rate risk, credit risk, liquidity risk and cash flow risk. The policy on financial risk management is described in Note 5.

Details of each significant financial risk are as follows:

a. Interest rate risk

The percentages of fixed rate borrowings to the total borrowings are as follows:

	Group		Company	
	2021	2020	2021	2020
Fixed rate borrowings	1,418,413	1,499,204	801,182	801,022
Floating rate borrowings	2,413,187	1,827,265	1,135,500	498,436
Total borrowings	3,831,600	3,326,469	1,936,682	1,299,458
Percentage of fixed rate borrowings over total borrowings	37.0%	45.1%	41.4%	61.6%

The following table demonstrates the effect of changes in interest rate of floating rate borrowings. If the interest rate increased by 25 basis points, with all variables held constant, the Group's and the Company's profit/(loss) after taxation and other comprehensive income/(loss) will be affected by higher interest expense as follows:

	Group		Company	
	2021	2020	2021	2020
Higher interest expense	4,585	3,472	2,157	947

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For the financial year ended 31 December 2021

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40 FINANCIAL RISK MANAGEMENT (CONTINUED)

Details of each significant financial risk are as follows: (continued)

b. Liquidity and cash flow risks

The undiscounted contractual cash flows of the Group's and the Company's financial liabilities as at the end of the reporting date are as follows:

	On demand or within 1 year	Between 1 and 2 years	Between 2 and 5 years	Above 5 years	Total contractual cash flows	Total carrying amount
Group						
2021						
Payables	945,080	46,769	64,020	83,224	1,139,093	1,099,073
Borrowings	1,198,469	536,484	1,262,753	1,328,568	4,326,274	3,831,600
Lease liabilities	23,300	23,300	4,566	61,625	112,791	66,748
	2,166,849	606,553	1,331,339	1,473,417	5,578,158	4,997,421
2020						
Payables	1,105,080	88,105	87,124	83,774	1,364,083	1,327,278
Borrowings	413,731	438,640	1,414,791	1,738,843	4,006,005	3,326,469
Lease liabilities	20,135	22,988	26,426	62,645	132,194	82,937
	1,538,946	549,733	1,528,341	1,885,262	5,502,282	4,736,684
Company						
2021						
Payables	166,472	5,833	9,155	-	181,460	181,460
Borrowings	816,526	101,632	536,320	687,114	2,141,592	1,936,682
Lease liabilities	8,044	8,044	108	-	16,196	15,674
	991,042	115,509	545,583	687,114	2,339,248	2,133,816
2020						
Payables	153,237	1,430	7,857	-	162,524	162,524
Borrowings	108,374	106,136	454,700	874,179	1,543,389	1,299,458
Lease liabilities	8,044	8,045	8,044	107	24,240	23,105
	269,655	115,611	470,601	874,286	1,730,153	1,485,087

NOTES TO THE FINANCIAL STATEMENTS

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40 FINANCIAL RISK MANAGEMENT (CONTINUED)

Details of each significant financial risk are as follows: (continued)

c. Credit risk

The maximum exposure and collateral and credit enhancements are as follows:

	Group		Company	
	Maximum exposure	Collateral and credit enhancement	Maximum exposure	Collateral and credit enhancement
2021				
Receivables	788,435	670,721	1,982,584	62,000
Contract assets	2,346,009	948,854	38,583	38,583
Cash held under Housing Development Accounts	291,466	-	17,290	-
Bank balances, deposits and cash	618,198	-	86,573	-
	4,044,108	1,619,575	2,125,030	100,583
2020				
Receivables	703,450	585,778	2,135,864	54,867
Contract assets	2,379,374	912,052	33,257	33,257
Cash held under Housing Development Accounts	345,486	-	47,324	-
Bank balances, deposits and cash	456,351	-	191,945	-
	3,884,661	1,497,830	2,408,390	88,124

41 IMMEDIATE AND ULTIMATE HOLDING COMPANIES

The Directors regard Permodalan Nasional Berhad as the Company's immediate holding company and Yayasan Pelaburan Bumiputra as the ultimate holding company. Both companies are incorporated in Malaysia.

NOTES TO THE FINANCIAL STATEMENTS

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42 LIST OF SUBSIDIARIES, JOINT VENTURES AND ASSOCIATES

Subsidiaries, joint ventures and associates which are active as at 31 December 2021 are as follows:

Name of company	Principal activities	Country of incorporation	Group's effective interest (%)		Auditors
			2021	2020	
Subsidiaries					
Harvard Golf Resort (Jerai) Berhad	Leasing of clubhouse building and golf course	Malaysia	100.0	100.0	1
Harvard Hotel (Jerai) Sdn Bhd	Leasing of hotel building	Malaysia	100.0	100.0	1
Impian Golf Resort Berhad	Provision of golfing and sporting services	Malaysia	100.0	100.0	1
Kuala Lumpur Golf & Country Club Berhad	Provision of golfing and sporting services and property development	Malaysia	100.0	100.0	1
MVV Holdings Sdn Bhd	Property development	Malaysia	100.0	100.0	1
Sime Darby Brunfield Damansara Sdn Bhd	Property development and property investment	Malaysia	60.0	60.0	1
Sime Darby Brunfield Holding Sdn Bhd	Investment holding, property development and provision of management services	Malaysia	60.0	60.0	1
Sime Darby Brunfield Kenny Hills Sdn Bhd	Property development	Malaysia	60.0	60.0	1
Sime Darby Brunfield Motorworld Sdn Bhd	Investment holding	Malaysia	60.0	60.0	1
Sime Darby Brunfield Properties Holding Sdn Bhd	Property investment and property management services	Malaysia	60.0	60.0	1
Sime Darby Brunfield Resort Sdn Bhd	Property development	Malaysia	60.0	60.0	1
Sime Darby Nilai Utama Sdn Bhd	Property development	Malaysia	70.0	70.0	1
Sime Darby Property (Ainsdale) Sdn Bhd	Property development	Malaysia	100.0	100.0	1
Sime Darby Property (Ampar Tenang) Sdn Bhd	Property development	Malaysia	100.0	100.0	1

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42 LIST OF SUBSIDIARIES, JOINT VENTURES AND ASSOCIATES (CONTINUED)

Subsidiaries, joint ventures and associates which are active as at 31 December 2021 are as follows: (continued)

Name of company	Principal activities	Country of incorporation	Group's effective interest (%)		Auditors
			2021	2020	
Subsidiaries (continued)					
Sime Darby Property (Ara Damansara) Sdn Bhd	Property development	Malaysia	100.0	100.0	1
Sime Darby Property (Asset I) Sdn Bhd	Property investment and provision of property management services	Malaysia	100.0	100.0	1
Sime Darby Property (BBR Industrial I) Sdn Bhd	Property investment	Malaysia	100.0	100.0	1
Sime Darby Property (Bukit Jelutong) Sdn Bhd	Property development	Malaysia	100.0	100.0	1
Sime Darby Property (Bukit Raja) Sdn Bhd	Property development and property investment	Malaysia	100.0	100.0	1
Sime Darby Property (Bukit Subang) Sdn Bhd	Property development	Malaysia	100.0	100.0	1
Sime Darby Property (BUP Asset I) Sdn Bhd	Property investment	Malaysia	100.0	-	1
Sime Darby Property (Chemara) Sdn Bhd	Property development	Malaysia	100.0	100.0	1
Sime Darby Property (City of Elmina) Sdn Bhd	Property development	Malaysia	100.0	100.0	1
Sime Darby Property (Convention Centre) Sdn Bhd	Operation of a convention centre	Malaysia	100.0	100.0	1
Sime Darby Property (Elmina Lakeside Mall) Sdn Bhd	Property investment	Malaysia	100.0	-	1
Sime Darby Property (Golfhome) Sdn Bhd	Property investment and property development	Malaysia	100.0	100.0	1
Sime Darby Property (Golftek) Sdn Bhd	Property investment and property development	Malaysia	100.0	100.0	1

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42 LIST OF SUBSIDIARIES, JOINT VENTURES AND ASSOCIATES (CONTINUED)

Subsidiaries, joint ventures and associates which are active as at 31 December 2021 are as follows: (continued)

Name of company	Principal activities	Country of incorporation	Group's effective interest (%)		Auditors
			2021	2020	
Subsidiaries (continued)					
Sime Darby Property (Industrial Asset I) Sdn Bhd	Property investment	Malaysia	100.0	-	4
Sime Darby Property (Industrial Asset II) Sdn Bhd	Property investment	Malaysia	100.0	-	4
Sime Darby Property (Industrial Asset III) Sdn Bhd	Property investment	Malaysia	100.0	-	4
Sime Darby Property (Industrial Development I) Sdn Bhd	Property development	Malaysia	100.0	-	4
Sime Darby Property (Industrial Development II) Sdn Bhd	Property development	Malaysia	100.0	-	4
Sime Darby Property (Industrial Development III) Sdn Bhd	Property development	Malaysia	100.0	-	4
Sime Darby Property (Ironwood) Sdn Bhd	Property investment and property development	Malaysia	100.0	100.0	1
Sime Darby Property (KL East) Sdn Bhd	Property development, property management and property investment	Malaysia	100.0	100.0	1
Sime Darby Property (Klang) Sdn Bhd	Property development and provision of management services	Malaysia	100.0	100.0	1
Sime Darby Property (KLGCC Resort) Sdn Bhd	Property development	Malaysia	100.0	100.0	1
Sime Darby Property (Lagong) Sdn Bhd	Property development	Malaysia	100.0	100.0	1
Sime Darby Property (Lembah Acob) Sdn Bhd	Property development	Malaysia	100.0	100.0	1
Sime Darby Property (Lukut) Sdn Bhd	Property investment and property development	Malaysia	100.0	100.0	1

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42 LIST OF SUBSIDIARIES, JOINT VENTURES AND ASSOCIATES (CONTINUED)

Subsidiaries, joint ventures and associates which are active as at 31 December 2021 are as follows: (continued)

Name of company	Principal activities	Country of incorporation	Group's effective interest (%)		Auditors
			2021	2020	
Subsidiaries (continued)					
Sime Darby Property (MVV Central) Sdn Bhd	Property development	Malaysia	100.0	-	1
Sime Darby Property (Nilai Realty) Sdn Bhd	Property development	Malaysia	100.0	100.0	1
Sime Darby Property (Nilai) Sdn Bhd	Property development, investment and provision of property management services	Malaysia	100.0	100.0	1
Sime Darby Property (Pagoh) Sdn Bhd	Property development	Malaysia	100.0	100.0	1
Sime Darby Property (Sabah) Sdn Bhd	Property development and investment holding	Malaysia	100.0	100.0	1
Sime Darby Property (Saujana Impian) Sdn Bhd	Property development and property management	Malaysia	100.0	100.0	1
Sime Darby Property (Selangor) Sdn Bhd	Property development	Malaysia	100.0	100.0	1
Sime Darby Property (Serenia City) Sdn Bhd	Property development	Malaysia	100.0	100.0	1
Sime Darby Property (SJ7) Sdn Bhd	Property development	Malaysia	100.0	100.0	1
Sime Darby Property (Subang) Sdn Bhd	Property development, property management and property investment	Malaysia	100.0	100.0	1
Sime Darby Property (Sungai Kapar) Sdn Bhd	Investment holding, property development and property investment	Malaysia	100.0	100.0	1
Sime Darby Property (Utara) Sdn Bhd	Property development and property investment	Malaysia	100.0	100.0	1
Sime Darby Property Holdings Sdn Bhd	Property investment and provision of property management services	Malaysia	100.0	100.0	1

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Amounts in RM thousand unless otherwise stated

42 LIST OF SUBSIDIARIES, JOINT VENTURES AND ASSOCIATES (CONTINUED)

Subsidiaries, joint ventures and associates which are active as at 31 December 2021 are as follows: (continued)

Name of company	Principal activities	Country of incorporation	Group's effective interest (%)		Auditors
			2021	2020	
Subsidiaries (continued)					
Sime Darby Property Management Sdn Bhd	Property management services and property investment holding	Malaysia	100.0	100.0	1
Sime Darby Property Selatan (Holding) Sdn Bhd	Property development, property investment and investment holding	Malaysia	100.0	100.0	1
Sime Darby Property Selatan Sdn Bhd	Investment holding and construction	Malaysia	60.0	60.0	1
Sime Darby Property Selatan Satu Sdn Bhd	Construction and assets management services under the concession arrangement	Malaysia	60.0	60.0	1
Sime Darby Property Selatan Dua Sdn Bhd	Construction and assets management services under the concession arrangement	Malaysia	60.0	60.0	1
Sime Darby Property Selatan Tiga Sdn Bhd	Construction and assets management services under the concession arrangement	Malaysia	60.0	60.0	1
Sime Darby Property Selatan Empat Sdn Bhd	Construction and assets management services under the concession arrangement	Malaysia	60.0	60.0	1
Sime Darby Property Urus Harta Sdn Bhd	Investment holding and property management services	Malaysia	100.0	100.0	1
Superglade Sdn Bhd	Project development services	Malaysia	60.0	60.0	1
The Glengowrie Rubber Company Sdn Berhad	Property development	Malaysia	78.7	78.7	1
Sime Darby Property (Capital Holdings) Pte Ltd	Investment holding	Singapore	100.0	-	4
Sime Darby Property (IDF Holdings) Pte Ltd	Investment holding	Singapore	100.0	-	4

NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 December 2021

Amounts in RM thousand unless otherwise stated

42 LIST OF SUBSIDIARIES, JOINT VENTURES AND ASSOCIATES (CONTINUED)

Subsidiaries, joint ventures and associates which are active as at 31 December 2021 are as follows: (continued)

Name of company	Principal activities	Country of incorporation	Group's effective interest (%)		Auditors
			2021	2020	
Subsidiaries (continued)					
Sime Darby Property Industrial Development Fund LP	Trust, funds and other similar activities	Singapore	100.0	-	4
Sime Darby Property Singapore Limited	Property management and investment holding	Singapore	100.0	100.00	3
Sime Darby Property (Vietnam) Pte Ltd	Investment holding	Singapore	100.0	100.00	3
OSC Sunrise Apartment Company Limited	Operation of service residences	Vietnam	65.0	65.00	2
Sime Darby Property (Hong Kong) Limited	Investment holding	Hong Kong SAR	100.00	100.00	2
Sime Darby Property (London) Limited	Property investment holding	United Kingdom	100.00	100.00	3
Joint ventures					
PJ Midtown Development Sdn Bhd	Property development	Malaysia	30.0	30.0	1
Sime Darby Property CapitaLand (Melawati Mall) Sdn Bhd	Property investment	Malaysia	50.0	50.0	3
Sime Darby Property MIT Development Sdn Bhd	Investment holding, property investment, asset management and property development	Malaysia	50.0	50.0	1
Sime Darby Property Sunrise Development Sdn Bhd	Property development	Malaysia	50.0	50.0	1
Aster Real Estate Investment Trust 1	Real estate investment	Singapore	25.0	25.0	3
Industrial Joint Venture (Holdings) Pte Ltd	Investment holding	Singapore	51.0	-	4
Battersea Project Holding Company Limited	Property development and investment holding	Jersey	40.0	40.0	2

NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 December 2021

Amounts in RM thousand unless otherwise stated

42 LIST OF SUBSIDIARIES, JOINT VENTURES AND ASSOCIATES (CONTINUED)

Subsidiaries, joint ventures and associates which are active as at 31 December 2021 are as follows: (continued)

Name of company	Principal activities	Country of incorporation	Group's effective interest (%)		Auditors
			2021	2020	
<u>Joint ventures (continued)</u>					
Battersea Power Station Development Company Limited	Development management services	United Kingdom	40.0	40.0	2
Battersea Power Station Estates Limited	Property/residential sales services	United Kingdom	40.0	40.0	2
<u>Associates</u>					
Kuantan Pahang Holding Sdn Bhd	Investment holding	Malaysia	30.0	30.0	1
Mostyn Development Sdn Bhd	Property development	Malaysia	30.0	30.0	3
Shaw Brothers (M) Sdn Bhd	Investment holding	Malaysia	36.0	36.0	3

NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 December 2021

Amounts in RM thousand unless otherwise stated

42 LIST OF SUBSIDIARIES, JOINT VENTURES AND ASSOCIATES (CONTINUED)

Subsidiaries which are dormant/inactive as at 31 December 2021 are as follows:

Name of company	Country of incorporation	Group's effective interest (%)		Auditors
		2021	2020	
Subsidiaries				
Sime Darby Brunnsfield Australia Pte Ltd	British Virgin Islands	60.0	60.0	4
Sime Darby Brunnsfield Property Sdn Bhd	Malaysia	70.0	70.0	1
Sime Darby Builders Sdn Bhd	Malaysia	100.00	100.00	1
Sime Darby Constant Skyline Sdn Bhd	Malaysia	100.00	100.00	1
Sime Darby Property (Bukit Selarong) Sdn Bhd	Malaysia	100.00	100.00	1
Sime Darby Property (Bukit Tunku) Sdn Bhd	Malaysia	100.00	100.00	1
Sime Darby Property (Kulai) Sdn Bhd	Malaysia	100.00	100.00	1
Sime Darby Property (USJ) Sdn Bhd	Malaysia	100.00	100.00	1
Sime Darby Putra Heights Development Sdn Bhd	Malaysia	100.00	100.00	1
Darby Park (Management) Pte Ltd	Singapore	100.00	100.00	3
Sime Darby Property Real Estate Management Pte Ltd	Singapore	100.00	100.00	3
Sime Darby Property Ventures (HK) Limited	Hong Kong SAR	100.00	-	4
Key Access Holdings Limited	British Virgin Islands	100.00	100.00	4
Vibernum Limited	Guernsey	100.00	100.00	4
Robt Bradford Hobbs Savill Limited	United Kingdom	98.6	98.6	4
Robt Bradford & Co Limited	United Kingdom	100.00	100.00	4

NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 December 2021

Amounts in RM thousand unless otherwise stated

42 LIST OF SUBSIDIARIES, JOINT VENTURES AND ASSOCIATES (CONTINUED)

The subsidiaries placed under members' voluntary liquidation or deregistered during the financial year are as follows:

Name of company	Country of incorporation	Group's effective interest (%)	
		2021	2020
<u>Subsidiaries</u>			
OCI Management Pty Ltd	Australia	-	60.0
Sime Darby Investments Pty Limited	Australia	-	100.0
Sime Darby Serenity Cove Pty Limited	Australia	-	60.0

Notes:

1. Subsidiaries, joint ventures and associates which are audited by PricewaterhouseCoopers PLT, Malaysia.
2. Subsidiaries, joint ventures and associates which are audited by member firms of PricewaterhouseCoopers International Limited, which are separate and independent legal entities from PricewaterhouseCoopers PLT, Malaysia.
3. Subsidiaries, joint ventures and associates which are audited by firms other than member firms of PricewaterhouseCoopers International Limited.
4. No legal requirements to appoint auditors or newly incorporated entities for which auditors have yet to be appointed.

43 ADOPTION OF AGENDA DECISION ON IAS 23 BORROWING COSTS RELATING TO OVER TIME TRANSFER OF CONSTRUCTED GOOD ("AGENDA DECISION")

In March 2019, the IFRS Interpretations Committee published an agenda decision on borrowing costs, concluding that no borrowing cost is to be capitalised to receivables and contract assets. In addition, the Agenda Decision also concluded that capitalisation of borrowing costs into inventories ceases when substantially all the activities necessary to prepare the qualifying asset for its intended use or sale are complete.

Prior to the adoption of the Agenda Decision, borrowing costs incurred on property development were capitalised to the carrying value of the inventories until the completion of the construction of the asset. The borrowing costs capitalised in the inventories were recognised as cost of sales in profit or loss by reference to the progress towards complete satisfaction of that performance obligation.

The Group and the Company has adopted the Agenda Decision with effect from 1 January 2021. The Agenda Decision has been applied retrospectively with the restatement of the opening retained profit for the earliest period presented and the other comparative amounts disclosed for each prior period presented as if the new accounting policy had always been applied.

NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 December 2021

Amounts in RM thousand unless otherwise stated

43 ADOPTION OF AGENDA DECISION ON IAS 23 BORROWING COSTS RELATING TO OVER TIME TRANSFER OF CONSTRUCTED GOOD ("AGENDA DECISION") (CONTINUED)

The effects of adoption of the Agenda Decision on the results for the financial year ended 31 December 2020 and the financial positions as at 1 January 2020 and 31 December 2020 are as follows:

- i. Reconciliation of statement of profit or loss for the financial year ended 31 December 2020

Group	Pre-adoption of Agenda Decision	Effects of adoption of Agenda Decision	Post-adoption of Agenda Decision
Revenue	2,062,781	-	2,062,781
Cost of sales	(1,771,093)	29,048	(1,742,045)
Gross profit	291,688	29,048	320,736
Other operating income	15,806	-	15,806
Selling and marketing expenses	(74,060)	-	(74,060)
Administrative and other expenses	(233,962)	-	(233,962)
Operating (loss)/profit	(528)	29,048	28,520
Other losses	(88,022)	-	(88,022)
Share of results of joint ventures and associates	(421,330)	428	(420,902)
Loss before interest and taxation	(509,880)	29,476	(480,404)
Finance income	109,944	-	109,944
Finance costs	(44,774)	(59,570)	(104,344)
Loss before taxation	(444,710)	(30,094)	(474,804)
Taxation	(70,973)	10,230	(60,743)
Loss for the financial year	(515,683)	(19,864)	(535,547)
Loss for the financial year attributable to:			
- owners of the Company	(478,802)	(22,764)	(501,566)
- non-controlling interests	(36,881)	2,900	(33,981)
	(515,683)	(19,864)	(535,547)
Basic loss per share attributable to owners of the Company (Sen)	(7.0)	(0.4)	(7.4)

NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 December 2021

Amounts in RM thousand unless otherwise stated

43 ADOPTION OF AGENDA DECISION ON IAS 23 BORROWING COSTS RELATING TO OVER TIME TRANSFER OF CONSTRUCTED GOOD ("AGENDA DECISION") (CONTINUED)

The effects of adoption of the Agenda Decision on the results for the financial year ended 31 December 2020 and the financial positions as at 1 January 2020 and 31 December 2020 are as follows: (continued)

ii. Reconciliation of statement of financial position as at 1 January 2020

Group	Pre-adoption of Agenda Decision	Effects of adoption of Agenda Decision	Post-adoption of Agenda Decision
NON-CURRENT ASSETS			
Joint ventures	2,805,001	(4,585)	2,800,416
Deferred tax assets	579,376	15,070	594,446
Other non-current assets	7,496,208	-	7,496,208
	10,880,585	10,485	10,891,070
CURRENT ASSETS			
Inventories			
- Property development costs	1,455,335	(80,226)	1,375,109
- Completed development units	532,786	(6,478)	526,308
- Finished goods, raw materials and consumables	1,722	-	1,722
Other current assets	2,611,865	-	2,611,865
	4,601,708	(86,704)	4,515,004
TOTAL ASSETS	15,482,293	(76,219)	15,406,074
EQUITY			
Attributable to owners of the Company	9,721,710	(67,085)	9,654,625
Non-controlling interests	228,296	(9,134)	219,162
	9,950,006	(76,219)	9,873,787
TOTAL LIABILITIES	5,532,287	-	5,532,287
TOTAL EQUITY AND LIABILITIES	15,482,293	(76,219)	15,406,074

NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 December 2021

Amounts in RM thousand unless otherwise stated

43 ADOPTION OF AGENDA DECISION ON IAS 23 BORROWING COSTS RELATING TO OVER TIME TRANSFER OF CONSTRUCTED GOOD ("AGENDA DECISION") (CONTINUED)

The effects of adoption of the Agenda Decision on the results for the financial year ended 31 December 2020 and the financial positions as at 1 January 2020 and 31 December 2020 are as follows: (continued)

iii. Reconciliation of statement of financial position as at 31 December 2020

Group	Pre-adoption of Agenda Decision	Effects of adoption of Agenda Decision	Post-adoption of Agenda Decision
NON-CURRENT ASSETS			
Joint ventures	2,480,258	(4,157)	2,476,101
Deferred tax assets	592,235	25,300	617,535
Other non-current assets	7,347,021	-	7,347,021
	10,419,514	21,143	10,440,657
CURRENT ASSETS			
Inventories			
- Property development costs	1,299,081	(114,145)	1,184,936
- Completed development units	576,721	(3,081)	573,640
- Finished goods, raw materials and consumables	1,467	-	1,467
Other current assets	2,588,266	-	2,588,266
	4,465,535	(117,226)	4,348,309
TOTAL ASSETS	14,885,049	(96,083)	14,788,966
EQUITY			
Attributable to owners of the Company	9,103,693	(89,849)	9,013,844
Non-controlling interests	185,763	(6,234)	179,529
	9,289,456	(96,083)	9,193,373
TOTAL LIABILITIES	5,595,593	-	5,595,593
TOTAL EQUITY AND LIABILITIES	14,885,049	(96,083)	14,788,966

NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 December 2021

Amounts in RM thousand unless otherwise stated

44 SIGNIFICANT EVENT DURING AND SUBSEQUENT TO THE FINANCIAL YEAR

a. Significant events during the financial year

- i) On 29 September 2021, Sime Darby Property (Capital Holdings) Pte Ltd (“SDPCH”), a wholly-owned subsidiary of the Company entered into a shareholders’ agreement with LOGOS SE Asia Pte. Ltd. (“LOGOS”), a wholly-owned subsidiary of LOGOS Group Property Limited. The Shareholders’ Agreement governs the parties’ relationship as shareholders to a joint venture company named Industrial Joint Venture (Holdings) Pte. Ltd. (“JV Co”) which will establish a fund management platform to manage funds for the logistics sector, as well as to provide development services.

Based on the Shareholders’ Agreement, SDPCH holds 51% whilst LOGOS holds 49% in the JV Co.

- ii) The COVID-19 pandemic continued to present its challenges in the current financial year, the impact of which had adversely affected the financial performance of the Group for the year ended 31 December 2021. Temporary business closures during periods of lockdowns had affected all business segments within the Group. Nevertheless, the Group has and will continue to implement appropriate measures through strict standard operating procedures and alternative solutions to minimise business disruptions.

b. Significant event subsequent to the financial year

On 1 November 2021, the Group via its wholly-owned subsidiary, Sime Darby Property (Vietnam) Pte Ltd, entered into a Capital Transfer Agreement to dispose its entire 65% equity interest in OSC Sunrise Apartment Company Limited (“OSC”) to Goldswan Hospitality Investment Joint Stock Company for a cash consideration of VND60.0 billion (approximately RM10.8 million). Upon fulfilment of conditions precedent, the disposal of OSC was completed on 10 February 2022.

45 APPROVAL OF FINANCIAL STATEMENTS

The financial statements have been approved for issue in accordance with a resolution of the Board of Directors dated 25 March 2022.

CORPORATE INFORMATION

BOARD OF DIRECTORS

- **Rizal Rickman Ramli**
(Non-Independent Non-Executive Chairman)
- **Dato' Azmir Merican**
(Group Managing Director)
- **Dato' Jaganath Derek Steven Sabapathy**
(Senior Independent Non-Executive Director)
- **Tengku Datuk Seri Ahmad Shah Alhaj ibni Almarhum Sultan Salahuddin Abdul Aziz Shah Alhaj**
(Non-Independent Non-Executive Director)
- **Dato' Seri Ahmad Johan Mohammad Raslan**
(Independent Non-Executive Director)
- **Datin Norazah Mohamed Razali**
(Independent Non-Executive Director)
- **Dato' Soam Heng Choon**
(Independent Non-Executive Director)
- **Mohamed Ridza Mohamed Abdulla**
(Independent Non-Executive Director)
- **Dato' Hamidah Naziadin**
(Independent Non-Executive Director)
- **Dr. Lisa Lim Poh Lin**
(Independent Non-Executive Director)

GROUP MANAGING DIRECTOR

Dato' Azmir Merican

GROUP COMPANY SECRETARY

Noreen Melini Muzamli
SSM PC No. 201908002218
LS 0008290

REGISTERED OFFICE

Level 10, Block G
No. 2, Jalan PJU 1A/7A, Ara Damansara, PJU 1A
47301 Petaling Jaya, Selangor Darul Ehsan, Malaysia

Tel. no. : +603-7849 5000

Fax no. : +603-7849 5688

E-mail address:
group.communications@simeдарbyproperty.com

Website : www.simeдарbyproperty.com

SHARE REGISTRAR

Tricor Investor & Issuing House Services Sdn Bhd
Registration No. 197101000970 (11324-H)

Office:

Unit 32-01, Level 32, Tower A
Vertical Business Suite, Avenue 3, Bangsar South
No. 8, Jalan Kerinchi, 59200 Kuala Lumpur
Wilayah Persekutuan, Malaysia

Tel. no. : +603-2783 9299

Fax no. : +603-2783 9222

Email : is.enquiry@my.tricorglobal.com

Customer Service Centre:

Unit G-3, Ground Floor, Vertical Podium
Avenue 3, Bangsar South
No. 8, Jalan Kerinchi, 59200 Kuala Lumpur
Wilayah Persekutuan, Malaysia

AUDITORS

PricewaterhouseCoopers PLT
(LLP0014401-LCA & AF 1146)

Level 10, 1 Sentral, Jalan Rakyat
Kuala Lumpur Sentral
P.O. Box 10192
50706 Kuala Lumpur
Wilayah Persekutuan, Malaysia

Tel no. : +603-2173 1188

Fax no. : +603-2173 1288

FORM OF LEGAL ENTITY

Incorporated on 15 September 1973 as a private company limited by shares under the Companies Act 1965 and deemed registered under the Companies Act 2016.

Converted into a public company limited by shares on 2 October 2003.

STOCK EXCHANGE LISTING

Listed on the Main Market of Bursa Malaysia Securities Berhad since 30 November 2017.

Stock Code : 5288

Stock Name : SIMEPROP

PLACE OF INCORPORATION AND DOMICILE

Malaysia

GROUP CORPORATE STRUCTURE (OPERATING ENTITIES)



Property

SIME DARBY PROPERTY BERHAD

MALAYSIA: WHOLLY-OWNED SUBSIDIARIES

- Harvard Golf Resort (Jerai) Berhad
- Harvard Hotel (Jerai) Sdn Bhd
- Impian Golf Resort Berhad
- Kuala Lumpur Golf & Country Club Berhad
- MVV Holdings Sdn Bhd
- Sime Darby Property (Ainsdale) Sdn Bhd
- Sime Darby Property (Ampar Tenang) Sdn Bhd
- Sime Darby Property (Ara Damansara) Sdn Bhd
- Sime Darby Property (Asset I) Sdn Bhd
- Sime Darby Property (BBR Industrial I) Sdn Bhd
- Sime Darby Property (Bukit Jelutong) Sdn Bhd
- Sime Darby Property (Bukit Raja) Sdn Bhd
- Sime Darby Property (Bukit Subang) Sdn Bhd
- Sime Darby Property (BUP Asset I) Sdn Bhd
- Sime Darby Property (Chemara) Sdn Bhd
- Sime Darby Property (City of Elmina) Sdn Bhd
- Sime Darby Property (Convention Centre) Sdn Bhd
- Sime Darby Property (Elmina Lakeside Mall) Sdn Bhd
- Sime Darby Property (Golfhome) Sdn Bhd
- Sime Darby Property (Golftek) Sdn Bhd
- Sime Darby Property (Ironwood) Sdn Bhd
- Sime Darby Property (KL East) Sdn Bhd
- Sime Darby Property (Klang) Sdn Bhd
- Sime Darby Property (KLGCC Resort) Sdn Bhd
- Sime Darby Property (Lagong) Sdn Bhd
- Sime Darby Property (Lembah Acob) Sdn Bhd
- Sime Darby Property (Lukut) Sdn Bhd
- Sime Darby Property (MVV Central) Sdn Bhd
- Sime Darby Property (Nilai Realty) Sdn Bhd
- Sime Darby Property (Nilai) Sdn Bhd
- Sime Darby Property (Pagoh) Sdn Bhd
- Sime Darby Property (Sabah) Sdn Bhd
- Sime Darby Property (Saujana Impian) Sdn Bhd
- Sime Darby Property (Selangor) Sdn Bhd
- Sime Darby Property (Serenia City) Sdn Bhd
- Sime Darby Property (SJ7) Sdn Bhd
- Sime Darby Property (Subang) Sdn Bhd
- Sime Darby Property (Sungai Kapar) Sdn Bhd
- Sime Darby Property (USJ) Sdn Bhd
- Sime Darby Property (Utara) Sdn Bhd
- Sime Darby Property Holdings Sdn Bhd
- Sime Darby Property Management Sdn Bhd
- Sime Darby Property Selatan (Holding) Sdn Bhd
- Sime Darby Property Urus Harta Sdn Bhd

MALAYSIA: NON-WHOLLY OWNED SUBSIDIARIES

- Sime Darby Brunfield Holding Sdn Bhd Group
- Sime Darby Nilai Utama Sdn Bhd
- Sime Darby Property Selatan Sdn Bhd Group

MALAYSIA: JOINT VENTURES

- Industrial Joint Venture (Holdings) Pte Ltd Group
- PJ Midtown Development Sdn Bhd
- Sime Darby Property CapitaLand (Melawati Mall) Sdn Bhd
- Sime Darby Property MIT Development Sdn Bhd Group
- Sime Darby Property Sunrise Development Sdn Bhd

FOREIGN: WHOLLY-OWNED SUBSIDIARIES

- Sime Darby Property (London) Limited
- Sime Darby Property (Hong Kong) Limited
- Sime Darby Property (Vietnam) Pte Ltd
- Sime Darby Property Singapore Limited Group

FOREIGN: 40% ASSOCIATES

- Battersea Project Holding Company Limited Group
- Battersea Power Station Development Company Limited Group
- Battersea Power Station Estates Limited

Note:

For the full list of entities, please refer to page 344 to 366, Note 42 List of Subsidiaries, Joint Ventures and Associates.

ANALYSIS OF SHAREHOLDINGS

as at 31 March 2022

Issued and Paid-Up Share Capital : 6,800,839,377
 Class of Shares : Ordinary Shares
 Number of Shareholders : 27,700
 Voting Rights : 1 vote per Ordinary Share

ANALYSIS BY SIZE OF SHAREHOLDINGS

Size of Shareholdings	No. of Shareholders	% of Shareholders	No. of Shares Held	% of Issued Shares
Less than 100	2,761	9.942	70,033	0.001
100 to 1,000 shares	6,108	21.994	3,656,618	0.053
1,001 to 10,000 shares	13,541	48.761	49,811,961	0.732
10,001 to 100,000 shares	4,385	15.790	125,298,150	1.842
100,001 to less than 5% of issued shares	971	3.496	2,194,736,339	32.271
5% and above of issued shares	4	0.014	4,427,266,276	65.098
TOTAL	27,770	100.00	6,800,839,377	100.00

ANALYSIS OF EQUITY STRUCTURE

Category of Holders	No. of Shareholders	% of Shareholders	No. of Shares Held	% of Issued Shares
Individual	23,062	83.046	258,709,382	3.804
Bank/Finance Companies	51	0.184	4,469,239,039	65.716
Investment Trusts/Foundation/Charities	16	0.058	668,156	0.010
Industrial and Commercial Companies	611	2.200	208,887,351	3.071
Government Agencies/Institutions	1	0.004	1,065,890	0.016
Nominees	4,027	14.501	1,862,164,284	27.381
Others	2	0.007	105,275	0.002
Trustee	0	0.00	0	0.00
TOTAL	27,770	100.00	6,800,839,377	100.00

SUBSTANTIAL SHAREHOLDERS AS PER THE REGISTER OF SUBSTANTIAL SHAREHOLDERS

No.	Name of Shareholders	No. of Shareholders (Direct Interest)	% of Issued Shares	No. of Shares Held (Indirect/Deemed Interest)	% of Issued Shares
1	Amanahraya Trustees Berhad - Amanah Saham Bumiputera	3,023,917,800	44.464	-	-
2	Employees Provident Fund Board	598,174,410	8.796	15,662,900	0.230
3	Permodalan Nasional Berhad	407,220,492	5.988	-	-
4	Yayasan Pelaburan Bumiputra ¹	-	-	407,220,492	5.988
5	Kumpulan Wang Persaraan (Diperbadankan)	401,836,212	5.909	25,317,100	0.372

Note:

¹ Deemed interested by virtue of its interest in Permodalan Nasional Berhad pursuant to Section 8 of the Companies Act 2016.

ANALYSIS OF SHAREHOLDINGS

as at 31 March 2022

TOP THIRTY (30) SHAREHOLDERS

No.	Name of Shareholders	No. of Shares Held	% of Issued Shares
1	Amanahraya Trustees Berhad <i>Amanah Saham Bumiputera</i>	3,023,917,800	44.463
2	Citigroup Nominees (Tempatan) Sdn Bhd <i>Employees Provident Fund Board</i>	598,174,410	8.795
3	Permodalan Nasional Berhad	407,220,492	5.987
4	Kumpulan Wang Persaraan (Diperbadankan)	397,953,574	5.851
5	Amanahraya Trustees Berhad <i>Amanah Saham Malaysia 2 - Wawasan</i>	138,000,000	2.029
6	Amanahraya Trustees Berhad <i>Amanah Saham Malaysia</i>	118,109,900	1.736
7	Amanahraya Trustees Berhad <i>Amanah Saham Bumiputera 2</i>	112,897,400	1.660
8	Cartaban Nominees (Tempatan) Sdn Bhd <i>PAMB for Prulink Equity Fund</i>	81,610,127	1.200
9	Citigroup Nominees (Tempatan) Sdn Bhd <i>Great Eastern Life Assurance (Malaysia) Berhad (PAR 1)</i>	60,760,649	0.893
10	HSBC Nominees (Asing) Sdn Bhd <i>HSBC BK PLC for Kuwait Investment Office (KIO)</i>	55,072,900	0.809
11	Amanahraya Trustees Berhad <i>Amanah Saham Malaysia 3</i>	53,885,437	0.792
12	Guoline (Singapore) Pte Ltd	50,701,700	0.745
13	Pertubuhan Keselamatan Sosial	45,804,365	0.673
14	Cartaban Nominees (Asing) Sdn Bhd <i>Exempt An for State Street Bank & Trust Company (West CLT OD67)</i>	42,857,100	0.630
15	Amanahraya Trustees Berhad <i>Amanah Saham Bumiputera 3 - Didik</i>	40,274,300	0.592
16	Citigroup Nominees (Asing) Sdn Bhd <i>CNBY for Norges Bank (FI 17)</i>	39,283,400	0.577
17	Quek Leng Chan	38,600,000	0.567
18	Maybank Nominees (Tempatan) Sdn Bhd <i>Maybank Trustees Berhad for Public Ittikal Fund (N14011970240)</i>	35,000,000	0.514
19	Maybank Nominees (Tempatan) Sdn Bhd <i>Maybank Trustees Berhad for Public Regular Savings Fund (N14011940100)</i>	32,230,416	0.473
20	Cartaban Nominees (Tempatan) Sdn Bhd <i>PBTB for Takafulink Dana Ekuiti</i>	28,427,388	0.417

ANALYSIS OF SHAREHOLDINGS

as at 31 March 2022

TOP THIRTY (30) SHAREHOLDERS (CONTINUED)

No.	Name of Shareholders	No. of Shares Held	% of Issued Shares
21	Amanahraya Trustees Berhad <i>Public Islamic Dividend Fund</i>	27,975,463	0.411
22	DB (Malaysia) Nominee (Tempatan) Sendirian Berhad <i>Deutsche Trustees Malaysia Berhad for Eastspring Investmentssmall- Cap Fund</i>	22,988,700	0.338
23	Citigroup Nominees (Tempatan) Sdn Bhd <i>Great Eastern Life Assurance (Malaysia) Berhad (Par 3)</i>	22,735,002	0.334
24	HSBC Nominees (Asing) Sdn Bhd <i>Morgan Stanley & Co. International PLC (Firm A/C)</i>	22,601,892	0.332
25	Hong Leong Assurance Berhad <i>As Beneficial Owner (Life PAR)</i>	22,307,131	0.328
26	HSBC Nominees (Tempatan) Sdn Bhd HSBC (M) Trustee Bhd for Allianz Life Insurance Malaysia Berhad (P)	21,077,879	0.309
27	Citigroup Nominees (Asing) Sdn Bhd <i>Exempt An for Citibank New York (Norges Bank 14)</i>	19,219,065	0.282
28	HSBC Nominees (Tempatan) Sdn Bhd <i>HSBC (M) Trustee Bhd for Allianz Life Insurance Malaysia Berhad (MEF)</i>	19,021,278	0.279
29	Citigroup Nominees (Asing) Sdn Bhd <i>UBS AG</i>	18,997,976	0.279
30	Associated Land Sendirian Berhad	18,367,000	0.270
TOTAL		5,616,072,744	82.579

Note:

The above analysis and list of top thirty (30) shareholders are based on Record of Depositors as at 31 March 2022.

LIST OF MATERIAL PROPERTIES HELD BY THE GROUP

as at 31 December 2021

Location	Tenure	Remaining land area (acres)	Year of acquisition	Net book value (RM'thousand)
LAND HELD BY THE GROUP				
MALAYSIA				
Kedah Darul Aman				
Jerai, Kuala Muda	Freehold	1,504	1985-2007	54,380
Victoria, Kulim	Freehold	71	1992	1,525
Selangor Darul Ehsan				
Bandar Bukit Raja, Klang	Freehold	1,787	2007	323,300
Elmina West, Sungai Buloh	Freehold	1,124	1985	268,883
Taipan City, Subang	Freehold	35	1992	254,021
Putra Heights, Subang Jaya	Freehold	48	1992	251,847
Kota Elmina, Rawang	Freehold	1,226	1985	185,729
Subang Jaya City Centre, Subang Jaya	Freehold	24	1964-2013	113,310
Melawati Development, Hulu Kelang	Freehold	128	1978	102,831
Serenia City, Sepang	Freehold	967	2008	75,328
Bukit Jelutong, Shah Alam	Freehold	131	1985	67,562
Elmina East, Sungai Buloh	Freehold	244	1985	66,987
Ara Damansara, Petaling Jaya	Freehold	40	1985	63,165
Bukit Lagong, Rawang	Freehold	1,487	1985	61,343
Acob, Klang	Freehold	236	1995	11,777
Kuala Lumpur				
Bukit Kiara	Leasehold expiring 2111	41	1991	484,491
Negeri Sembilan Darul Khusus				
New Labu/Sg Sekah/Hamilton, Nilai	Freehold	2,931	1995-2017	924,001
Nilai Impian/Utama, Nilai	Freehold	375	1992-1996	357,492
Planters' Haven, Nilai	Freehold	91	1995	15,381
Sua Betong, Port Dickson	Freehold	386	1985	9,971
Rasah, Seremban	Freehold	21	1995	6,216
	Leasehold expiring 2066	3	1995	244
Johor Darul Takzim				
Pagoh, Muar	Leasehold expiring 2111	2,189	2012	315,154
	Freehold	17	2012	1,891
Taman Pasir Putih, Pasir Gudang	Freehold	24	1984	13,192

LIST OF MATERIAL PROPERTIES HELD BY THE GROUP

as at 31 December 2021

Location	Tenure	Land area (acres)	Year of acquisition/ completion	Age of building (Years)	Description	Net book value (RM' thousand)
INVESTMENT PROPERTIES						
MALAYSIA						
Kuala Lumpur						
KL East, Taman Melawati	Freehold	7	2020	2	KL East Mall	370,795
		7	2015	5-7	Land, piazza and 2-storey car park	21,945
Wisma MRT, Jalan Gelenggang, Damansara Heights	Freehold	1	1985	39	5-storey office building	9,550
Selangor Darul Ehsan						
Oasis Square, Ara Damansara	Freehold	3	2010	12	2 blocks of 12-storey office building and basement car park	207,388
Oasis Corporate Park, Ara Damansara	Freehold	-	2017	5	Carpark	35,821
Wisma Zuellig, Petaling Jaya	Leasehold expiring 2059	3	2000	29	6-storey industrial building	31,632
Sime Darby Pavillion, Bukit Jelutong, Shah Alam	Freehold	7	1999	23	3-storey commercial building	23,408
LEISURE PROPERTIES						
MALAYSIA						
Kuala Lumpur						
Kuala Lumpur Golf & Country Club	Leasehold expiring 2087	279	1991	11-29	36-hole golf course and clubhouse	251,676
Sime Darby Convention Centre, Bukit Kiara	Leasehold expiring 2111	4	2006	16	5-storey multi-purpose convention and business centre	86,502
Selangor Darul Ehsan						
Impian Golf & Country Club, Kajang	Freehold	142	1997	25	18-hole golf course and country club	54,238
Bayuemas Sports and Events Complex, Kota Bayuemas	Freehold	22	2004	11-18	Cricket club and lawn bowl sports facilities	35,735

INDEPENDENT ASSURANCE REPORT



Independent Limited Assurance Report on Selected Sustainability Information in Sime Darby Property's Annual Report 2021

To the Board of Directors of Sime Darby Property Berhad

We have been engaged by Sime Darby Property Berhad ("Sime Darby Property" or "the Company") to perform an independent limited assurance engagement on selected sustainability information, comprising the information set out in the Subject Matter (hereinafter referred to as "Selected Information") for the financial year ended 31 December 2021 as reported by Sime Darby Property in its Annual Report 2021.

Management's Responsibility

Management of Sime Darby Property is responsible for the preparation of the Selected Information included in the Sime Darby Property's Annual Report 2021 in accordance with Sime Darby Property's internal sustainability reporting guidelines and procedures.

This responsibility includes the selection and application of appropriate methods to prepare the Selected Information reported in the Sime Darby Property's Annual Report 2021 as well as the design, implementation and maintenance of internal control relevant for the preparation of the Selected Information that is free from material misstatement, whether due to fraud or error. Furthermore, the responsibility includes the use of assumptions and estimates for disclosures made by Sime Darby Property which are reasonable in the circumstances.

Our Responsibility

Our responsibility is to express a limited assurance conclusion on the Subject Matter based on the procedures we have performed and the evidence we have obtained. We conducted our limited assurance engagement in accordance with the approved standard for assurance engagements in Malaysia, International Standard on Assurance Engagements ("ISAE") 3000 (Revised) "Assurance Engagements Other Than Audits or Reviews of Historical Financial Information".

This standard requires that we plan and perform this engagement under consideration of materiality to express our conclusion with limited assurance about whether the Selected Information is free from material misstatement.

The accuracy of the Selected Information is subject to inherent limitations given their nature and methods for determining, calculating and estimating such data. Our limited assurance report should therefore be read in conjunction with Sime Darby Property's internal sustainability reporting guidelines and procedures on the reporting of its sustainability performance.

A limited assurance engagement involves assessing the suitability in the circumstances of Sime Darby Property's use of the Criteria as the basis for the preparation of the Subject Matter, assessing the risks of material misstatement of the Selected Information whether due to fraud or error, responding to the assessed risks as necessary in the circumstances, and evaluating the overall presentation of the Subject Matter. A limited assurance engagement is substantially less in scope than a reasonable assurance engagement in relation to both the risk assessment procedures, including an understanding of internal control, and the procedures performed in response to the assessed risks.

Subject Matter

The Selected Information reported and marked with asterisks (*) in the Sustainability Report within the Sime Darby Property's Annual Report 2021, on which we provide limited assurance, consists of:

1. Total carbon emissions (Scope 1 and Scope 2);
2. Total operational potable water use;
3. Total operational solid waste to landfill;
4. Lost time injury frequency rate; and
5. Employee breakdown by gender.

Our assurance was with respect to the year ended 31 December 2021 information only and we have not performed any procedures with respect to earlier periods or any other elements included in the Sime Darby Property's Annual Report 2021 and, therefore, do not express any conclusion thereon.

PricewaterhouseCoopers PLT (LLP0014401-LCA & AF 1146), Chartered Accountants, Level 10, 1 Sentral, Jalan Rakyat, Kuala Lumpur Sentral, P.O. Box 10192, 50706 Kuala Lumpur, Malaysia
T: +60 (3) 2173 1188, F: +60 (3) 2173 1288, www.pwc.com/my

INDEPENDENT ASSURANCE REPORT



Criteria

The Selected Information needs to be read and understood together with the reporting criteria, which Sime Darby Property is solely responsible for selecting and applying. The reporting criteria used for the reporting of the Selected Information by which the Selected Information is gathered, collated and aggregated internally are Sime Darby Property's internal sustainability reporting guidelines and procedures, available on the website of Sime Darby Property at www.simedarbyproperty.com.

The absence of a significant body of established practice on which to draw to evaluate and measure non-financial information allows for different, but acceptable, measurement techniques and can affect comparability between entities.

Independence and Quality Control

We have complied with the independence and other ethical requirements of the By-Laws (on Professional Ethics, Conduct and Practice) of the Malaysian Institute of Accountants ("MIA") and the International Ethics Standards Board for Accountants' International Code of Ethics for Professional Accountants (including International Independence Standards), which is founded on fundamental principles of integrity, objectivity, professional competence and due care, confidentiality and professional behaviour.

We apply International Standard on Quality Control 1 "Quality Control for Firms that Perform Audits and Reviews of Financial Statements, and Other Assurance and Related Services Engagements", and accordingly maintain a comprehensive system of quality control including documented policies and procedures regarding compliance with ethical requirements, professional standards and applicable legal and regulatory requirements.

Main Assurance Procedures

Our work, which involved no independent examination of any of the underlying financial information, included the following procedures:

- Inquired personnel responsible for the Selected Information reported in Sime Darby Property's Annual Report 2021 regarding the processes to prepare the said report and the underlying controls over those processes;
- Inquired personnel responsible for data collection, collation and reporting of the Selected Information at the corporate and operating unit level;
- Inspected on a sample basis of internal documents, contracts, reports, data capture forms, delivery orders, invoices, where applicable, to support the Selected Information including observation of management's controls over the processes; and
- Checked the formulas, proxies and default values used in the Selected Information against Sime Darby Property's internal sustainability reporting guidelines and procedures.

Conclusion

Based on the procedures we have performed and the evidence we have obtained, nothing has come to our attention that causes us to believe that, in all material respects, the Selected Information in the Subject Matter has not been fairly stated in accordance with Sime Darby Property's internal sustainability reporting guidelines and procedures.

INDEPENDENT ASSURANCE REPORT

**Restriction on use**

This report, including our conclusions, has been prepared solely for the Board of Directors of Sime Darby Property in accordance with the agreement between us, in connection with the performance of an independent limited assurance on the Selected Information as reported by Sime Darby Property in its Sime Darby Property's Annual Report 2021. Accordingly, this report should not be used or relied upon for any other purposes. We consent to the inclusion of this report in the Sime Darby Property's Annual Report 2021 to be disclosed in the website of Sime Darby Property at www.simedarbyproperty.com, in respect of the financial year ended 31 December 2021, to assist the Directors in responding to their governance responsibilities by obtaining an independent limited assurance report on the Selected Information in connection with the preparation of Sime Darby Property's Annual Report 2021. As a result, we will not accept any liability or assume responsibility to any other party to whom our report is shown or into whose hands it may come. Any reliance on this report by any third party is entirely at its own risk.

A handwritten signature in black ink, appearing to read 'PricewaterhouseCoopers' with a stylized flourish at the end.

PRICEWATERHOUSECOOPERS PLT
LLP0014401-LCA & AF 1146
Chartered Accountants

Kuala Lumpur
6 April 2022

NOTICE OF ANNUAL GENERAL MEETING

NOTICE IS HEREBY GIVEN THAT the Forty-Ninth Annual General Meeting (“49th AGM”) of Sime Darby Property Berhad (“Sime Darby Property” or “Company”) will be held virtually via the TIIH Online website at <https://tiih.online> and at the Banquet Hall, 1st Floor, Main Lobby, Kuala Lumpur Golf & Country Club, No. 10, Jalan 1/70D, Off Jalan Bukit Kiara, 60000 Kuala Lumpur, Malaysia as the **Broadcast Venue** on Tuesday, 24 May 2022 at 10.00 a.m. for the transaction of the following businesses:

AS ORDINARY BUSINESS

1. To receive the Audited Financial Statements for the financial year ended 31 December 2021 together with the Reports of the Directors and the Auditors thereon.
Refer to Explanatory Note 1
2. To re-elect the following Directors who retire by rotation in accordance with Rule 111 of the Constitution of the Company and being eligible, offer themselves for re-election:
 - (i) Dato’ Jaganath Derek Steven Sabapathy **(Resolution 1)**
 - (ii) Tengku Datuk Seri Ahmad Shah Alhaj ibni Almarhum Sultan Salahuddin Abdul Aziz Shah Alhaj **(Resolution 2)**
 - (iii) Datin Norazah Mohamed Razali **(Resolution 3)***Refer to Explanatory Note 2*
3. To re-elect the following Directors who retire in accordance with Rule 92.3 of the Constitution of the Company and being eligible, offer themselves for re-election:
 - (i) Dato’ Hamidah Naziadin **(Resolution 4)**
 - (ii) Dr. Lisa Lim Poh Lin **(Resolution 5)***Refer to Explanatory Note 3*
4. To approve the payment of fees to the Non-Executive Directors for the period from 25 May 2022 until the next AGM of the Company to be held in year 2023. **(Resolution 6)**
Refer to Explanatory Note 4
5. To approve the payment of benefits to the Non-Executive Directors up to an amount of RM500,000 for the period from 25 May 2022 until the next AGM of the Company to be held in year 2023. **(Resolution 7)**
Refer to Explanatory Note 5
6. To re-appoint PricewaterhouseCoopers PLT as the Auditors of the Company for the financial year ending 31 December 2022 and to authorise the Directors to determine their remuneration. **(Resolution 8)**
Refer to Explanatory Note 6

NOTICE OF ANNUAL GENERAL MEETING

AS SPECIAL BUSINESS

To consider and, if thought fit, pass the following Ordinary Resolution:

7. PROPOSED RENEWAL OF EXISTING SHAREHOLDERS' MANDATE FOR RECURRENT RELATED PARTY TRANSACTIONS OF A REVENUE OR TRADING NATURE

"THAT subject always to the Companies Act 2016 ("Act"), the Constitution of the Company, the Main Market Listing Requirements of Bursa Malaysia Securities Berhad, other applicable laws, guidelines, rules and regulations, and the approval of the relevant government and/or regulatory authorities (where applicable), approval be and is hereby given to the Company and/or its subsidiaries to enter into recurrent related party transactions of a revenue or trading nature with related parties ("Recurrent Related Party Transactions") as set out in Section 2.4 of the Circular to Shareholders dated 25 April 2022 ("the Circular"), subject further to the following:

- (i) the Recurrent Related Party Transactions are entered into in the ordinary course of business which are necessary for the day-to-day operations and are on terms which are not more favourable to the related parties than those generally available to the public, and the Recurrent Related Party Transactions are undertaken on arm's length basis and on normal commercial terms which are not to the detriment of the non-interested shareholders of the Company;
- (ii) the shareholders' mandate is subject to annual renewal and this shareholders' mandate shall commence immediately upon passing of this ordinary resolution and continue to be in full force until:
 - (a) the conclusion of the next Annual General Meeting ("AGM") of the Company following the AGM at which this shareholders' mandate is approved, at which time it will lapse, unless by a resolution passed at the next AGM, such authority is renewed; or
 - (b) the expiration of the period within which the next AGM after the date is required to be held pursuant to Sections 340(1) and (2) of the Act (but shall not extend to such extension as may be allowed pursuant to Section 340(4) of the Act); or
 - (c) this shareholders' mandate is revoked or varied by a resolution passed by the shareholders of the Company in a general meeting,

whichever is the earlier;

AND THAT the Directors of the Company and/or any one of them be and are/is hereby authorised to complete and do all such acts, deeds and things as they consider necessary or expedient in the best interest of the Company, including executing all such documents as may be required or necessary and with full powers to assent to any modifications, variations and/or amendments as the Directors of the Company in their discretion deem fit and expedient to give effect to the Recurrent Related Party Transactions contemplated and/or authorised by this Ordinary Resolution."

Refer to Explanatory Note 7

(Resolution 9)

- 8. To transact any other business for which due notice shall have been given in accordance with the Companies Act 2016 and the Constitution of the Company.

NOTICE OF ANNUAL GENERAL MEETING

FURTHER NOTICE IS HEREBY GIVEN THAT for the purpose of determining a member whom shall be entitled to attend, speak and vote at this 49th AGM, the Company shall be requesting Bursa Malaysia Depository Sdn Bhd in accordance with Rule 76 of the Constitution of the Company and Section 34(1) of the Securities Industry (Central Depositories) Act 1991, to issue a General Meeting Record of Depositors as at 12 May 2022. Only a depositor whose name appears on the Record of Depositors as at 12 May 2022 shall be entitled to attend the said meeting or appoint proxies to attend, speak and vote on his/her behalf.

By Order of the Board

Noreen Melini Muzamli

Group Company Secretary
(SSM PC No. 201908002218)
(LS 0008290)

Petaling Jaya, Malaysia
25 April 2022

NOTES:

1. Registration for Remote Participation and Voting ("RPV") Facilities

- 1.1 The 49th AGM will be conducted on a **virtual basis through live streaming and online remote voting** via RPV facilities which are available on Tricor Investor & Issuing House Services Sdn Bhd's TIIH Online website at <https://tiih.online>. Members can attend, participate and vote in the meeting remotely or online using the RPV facilities. Please follow the procedures provided in the Administrative Details for the 49th AGM in order to register, participate and vote remotely via the RPV facilities.
- 1.2 The broadcast venue of the 49th AGM is strictly for the purpose of complying with Section 327(2) of the Companies Act 2016 which requires the Chairman of the Meeting to be at the main venue of the meeting. No shareholders/proxy(ies) from the public will be physically present at the meeting venue.

2. Submission of questions before and during the meeting

- 2.1 Members may submit questions in relation to the agenda items for the 49th AGM prior to the meeting via TIIH Online at <https://tiih.online> by selecting "e-Services" to login, pose questions and submit electronically not later than Sunday, 22 May 2022.

- 2.2 Members may also use the Query Box facility to ask questions real time (in the form of typed text) during the 49th AGM. The Board and Senior Management will be in attendance either at the broadcast venue or remotely to provide responses accordingly.

3. Proxy

- 3.1 A Member entitled to attend and vote at the Meeting is entitled to appoint not more than two (2) proxies to exercise all or any of his rights to attend, participate, speak and vote at the Meeting on his/her behalf. Where a Member appoints more than one (1) proxy, the appointment shall be invalid unless he/she specifies the proportion of his/her shareholdings to be represented by each proxy. A proxy may, but need not, be a Member of the Company.
- 3.2 A Member may appoint any person to be his/her proxy without any restriction as to the qualification of such person.
- 3.3 Pursuant to Paragraph 8.29A(1) of the Main Market Listing Requirements of Bursa Malaysia Securities Berhad, all resolutions set out in the Notice of the 49th AGM of the Company shall be put to vote by way of a poll.

NOTICE OF ANNUAL GENERAL MEETING

3.4 Where a Member of the Company is an Authorised Nominee as defined under the Securities Industry (Central Depositories) Act 1991 ("SICDA"), he/she may appoint not more than two (2) proxies in respect of each Securities Account he/she holds with ordinary shares of the Company standing to the credit of the said Securities Account to attend and vote at a meeting of the Company instead of him/her.

3.5 Where a Member of the Company is an Exempt Authorised Nominee as defined under SICDA which holds ordinary shares in the Company for multiple beneficial owners in one (1) Securities Account (Omnibus Account), there is no limit to the number of proxies which the Exempt Authorised Nominee may appoint in respect of each Omnibus Account it holds PROVIDED THAT each beneficial owner of ordinary shares, or where the ordinary shares are held on behalf of joint beneficial owners, such joint beneficial owners, shall only be entitled to instruct the Exempt Authorised Nominee to appoint not more than two (2) proxies to attend and vote at a general meeting of the Company instead of the beneficial owner or joint beneficial owners.

3.6 The instrument appointing a proxy shall be in writing signed by the appointor or his/her attorney duly authorised in writing or, if the appointor is a corporation, either under its common seal or under the hand of two (2) authorised officers, one of whom shall be a Director, or of its attorney duly authorised. Any alteration to the instrument appointing a proxy must be initialled.

3.7 The appointment of proxy may be made in a hardcopy form or by electronic means as follows:

(i) In Hardcopy Form

The Form of Proxy or the Power of Attorney or other authority, if any, under which it is signed or a notarially certified copy of that power or authority, must be deposited at the office of the Share Registrar of the Company, Tricor Investor & Issuing House Services Sdn Bhd at Unit 32-01, Level 32, Tower A, Vertical Business Suite, Avenue 3, Bangsar South, No. 8, Jalan Kerinchi, 59200 Kuala Lumpur, Malaysia, not less than 48 hours before the time for holding this AGM or no later than 22 May 2022 at 10.00 a.m.

(ii) By Tricor Online System (TIIH Online)

The Form of Proxy can be electronically submitted with the Share Registrar of the Company via TIIH Online. The website to access TIIH Online is <https://tiih.online> (Kindly refer to the Administrative Details).

(iii) By Email or Facsimile

The Form of Proxy can be sent via email to Tricor's email address is.enquiry@my.tricorglobal.com or via facsimile at telephone no. +603-2783 9222.

3.8 Only Members registered in the Record of Depositors as at 12 May 2022 shall be entitled to attend, speak and vote at the 49th AGM or appoint a proxy(ies) to attend and vote on their behalf.

EXPLANATORY NOTES

1. Audited Financial Statements for the Financial Year Ended 31 December 2021

The Audited Financial Statements are laid before the shareholders pursuant to the provisions of Section 266(1)(a) and Section 340(1)(a) of the Companies Act 2016 ("Act") for discussion only and will not be put forward for voting.

2. Ordinary Resolutions 1 to 3: Re-election of Directors in accordance with Rule 111 of the Constitution

Rule 111 of the Constitution expressly states that at every AGM, at least one-third (1/3) of the Directors for the time being shall retire from office. In addition, Rule 112 of the Constitution states that all Directors shall retire from office once at least in each three (3) years. A retiring Director shall be eligible for re-election.

Dato' Jaganath Derek Steven Sabapathy, Tengku Datuk Seri Ahmad Shah Alhaj ibni Almarhum Sultan Salahuddin Abdul Aziz Shah Alhaj and Datin Norazah Mohamed Razali are due to retire at the 49th AGM in accordance with Rule 111 of the Company's Constitution.

For the purpose of determining the eligibility of the Directors to stand for re-election at the 49th AGM, the Board through its Nomination and Remuneration Committee ("NRC"), had assessed each of the retiring Directors, and considered the following:

(i) The Directors' performance and contribution based on the Self and Peer Assessment results of the Board Effectiveness Evaluation 2021;

NOTICE OF ANNUAL GENERAL MEETING

- (ii) The Directors’ level of contribution to the Board deliberations through his/her skills, experience and strength in qualities as well as their effective leadership as chairperson of respective Board Committees;
- (iii) The level of independence demonstrated by the Independent Director and the ability to act in the best interests of the Company in decision-making;
- (iv) The Directors have the character, integrity, experience and competence to discharge their role effectively; and
- (v) The Directors’ ability to commit and devote adequate time to fulfil their responsibilities effectively.

Dato’ Jaganath Derek Steven Sabapathy, Tengku Datuk Seri Ahmad Shah Alhaj ibni Almarhum Sultan Salahuddin Abdul Aziz Shah Alhaj and Datin Norazah Mohamed Razali, being eligible, have offered themselves for re-election at the 49th AGM.

Based on the aforesaid assessment, the Board and the NRC are satisfied that the individual Directors (including the retiring Directors) have met the performance criteria required of an effective and high-performance Board and the Board’s expectations by continuously discharging their duties diligently as Directors of the Company. Accordingly, the Board recommends the re-election of Dato’ Jaganath Derek Steven Sabapathy, Tengku Datuk Seri Ahmad Shah Alhaj ibni Almarhum Sultan Salahuddin Abdul Aziz Shah Alhaj and Datin Norazah Mohamed Razali at the 49th AGM.

3. Ordinary Resolutions 4 to 5: Re-election of Directors in accordance with Rule 92.3 of the Constitution

Rule 92.3 of the Constitution provides that any Director appointed during the year shall hold office only until the next AGM and shall be eligible for re-election. The Director shall not be taken into account in determining the Directors to retire by rotation at the AGM.

Dato’ Hamidah Naziadin and Dr. Lisa Lim Poh Lin, who were appointed on 1 October 2021, shall hold office until the 49th AGM and shall then be eligible for re-election in accordance with Rule 92.3 of the Constitution.

All Directors standing for re-election under Rule 111 and Rule 92.3 of the Constitution have abstained from deliberations and decisions on their own eligibility to stand for re-election at the relevant NRC and Board meetings and will continue to abstain from deliberations and decisions on their own eligibility to stand for re-election at this AGM.

4. Ordinary Resolution 6: Payment of Directors’ Fees to the Non-Executive Directors for the period from 25 May 2022 until the next AGM of the Company to be held in year 2023

Pursuant to Section 230(1) of the Act, any “fees” of the directors and “any benefits” payable to the directors of a listed company and its subsidiaries shall be approved at a general meeting. Rule 94.1 of the Constitution of the Company further provides that the fees and benefits payable to the Non-Executive Directors (“NEDs”) shall be subject to annual shareholders’ approval at a general meeting.

The Company had, at its Forty-Eighth AGM (“48th AGM”), obtained approval from the shareholders in respect of the payment of Directors’ fees to the NEDs for the period from 7 May 2021 until the 49th AGM.

The NRC had continued to carry out annual review of the Directors’ remuneration with the view to ensure that the proposed fees for the Board and Board Committees of the Company remain competitive to attract and retain high calibre individuals, to commensurate with the level of responsibilities and expected commitments of the NEDs. An external consultant was engaged in 2019 to review the overall Directors’ Remuneration Framework and provide the NRC with an objective and independent perspective. Such review exercise will continue to be carried out periodically taking into consideration the Company’s performance and affordability.

Based on the recommendation from the NRC, the Board had, on 24 February 2022, agreed that the proposed fees payable to the NEDs shall remain unchanged, as they are still current, relevant and competitive as set out in the table below:

	Board (RM/Year)	Board Committees (RM/Year)
Chairman	540,000	70,000
Member	220,000	40,000

Shareholders’ approval is hereby sought under Resolution 6 on the payment of NEDs’ fees for the period from 25 May 2022 until the next AGM of the Company to be held in year 2023. If passed, it will give approval to the Company to continue paying the NEDs’ fees on a monthly basis after the AGM for their services on the Board and Board Committees.

Any NEDs who are shareholders of the Company will abstain from voting on Resolution 6 concerning the remuneration to the NEDs at the 49th AGM.

The remuneration of each Director is set out in the Corporate Governance Report on page 66.

NOTICE OF ANNUAL GENERAL MEETING

5. Ordinary Resolution 7:

Payment of Benefits to the NEDs up to an amount of RM500,000 for the period from 25 May 2022 until the next AGM of the Company to be held in year 2023

The Company had, at its 48th AGM held on 6 May 2021, obtained approval from the shareholders in respect of the payment of benefits to the NEDs up to an amount of RM500,000 for the period from 7 May 2021 until the 49th AGM comprising, amongst others, the following key benefits:

- Telecommunication devices/facilities
- Club membership subscription
- Medical and insurance coverage
- Discount on purchases of Group/Company products
- Use of local holiday bungalow and apartments maintained by Sime Darby Property Group
- Other claimable benefits incurred in the course of carrying out their duties as Directors

The payment of benefits for the NEDs for the said period did not exceed RM500,000.

Based on the review of the current Remuneration Framework, the Company is seeking shareholders' approval for the same approval limit as obtained in the preceding AGM in respect of the amount of benefits payable to the NEDs of up to RM500,000 at the 49th AGM.

If the proposed Resolution 7 is passed, the payment of benefits to the NEDs will be made as and when incurred.

Any NEDs who are shareholders of the Company will abstain from voting on Resolution 7 concerning the remuneration to the NEDs at the 49th AGM.

6. Ordinary Resolution 8:

Re-appointment of Auditors

The Audit Committee ("AC") at its meeting held on 17 March 2022, had undertaken an annual assessment of the suitability and effectiveness of the external audit process, performance, suitability and independence of the external auditors, PricewaterhouseCoopers PLT ("PwC") as prescribed under Paragraph 15.21 of the Main Market Listing Requirements of Bursa Malaysia Securities Berhad. The said assessment focused on seven (7) key dimensions as follows:

- (i) Calibre of External Auditor Firm
- (ii) Quality Processes/Performance
- (iii) Audit Team
- (iv) Independence and Objectivity
- (v) Audit Scope and Planning
- (vi) Audit Fees
- (vii) Audit Communication

The AC also took into account the openness in communication as well as access and interactions with key leadership partners of PwC Malaysia including the Executive Chairman, Managing Partner, Head of Assurance and Head of Tax. These interactions were over and above the regular meetings and engagement with the Audit Partner and her audit team.

In addition, the AC also considered information provided in PwC's 2021 Transparency Report. Amongst others are:

- (i) Quality of PwC's leadership and its governance structure.
- (ii) Adequacy of experience and resources, in terms of capacity, qualification and competencies.
- (iii) Independence of PwC and the level of non-audit services rendered by PwC.
- (iv) Audit effectiveness via quality management and engagement monitoring reviews.

The AC was satisfied with the suitability of PwC based on the quality of audit, performance, competency and sufficiency of resources the external audit team provided to the Sime Darby Property Group.

The Board had, at its meeting held on 24 March 2022, approved the AC's recommendation for the shareholders' approval to be sought at the 49th AGM on the re-appointment of PwC as external auditors of the Company for the financial year ending 31 December 2022, under Resolution 8. The present external auditors, PwC, have indicated their willingness to continue their services for the next financial year.

EXPLANATORY NOTES ON SPECIAL BUSINESS

7. Ordinary Resolution 9:

Proposed Renewal of Existing Shareholders' Mandate for Recurrent Related Party Transactions of a Revenue or Trading Nature

The proposed Ordinary Resolution 9, if passed, will enable the Company and/or its subsidiary companies to enter into Recurrent Related Party Transactions of a revenue or trading nature pursuant to the provisions of the Main Market Listing Requirements of Bursa Malaysia Securities Berhad. Please refer to the Circular to Shareholders dated 25 April 2022 for further information.

STATEMENT ACCOMPANYING NOTICE OF THE FORTY-NINTH ANNUAL GENERAL MEETING

(Pursuant to Paragraph 8.27(2) of the Main Market Listing Requirements of Bursa Malaysia Securities Berhad)

The profile of the Directors who are standing for re-election (as per Resolutions 1 to 5 as stated above) at the Forty-Ninth Annual General Meeting of Sime Darby Property Berhad are set out in the “Board of Directors’ Profiles” section in the Company’s Annual Report.

ADMINISTRATIVE DETAILS FOR THE FORTY-NINTH ANNUAL GENERAL MEETING OF SIME DARBY PROPERTY BERHAD

Date	: Tuesday, 24 May 2022
Time	: 10.00 a.m.
Broadcast Venue	: Banquet Hall, 1 st Floor, Main Lobby, Kuala Lumpur Golf & Country Club, No. 10, Jalan 1/70D, Off Jalan Bukit Kiara, 60000 Kuala Lumpur, Malaysia
Online Platform	: TIIH Online website at https://tiih.online with Remote Participation and Voting Facilities

1. Virtual Forty-Ninth Annual General Meeting

The Company will continue to leverage on technology to facilitate communication and engagement with shareholders by conducting the Forty-Ninth Annual General Meeting ("49th AGM") on a virtual basis through live streaming and online remote voting via Remote Participation and Voting ("RPV") facilities which are available on Tricor Investor & Issuing House Services Sdn Bhd's ("Tricor") TIIH Online website at <https://tiih.online>.

The venue of the 49th AGM is strictly for the purpose of complying with Section 327(2) of the Companies Act 2016 which requires the Chairman of the Meeting to be at the main venue of the meeting. No shareholders/proxy(ies) from the public will be physically present at the meeting venue.

2. General Meeting Record of Depositors

Only members whose names appear on the Record of Depositors as at 12 May 2022 ("General Meeting ROD") shall be eligible to attend, speak and vote at the 49th AGM or appoint a proxy(ies) to attend and vote on his/her behalf.

3. Registration for RPV at the 49th AGM

Shareholders are invited to attend the 49th AGM to exercise your right to attend, participate and vote at the 49th AGM remotely by using the RPV facilities at <https://tiih.online>. Kindly refer to the following steps:

i) Register as a user of TIIH Online

- Access the TIIH online website at <https://tiih.online>.
- Under "e-Services", select the **Sign Up** button followed by "Create Account by **Individual Holder**". Refer to the tutorial guide posted on the homepage for assistance.
- Registration as a user will be approved within one (1) working day and you will be notified via e-mail.
- If you are already a user with TIIH Online, you are not required to register again. You will receive an e-mail to notify you that the remote participation is available for registration at TIIH Online.

ii) Register your attendance for the 49th AGM remotely

- Registration is open from the date of the Notice of 49th AGM on **Monday, 25 April 2022** at 10.00 a.m. until such time before the end of the voting session of the 49th AGM on Tuesday, 24 May 2022 .
- Shareholder(s), proxy(ies), corporate representative(s) or attorney(ies) are required to **pre-register** their attendance for the 49th AGM for verification of their eligibility to attend the 49th AGM using the RPV based on the General Meeting ROD as at 12 May 2022 .
- Login with your user ID (e-mail address) and password and select the corporate event: **"(Registration) Sime Darby Property Berhad 49th AGM"**
- Read and agree to the Terms & Conditions and confirm the Declaration.
- Select "Register for Remote Participation and Voting".
- Review your registration and proceed to register.
- TIIH Online system ("TIIH System") will send an e-mail to notify that your registration for remote participation is received and will be verified.

ADMINISTRATIVE DETAILS FOR THE FORTY-NINTH ANNUAL GENERAL MEETING OF SIME DARBY PROPERTY BERHAD

iii) Verification and notification by TIIH System of your registration

- a) After verification of your registration against the General Meeting ROD as at 12 May 2022, TIIH system will send you an **e-mail after 22 May 2022 to confirm the approval** of your registration for RPV. The procedures to use the RPV are detailed out in the said email and as set out in **Note 7** below.
- b) In the event that your registration is not approved, you will be notified via e-mail.

(Note: Please allow sufficient time for approval of new user of TIIH Online and registration for the RPV).

4. Proxy

i) Appointment of Chairman of the Meeting as proxy

If a shareholder is not able to attend the 49th AGM, he/she can appoint the Chairman of the Meeting as his/her proxy and indicate the voting instructions in the Form of Proxy. Kindly refer to lodgement of Form of Proxy in accordance with **Note 5** below.

ii) Appointment of proxy, corporate representative or attorney

- a) Shareholder who has appointed a proxy(ies), corporate representative(s) or attorney(ies) to participate at the 49th AGM via RPV must ensure that the Form of Proxy is completed with required information, signed and dated. The Form of Proxy must be deposited in accordance with **Note 5** below.
- b) Shareholder must also request his/her proxy(ies), authorised representative or attorney to register himself/herself as a user with TIIH Online website at <https://tiih.online>.
- c) The representative of a corporation or institutional shareholder must register as a user in accordance with **Note 5 (ii) (b)** below before he/she can subscribe to this corporate holder electronic proxy submission.

iii) Documents relating to appointment as corporate representative

For a corporate member who has appointed a representative to participate via RPV at the 49th AGM, please deposit the **ORIGINAL** certificate of appointment with the Share Registrar of the Company, Tricor at the address as set out under **Note 5 (i)** below not later than **Sunday, 22 May 2022 at 10.00 a.m.** The certificate of appointment should be executed in the following manner:

- a) If the corporate member has a common seal, the certificate of appointment should be executed under seal in accordance with the constitution of the corporate member.
- b) If the corporate member does not have a common seal, the certificate of appointment should be affixed with the rubber stamp of the corporate member (if any) and executed by at least two (2) authorised officers, of whom one shall be a director; or any director and/or authorised officers in accordance with the laws of the country under which the corporate member is incorporated.

iv) Documents relating to appointment of proxy by power of attorney

- a) Any authority pursuant to which such an appointment is made by a power of attorney must be deposited with the Share Registrar of the Company, Tricor at the address as set out under **Note 5 (i)** below not later than **Sunday, 22 May 2022 at 10.00 a.m.**
- b) A copy of the power of attorney may be accepted provided it is certified notarially and/or in accordance with applicable legal requirements in the relevant jurisdiction in which it is executed.

ADMINISTRATIVE DETAILS FOR THE FORTY-NINTH ANNUAL GENERAL MEETING OF SIME DARBY PROPERTY BERHAD

5. Cut-off date and time for lodgement of Form of Proxy

Form of Proxy and/or documents relating to the appointment of proxy/corporate representative/attorney for the 49th AGM whether in hard copy or by electronic means shall be deposited or submitted in the following manner not later than **Sunday, 22 May 2022 at 10.00 a.m:**

i) In hard copy:

- a) By hand or post to the office of the Share Registrar of the Company, Tricor Investor & Issuing House Services Sdn Bhd at Unit 32-01, Level 32, Tower A, Vertical Business Suite, Avenue 3, Bangsar South, No. 8, Jalan Kerinchi, 59200 Kuala Lumpur or its Customer Service Centre at Unit G-3, Ground Floor, Vertical Podium, Avenue 3, Bangsar South, No. 8, Jalan Kerinchi, 59200 Kuala Lumpur;
- b) By fax at +603-2783 9222 or e-mail to is.enquiry@my.tricorglobal.com

ii) In electronic form via TIIH Online

- a) Steps for Individual Shareholders
 - Registration as a user of TIIH Online as set out under **Note 3 (i)** above.
 - As a registered user of TIIH Online, go to <https://tiih.online> and login with your user ID (e-mail address) and password.
 - Select the corporate exercise/event: **"Sime Darby Property 49th AGM - Submission of Proxy Form"**.
 - Read and agree to the Terms & Conditions and confirm the Declaration.
 - Insert your CDS account number and indicate the number of shares for your proxy(ies) to vote on your behalf.
 - Appoint your proxy(ies) and insert the required details of your proxy(ies) or appoint Chairman as your proxy.
 - Indicate your voting instructions – FOR or AGAINST, otherwise your proxy will decide your vote.
 - Review and confirm your proxy(ies) appointment.
 - Print the Form of Proxy for your record.
- b) Steps for authorised/nominated representative of corporation or institutional shareholders
 - Registration as user with TIIH Online
 - Access the TIIH Online at <https://tiih.online>.
 - Under "e-Services", select the **Sign Up** button followed by "Create Account by **Representative of Corporate Holder Account**".
 - Complete the registration form and upload the required documents.
 - Registration will be verified, and you will be notified by email within one (1) to two (2) working days.
 - Proceed to activate your account with the temporary password given in the email and reset your own password.
 - Prepare appointment of Proxy
 - As a registered user of TIIH Online, go to <https://tiih.online> and login with your user ID (e-mail address) and password.
 - Select the corporate exercise/event : **"Sime Darby Property 49th AGM : Submission of Proxy Form"**
 - Read and agree to the Terms & Conditions and confirm the Declaration.
 - Proceed to download the file format for "Submission of Proxy Form" in accordance with the Guidance Note given therein.
 - Prepare the file for the appointment of proxy(ies) by inserting the required data.
 - Submit proxy appointment file
 - Select corporate exercise/event: **"Sime Darby Property 49th AGM : Submission of Proxy Form"**.
 - Proceed to upload the duly completed proxy appointment file.
 - Select "Submit" to complete your submission.
 - Print the confirmation report of your submission for your record.

ADMINISTRATIVE DETAILS FOR THE FORTY-NINTH ANNUAL GENERAL MEETING OF SIME DARBY PROPERTY BERHAD

6. Submission of Questions for the 49th AGM

The Board recognises that the 49th AGM is a valuable opportunity for the Board to engage with shareholders. In order to enhance the efficiency of the proceedings of the 49th AGM, shareholders may in advance, before the 49th AGM, submit questions to the Board of Directors as follows:

i) Prior to 49th AGM

Shareholders may submit question in relation to the agenda items for the 49th AGM prior to the 49th AGM via TIIH Online at <https://tiih.online>, by selecting "e-Services" to login, pose questions and submit electronically not later than Sunday, 22 May 2022.

ii) During the meeting

Shareholders may use the Query Box facility to ask questions in real time (in the form of typed text) during the 49th AGM. The Board and Senior Management will be in attendance either at the Broadcast Venue or remotely to provide responses accordingly.

7. RPV on the date of 49th AGM

Subsequent to approved registration for the RPV, shareholders are advised to exercise your right to join the live streaming, participate and vote remotely at the 49th AGM. Your login to TIIH Online on the day of meeting will indicate your presence at the virtual meeting.

The procedures for the RPV facilities are as follows:

i) Login to TIIH Online

Login with your user ID (e-mail address) and password for remote participation at the 49th AGM at any time from 9.00 a.m. (i.e. 1 hour before the commencement of 49th AGM at 10.00 a.m.) on Tuesday, 24 May 2022.

ii) Participate through Live Streaming

- a) Select the corporate event: "**(Live Stream Meeting) Sime Darby Property Berhad 49th AGM**" to engage in the proceedings of the 49th AGM remotely.
- b) If you have any question for the Chairman/Board, you may use the **Query Box** to transmit your question. The Chairman/Board will try to respond to questions submitted by remote participants during the 49th AGM. If there is time constraint, the responses will be e-mailed to you at the earliest possible, after the meeting.
- c) Please note that the quality of your connection to the live broadcast is dependent on the bandwidth and stability of the Internet at your location and the device you use.

iii) Remote Online Voting

The Online Voting session commences from **10.00 a.m.** on **Tuesday, 24 May 2022** until a time when the Chairman announces the end of the session.

- a) Select the corporate event : "**(Remote Voting) Sime Darby Property 49th AGM**" or if you are on the Live Stream meeting page, you can select "**GO TO REMOTE VOTING PAGE**" button below the Query Box.
- b) Read and agree to the Terms & Conditions and confirm the Declaration.
- c) Select the CDS account that represents your shareholdings.
- d) Indicate your votes for the resolutions that are tabled for voting.
- e) Confirm and submit your votes.

ADMINISTRATIVE DETAILS FOR THE FORTY-NINTH ANNUAL GENERAL MEETING OF SIME DARBY PROPERTY BERHAD

iv) Helpline Contact

In the event you encounter any issues with logging-in, connection to the live stream meeting or online voting on the meeting day, kindly call Tricor Help Line at 011-4080 5616/011-4080 3168/011-4080 3169/011-4080 3170 for assistance or e-mail to tiih.online@my.tricorglobal.com for assistance.

v) End of remote participation

The Live Streaming will end upon the announcement made by the Chairman on the conclusion of the 49th AGM subsequent to the declaration on the outcome of the resolutions.

vi) No Door Gift(s) or Food Voucher(s)

There will be no distribution of door gift(s) or food voucher(s) to shareholders/proxies who participated the 49th AGM.

8. Poll Voting

The voting at the 49th AGM will be conducted by poll in accordance with Paragraph 8.29A of the Main Market Listing Requirements of Bursa Malaysia Securities Berhad ("Bursa Malaysia").

The Company has appointed Tricor as Poll Administrator to conduct the poll by way of online voting. Kindly note that the **online voting** session will commence from the start of the 49th AGM at **10.00 a.m.** until such time when the Chairman announces the end of the voting session. This is in line with the revised Guidance and FAQs on the Conduct of General Meetings for Listed Issuers issued by the Securities Commission Malaysia which states that members shall be allowed to cast their votes remotely and contemporaneously (live) during the proceeding of the general meeting.

The Company has also appointed Coopers Professional Scrutineers Sdn Bhd as Independent Scrutineers to verify the poll results.

The resolutions proposed at the 49th AGM and the results of the voting will be announced at the 49th AGM and subsequently via an announcement made by the Company through Bursa Malaysia at www.bursamalaysia.com.

9. No recording or photography

No recording or photography of the 49th AGM proceedings is allowed without the prior written permission of the Company.

10. Annual Report 2021

The Annual Report is available on the Company's website at www.simedarbyproperty.com and Bursa Malaysia's website at www.bursamalaysia.com under Company's announcements.

You may request for a printed copy of the Annual Report at <https://tiih.online> by selecting "Request for Annual Report" under the "Investor Services".

Kindly consider the environment before you decide to request for the printed copy of the Annual Report.

ADMINISTRATIVE DETAILS FOR THE FORTY-NINTH ANNUAL GENERAL MEETING OF SIME DARBY PROPERTY BERHAD

11. Enquiry

If you have any enquiry prior to the 49th AGM, please contact our Share Registrar, Tricor during office hours i.e. from 8.30 a.m. to 5.30 p.m. (Monday to Friday):

- i) Tel No. : +603-2783 9299 (General)
- ii) Fax No. : +603-2783 9222
- iii) Email : is.enquiry@my.tricorglobal.com
- iv) Officers : Ms. Lim Lay Kiow (603-2783 9232/Lay.Kiow.Lim@my.tricorglobal.com)
Puan Zakiah Wardi (603-2783 9287/Zakiah@my.tricorglobal.com)
Mr. Keith Lim (603-2783 9240/Keith.Lim@my.tricorglobal.com)

In view of the COVID-19 pandemic, the Company will observe the guidelines and procedures as may be issued by the Government from time to time which may affect the administration of the 49th AGM.

If there is any material change to the proceedings of the 49th AGM, the Company will issue announcement on the same. Kindly check the Company's website or announcements for the latest updates on the status of the 49th AGM. You may also contact the above Officers for information.