TA Enterprise Berhad

(Registration No. 199001003300 (194867-M))
(Incorporated in Malaysia)

and its subsidiaries

Financial statements for the year ended 31 December 2020

TA Enterprise Berhad
(Registration No. 199001003300 (194867-M))
(Incorporated in Malaysia)
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Directors' report for the year ended 31 December 2020

The Directors hereby submit their report and the audited financial statements of the Group and of the Company for the financial year ended 31 December 2020.

Principal activities

TA Enterprise Berhad was previously listed on the Main Market of Bursa Malaysia Securities Berhad before being delisted from the Official List of Bursa Securities with effect from 30 March 2021 pursuant to Paragraph 16.07 (a) of the Main Market Listing Requirements.

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

Subsidiaries

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

Results

	Group RM'000	Company RM'000
(Loss)/Profit for the year attributable to:		
Owners of the Company	(77,788)	30,254
Non-controlling interests	(89,006)	-
	(166,794)	30,254

Reserves and provisions

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

Dividends

Since the end of the previous financial year, the amount of dividend paid by the Company in respect of the financial year ended 31 December 2019 as reported in the Directors' Report of that year was an interim dividend of 1.00 sen per ordinary share totalling RM17,119,000 declared on 28 February 2020 and paid on 8 May 2020.

The Directors do not propose any final dividend for the financial year ended 31 December 2020.

Directors of the Company

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

Datuk Tiah Thee Kian
Datin Tan Kuay Fong
Zainab Binti Ahmad
Dato' Sri Mohamed Bin Abid
U Chin Wei (resigned on 31 May 2021)
Datuk Leong Kam Weng (resigned on 31 May 2021)
Christopher Koh Swee Kiat (resigned on 31 May 2021)
Datin Rahmah Binti Mahmood (resigned on 31 May 2021)
Ngiam Kee Tong (appointed on 29 September 2020 and resigned on 31 May 2021)

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

Datuk Tiah Thee Kian
Datin Tan Kuay Fong
Zainab Binti Ahmad
Dato' Sri Mohamed Bin Abid
U Chin Wei (resigned on 18 February 2021)
Datuk Leong Kam Weng (resigned on 18 February 2021)
Christopher Koh Swee Kiat (resigned on 18 February 2021)
Datin Rahmah Binti Mahmood (resigned on 18 February 2021)
Khoo Poh Kim @ Kimmy
Chew Chin Guan
Datuk Hamzah Bin Mohd Tahir
Liew Peng Kheun
Richard A/L Anthony Joseph
Shaari Bin Mat Hussin
Soo Kim Seong
Tah Heong Beng
Choo Swee Kee
Dr Wong Hong Meng (resigned on 4 November 2020)
Mohammed A'reeff Bin Abdul Khalid
Ahmed Fauzi Bin Mohamed
Nor Aziah Binti Ab Halim
Dayangku Shukarni Binti Awang Jolkipli
Nor Asma Binti Mohamed
Chen Yoke Ha @ Chen Yoke Har (resigned on 31 March 2021)
Chuah Wen Pin
Mohd Sahiful Bin Yazid Ziani
Ernest Yeap Kian Fuj
Lee Yen Foong
Dulsi Karabet
Ong Khay Soon
Peter John Tudehope
Tony Ong Thian Bok
Khong Kim Kong
Lee Medd
Tiah Ee Laine
Tiah Joo Kim
Yip Kam Mun
Chau Koan Hung

Directors of the Company (continued)

Jimmy Wong
Mike Mootien
Jannette N. Pel
Joan Christian P. Reyes
Rubie Joy N. Pregoner
Tan Kuay Geok
Kornwichit Chapin (resigned on 11 March 2021)
Ngiam Kee Tong (appointed on 27 November 2020)
Yaw Chun Soon (appointed on 30 September 2020 and resigned on 18 February 2021)
Tawee Saengrung (appointed on 23 March 2021)

Directors' interests in shares

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

	Number of ordinary shares			
	At 1.1.2020	**Bought**	**Sold**	**At 31.12.2020**
Interest in the Company				
Datuk Tiah Thee Kian				
- direct	717,492,100	649,503,572	-	1,366,995,672
- others @	1,018,000	113,826,483	-	114,844,483
Datin Tan Kuay Fong				
- direct	5,296,000	2,887,848	-	8,183,848
- others @	1,018,000	113,826,483	-	114,844,483
Dato' Sri Mohamed Bin Abid				
- direct	100,000	-	-	100,000
Christopher Koh Swee Kiat				
- direct	16,000	40,270	-	56,270
Zainab Binti Ahmad				
- direct	-	85,500	-	85,500
Interest in the subsidiary – TA Global Berhad ("TA Global")				
Datuk Tiah Thee Kian				
- direct	538,841,938	7,407,600	(546,249,538)	-
- others @	266,260,782	-	(266,260,782)	-
Datin Tan Kuay Fong				
- direct	6,755,200	-	(6,755,200)	-
- others @	266,260,782	-	(266,260,782)	-
Zainab Binti Ahmad				
- direct	200,000	-	(200,000)	-
Dato' Sri Mohamed Bin Abid				
- direct	529,880	-	(529,880)	-
- others @	15,360	-	-	15,360
Datuk Leong Kam Weng				
- direct	60,000	-	(60,000)	-
- others #	66,000	-	(66,000)	-

Directors' interests in shares (continued)

	Number of ordinary shares			
	At 1.1.2020	Bought	Sold	At 31.12.2020
Interest in the subsidiary – TA Global Berhad ("TA Global") (continued)				
U Chin Wei				
- direct	156,000	-	(156,000)	-
Christopher Koh Swee Kiat				
- direct	94,200	-	(94,200)	-
Datin Rahmah Binti Mahmood				
- direct	105,000	-	(105,000)	-

\# Indirect interest held through spouse @ Indirect interest held through children

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

None of the other Directors holding office at 31 December 2020 had any interest in the shares of the Company and of its related corporations during the financial year.

Directors' benefits

Since the end of the previous financial year, no Director of the Company has received nor become entitled to receive any benefit (other than those fees and other benefits included in the aggregate amount of remuneration received or due and receivable by Directors as shown in the financial statements or the fixed salary of a full time employee of the Company or of the related corporations) by reason of a contract made by the Company or a related corporation with the Director or with a firm of which the Director is a member, or with a company in which the Director has a substantial financial interest other than certain Directors who have substantial financial interests in companies which traded with certain companies in the Group in the ordinary course of business and legal fees paid to certain firms in which certain Directors have interests as disclosed in Note 39 to the financial statements.

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

Issue of shares and debentures

During the financial year, the Company increased its issued and paid-up ordinary shares from 1,711,910,000 shares to 2,493,301,000 shares at RM0.655 for each ordinary share pursuant to the takeover exercise as disclosed in Note 40.1 to the financial statements to acquire additional interest in TA Global Berhad ("TAG"), a subsidiary of the Company, by way of:

(i) cash consideration of RM272,368,000 for 415,830,000 shares; and
(ii) shares exchange in-kind of RM239,442,000 based on the exchange ratio of 0.4275 of the Company each for every 1 TAG's share surrendered.

The newly issued ordinary shares rank pari passu in all respects with the existing shares of the Company.

Issue of shares and debentures (continued)

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

Options granted over unissued shares

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

Indemnity and insurance costs

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

Other statutory information

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

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

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

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

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

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

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

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

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

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

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

Other statutory information (continued)

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

In the opinion of the Directors, except for those disclosed in Note 3.1 and Note 7.3 to the financial statements, the financial performance of the Group and of the Company for the financial year ended 31 December 2020 have not been substantially affected by any item, transaction or event of a material and unusual nature nor has any such item, transaction or event occurred in the interval between the end of that financial year and the date of this report.

Significant events during and after the financial year end

The significant events during and after the financial year end of the Group and of the Company are as disclosed in Note 40 and Note 41 respectively to the financial statements.

Auditors

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

The auditors' remuneration is disclosed in Note 31 to the financial statements.

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

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

……………………………………………
Datuk Tiah Thee Kian
Director

Kuala Lumpur

Date: 9 August 2021

TA Enterprise Berhad
(Registration No. 199001003300 (194867-M))
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Statements of financial position as at 31 December 2020

	Note	Group 2020 RM'000	Group 2019 RM'000	Company 2020 RM'000	Company 2019 RM'000
Assets					
Property, plant and equipment	3	1,870,716	2,069,003	1,347	1,501
Investment properties	4	535,370	536,889	-	-
Right-of-use assets	5	349,878	352,843	6,028	81
Inventories	6	641,483	631,386	-	-
Intangible assets	7	298,141	332,921	227	405
Investments in subsidiaries	8	-	-	2,716,687	2,174,826
Investment in an associate	9	15,492	15,589	-	-
Investments in joint ventures	10	5,426	117,599	-	-
Investments in securities	11	3,837	86,166	2,902	2,745
Deferred tax assets	12	19,161	13,354	2	-
Receivables	13	27,078	10,139	77,691	59,145
Total non-current assets		3,766,582	4,165,889	2,804,884	2,238,703
Inventories	6	217,897	115,328	-	-
Contract assets	14	16,599	42,381	-	-
Contract cost	15	16,387	9,866	-	-
Investments in securities	11	1,047,358	371,252	-	-
Receivables	13	475,611	343,759	2,182	14,808
Derivatives	16	84	839	-	-
Tax recoverable		14,315	23,701	4,091	3,505
Other investment	17	7,302	51,238	-	-
Cash and bank balances	18	905,106	1,174,429	2,418	5,725
Total current assets		2,700,659	2,132,793	8,691	24,038
Total assets		6,467,241	6,298,682	2,813,575	2,262,741

Statements of financial position as at 31 December 2020 (continued)

	Note	Group 2020 RM'000	Group 2019 RM'000	Company 2020 RM'000	Company 2019 RM'000
Equity					
Share capital		2,286,928	1,775,118	2,286,928	1,775,118
Reserves		1,183,406	756,227	296,871	283,579
Total equity attributable to owners of the Company	19	3,470,334	2,531,345	2,583,799	2,058,697
Non-controlling interests	8.3	100,704	1,238,570	-	-
Total equity		3,571,038	3,769,915	2,583,799	2,058,697
Liabilities					
Deferred tax liabilities	12	192,331	203,928	-	25
Borrowings	20	700,852	540,923	-	-
Lease liabilities		1,114	812	5,057	68
Provisions	22	3,692	5,699	-	-
Total non-current liabilities		897,989	751,362	5,057	93
Borrowings	20	1,617,832	1,387,982	221,190	189,274
Lease liabilities		1,202	1,569	1,100	15
Payables	21	317,079	337,841	2,429	14,662
Provisions	22	12,108	12,233	-	-
Contract liabilities	14	37,547	30,078	-	-
Derivatives	16	4,222	1,251	-	-
Income tax payables		8,224	6,451	-	-
Total current liabilities		1,998,214	1,777,405	224,719	203,951
Total liabilities		2,896,203	2,528,767	229,776	204,044
Total equity and liabilities		6,467,241	6,298,682	2,813,575	2,262,741

The notes on pages 20 to 189 are an integral part of these financial statements.

TA Enterprise Berhad
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Statements of profit or loss for the year ended 31 December 2020

	Note	Group 2020 RM'000	Group 2019 RM'000	Company 2020 RM'000	Company 2019 RM'000
Revenue	23	715,016	882,123	48,281	68,240
Other income	24	60,772	57,478	2,499	14,962
Net gain from investments in securities	25	90,720	204,244	196	98
Property development expenditure recognised as expense		(77,739)	(31,149)	-	-
Cost of inventories	6	(21,948)	(47,644)	-	-
Personnel costs	26	(227,913)	(305,863)	(9,974)	(12,975)
Depreciation		(99,527)	(105,031)	(1,246)	(185)
Remisiers', agents' and futures broker representatives' commissions		(157,215)	(61,711)	-	-
Foreign exchange gain/(loss), net		27,813	43,487	(5)	(36)
Net (loss)/reversal on impairment of financial assets		(15,304)	(677)	(79)	43
Impairment loss on property, plant and equipment	3	(161,892)	(41,783)	-	-
Impairment loss on intangible assets	7	(45,016)	(5,046)	-	-
Other expenses		(186,873)	(303,863)	(4,828)	(6,021)
Operating (loss)/profit		(99,106)	284,565	34,844	64,126
Finance income	28	12,263	22,318	3,417	3,124
Finance costs	29	(54,347)	(65,996)	(7,908)	(8,402)
Share of (loss)/profit in an associate, net of tax	9	(97)	113	-	-
Share of loss in joint ventures, net of tax	10	(69)	(37)	-	-
(Loss)/Profit before tax		(141,356)	240,963	30,353	58,848
Tax expense	30	(25,438)	(39,543)	(99)	(3,347)
(Loss)/Profit for the year	31	(166,794)	201,420	30,254	55,501
(Loss)/Profit attributable to:					
Owners of the Company		(77,788)	151,208	30,254	55,501
Non-controlling interests		(89,006)	50,212	-	-
(Loss)/Profit for the year		(166,794)	201,420	30,254	55,501
Basic (loss)/earnings per ordinary share (sen)	32	(4.51)	8.83		

The notes on pages 20 to 189 are an integral part of these financial statements.

TA Enterprise Berhad
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Statements of profit or loss and other comprehensive income for the year ended 31 December 2020

	Note	Group 2020 RM'000	Group 2019 RM'000	Company 2020 RM'000	Company 2019 RM'000
(Loss)/Profit for the year		(166,794)	201,420	30,254	55,501
Other comprehensive income/(loss), net of tax:					
Items that are or may be reclassified subsequently to profit or loss:					
Net gain/(loss) on foreign currency translation differences		16,583	(20,302)	-	-
Reclassification of foreign currency differences on loss of control	40.3	297	-	-	-
Debt investments measured at fair value through other comprehensive income					
- Net fair value gain		3,118	10,742	-	-
- Reclassification to profit or loss		(4,999)	758	-	-
		14,999	(8,802)	-	-
Items that will not be reclassified subsequently to profit or loss:					
Net change in fair value of equity instrument designated at fair value through other comprehensive income		157	(14)	157	(14)
Other comprehensive income/(loss) for the year, net of tax		15,156	(8,816)	157	(14)
Total comprehensive (loss)/ income for the year		(151,638)	192,604	30,411	55,487
Total comprehensive (loss)/ income attributable to:					
Owners of the Company		(71,994)	144,617	30,411	55,487
Non-controlling interests		(79,644)	47,987	-	-
Total comprehensive (loss)/income for the year		(151,638)	192,604	30,411	55,487

The notes on pages 20 to 189 are an integral part of these financial statements.

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Consolidated statement of changes in equity for the year ended 31 December 2020

Group	Note	Share capital RM'000	Capital reserve RM'000	Fair value reserve RM'000	Exchange translation reserve RM'000	Retained earnings RM'000	Total RM'000	Non-controlling interests RM'000	Total equity RM'000
		/------------------*Attributable to owners of the Company*----------------/							
		/--------------*Non-distributable*----------------/				*Distributable*			
At 1 January 2019		1,775,118	10,485	(1,872)	332,830	340,082	2,456,643	1,230,079	3,686,722
Foreign currency translation differences for foreign operations		-	-	-	(13,472)	-	(13,472)	(6,830)	(20,302)
Net change in fair value of equity investment designated at FVOCI		-	-	(14)	-	-	(14)	-	(14)
Debt investments measured at FVOCI		-	-	6,895	-	-	6,895	4,605	11,500
Other comprehensive income/(loss) for the year		-	-	6,881	(13,472)	-	(6,591)	(2,225)	(8,816)
Profit for the year		-	-	-	-	151,208	151,208	50,212	201,420
Total comprehensive income/(loss) for the year		-	-	6,881	(13,472)	151,208	144,617	47,987	192,604
Contributions by and distributions to owners of the Group									
- Dividend to owners of the Group	33	-	-	-	-	(70,188)	(70,188)	-	(70,188)
- Distribution equalisation in unit trust fund		-	-	-	-	230	230	-	230
- Dividend to non-controlling interests		-	-	-	-	-	-	(34,047)	(34,047)
		-	-	-	-	(69,958)	(69,958)	(34,047)	(104,005)
Changes in ownership interests in a subsidiary		-	-	-	-	-	-	1,685	1,685
Disposal of a subsidiary		-	-	-	-	-	-	(7,134)	(7,134)
Total transactions with owners of the Group		-	-	-	-	(69,958)	(69,958)	(39,496)	(109,454)
Redemption of preference shares by subsidiaries		-	27,443	-	-	(27,400)	43	-	43
At 31 December 2019		1,775,118	37,928	5,009	319,358	393,932	2,531,345	1,238,570	3,769,915
		Note 19	Note 19	Note 19	Note 19			Note 8.3	

Consolidated statement of changes in equity for the year ended 31 December 2020 (continued)

Group	Note	Share capital RM'000	Capital reserve RM'000	Fair value reserve RM'000	Exchange translation reserve RM'000	Retained earnings RM'000	Total RM'000	Non-controlling interests RM'000	Total equity RM'000
		/--------Attributable to owners of the Company				--------/			
		/--------Non-distributable			--------/	Distributable			
At 1 January 2020		1,775,118	37,928	5,009	319,358	393,932	2,531,345	1,238,570	3,769,915
Foreign currency translation differences for foreign operations		-	-	-	7,289	-	7,289	9,294	16,583
Reclassification of foreign currency differences on loss of control	40.3	-	-	-	179	-	179	118	297
Liquidation of subsidiary		-	(181)	-	181	-	-	-	-
Net change in fair value of equity investment designated at FVOCI		-	-	157	-	-	157	-	157
Debt investments measured at FVOCI		-	-	(1,831)	-	-	(1,831)	(50)	(1,881)
Other comprehensive (loss)/income for the year		-	(181)	(1,674)	7,649	-	5,794	9,362	15,156
Loss for the year		-	-	-	-	(77,788)	(77,788)	(89,006)	(166,794)
Total comprehensive (loss)/income for the year		-	(181)	(1,674)	7,649	(77,788)	(71,994)	(79,644)	(151,638)
Contributions by and distributions to owners of the Group									
- Dividend to owners of the Group	33	-	-	-	-	(17,119)	(17,119)	-	(17,119)
		-	-	-	-	(17,119)	(17,119)	-	(17,119)
Changes in ownership interests in a subsidiary	40.1	511,810	22	583	54,594	461,093	1,028,102	(1,058,222)	(30,120)
Total transactions with owners of the Group		511,810	22	583	54,594	443,974	1,010,983	(1,058,222)	(47,239)
At 31 December 2020		2,286,928	37,769	3,918	381,601	760,118	3,470,334	100,704	3,571,038
		Note 19	Note 19	Note 19	Note 19			Note 8.3	

The notes on pages 20 to 189 are an integral part of these financial statements.

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Statement of changes in equity for the year ended 31 December 2020

		/-------*Attributable to owners of the Company*-----/			
		/---*Non-distributable*----/		*Distributable*	
	Note	**Share capital RM'000**	**Fair value reserve RM'000**	**Retained earnings RM'000**	**Total equity RM'000**
Company					
At 1 January 2019		1,775,118	2,269	296,011	2,073,398
Net change in fair value of equity investment designated at FVOCI		-	(14)	-	(14)
Profit for the year		-	-	55,501	55,501
Total comprehensive (loss)/income for the year		-	(14)	55,501	55,487
Contributions by and distributions to owners of the Company					
- Dividend to owners of the Company	33	-	-	(70,188)	(70,188)
Total transactions with owners of the Company		-	-	(70,188)	(70,188)
At 31 December 2019/ 1 January 2020		1,775,118	2,255	281,324	2,058,697
Net change in fair value of equity investment designated at FVOCI		-	157	-	157
Profit for the year		-	-	30,254	30,254
Total comprehensive income for the year		-	157	30,254	30,411
Contributions by and distributions to owners of the Company					
- Issue of ordinary shares		511,810	-	-	511,810
- Dividend to owners of the Company	33	-	-	(17,119)	(17,119)
Total transactions with owners of the Company		511,810	-	(17,119)	494,691
At 31 December 2020		2,286,928	2,412	294,459	2,583,799
		Note 19	Note 19		

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TA Enterprise Berhad
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Statements of cash flows for the year ended 31 December 2020

	Group		Company	
	2020 RM'000	**2019 RM'000**	**2020 RM'000**	**2019 RM'000**
Cash flows from operating activities				
(Loss)/Profit before tax	(141,356)	240,963	30,353	58,848
Adjustments for:				
Amortisation of intangible assets	655	770	205	202
Bad debt written off	526	851	-	-
Deemed fee income from provision of financial guarantees	-	-	(1,016)	(1,910)
Depreciation	99,527	105,031	1,246	185
Net fair value loss/(gain) on fair value through profit or loss ("FVTPL") investment	28,824	(134,313)	-	-
Net loss/(gain) on disposal of:				
- property, plant and equipment	(417)	629	-	-
- investments in subsidiary	-	(7,325)	-	(322)
Net gain on derecognition of investment property	(2,700)	-	-	-
Gain on redemption of preference share in a subsidiary	-	-	-	(12,594)
Gross dividends income	(2,809)	(2,831)	(41,901)	(61,429)
Interest expense	54,347	65,996	7,908	8,402
Interest income	(75,975)	(82,622)	(3,417)	(3,124)
Net allowance for/(reversal of) impairment on:				
- property, plant and equipment	161,892	41,783	-	-
- intangible assets	45,016	5,046	-	-
- right-of-use assets	-	2,075	-	-
- investments in subsidiaries	-	-	(1,476)	1,118
- financial assets	15,304	677	79	(43)
Net gain on disposal/redemption of investments in securities	(58,562)	(12,115)	-	-
Net unrealised (gain)/loss in foreign exchange translation	(56,814)	(30,960)	6	3
Property, plant and equipment written off	5	516	-	18
Investment properties written off	-	26	-	-
Net (reversal)/provision for employee benefits	(2,132)	920	-	-
Net share of loss/(profit) from an associate/joint ventures, net of tax	166	(76)	-	-
Operating profit/(loss) before changes in working capital	65,497	195,041	(8,013)	(10,646)

Statements of cash flows for the year ended 31 December 2020 (continued)

	Group 2020 RM'000	Group 2019 RM'000	Company 2020 RM'000	Company 2019 RM'000
Cash flows from operating activities (continued)				
Changes in working capital:				
Contract assets	25,782	(34,124)	-	-
Contract costs	(6,521)	(1,310)	-	-
Contract liabilities	7,469	2,182	-	-
Inventories	(8,712)	(18,509)	-	-
Payables	153,416	(40,799)	(12,264)	5,625
Receivables	(168,648)	45,404	12,505	(5,611)
Cash generated from/(used in) operations	68,283	147,885	(7,772)	(10,632)
Interest received	13,909	16,912	-	-
Interest paid	(2,693)	(3,238)	(355)	(90)
Taxes paid	(30,759)	(97,525)	(712)	(1,525)
Net cash generated from/(used in) operating activities	48,740	64,034	(8,839)	(12,247)
Cash flows from investing activities				
Acquisition of a business	-	(314,626)	-	-
Decrease/(increase) in pledged deposits from investing facilities	218,383	(106,632)	-	-
Dividends received	2,809	2,831	41,901	61,429
Interest received	62,231	65,680	3,475	3,124
Investment in an associate	-	(28)	-	-
Increase in ownership interest in subsidiaries	(302,488)	-	(302,488)	(482)
(Drawdown)/Repayment of loan from subsidiaries	-	-	(18,557)	11,500
Outflow from deconsolidation of subsidiaries	(301)	-	-	-
Disposal of subsidiaries, net of cash disposed	-	13,188	-	3,140
(Payment for)/Proceeds from disposal of:				
- property, plant and equipment	575	-	-	-
- derivatives	(378)	39,109	-	-
- investment in securities	1,950,340	412,478	-	-
Proceeds from redemption of:				
- investment in securities	147,410	1,510,626	-	-
- other investment	44,086	-	-	-
- preference shares	-	-	2,560	-
Proceeds from share application money pending allotment	46	-	46	-

Statements of cash flows for the year ended 31 December 2020 (continued)

	Group		Company	
	2020 RM'000	2019 RM'000	2020 RM'000	2019 RM'000
Cash flows from investing activities (continued)				
Acquisition of:				
- intangible assets	(333)	(703)	(27)	(140)
- investment properties	(18,476)	(7,341)	-	-
- right-of-use assets	-	(633)	-	-
- investment in securities	(2,750,573)	(1,557,054)	-	-
- property, plant and equipment	(13,409)	(18,037)	-	(464)
- other investments	-	(48,212)	-	-
Decrease/(Increase) in restricted cash	5,994	(8,207)	-	-
Net cash (used in)/generated from investing activities	(654,084)	(17,561)	(273,090)	78,107
Cash flows from financing activities				
Proceeds from issuance of shares	272,368	-	272,368	-
Drawdown of borrowings	589,428	277,421	45,050	110,250
Repayment of borrowings	(170,452)	(289,046)	(13,000)	(104,000)
Dividend paid to:				
- owners of the Company	(17,119)	(70,188)	(17,119)	(70,188)
- non-controlling interests	-	(34,047)	-	-
Interest paid	(65,935)	(62,938)	(7,707)	(8,269)
Payment of lease liabilities	(1,535)	(1,109)	(965)	(14)
Repayment to joint venture	(54,444)	-	-	-
Net cash generated from/(used in) financing activities	552,311	(179,907)	278,627	(72,221)
Net decrease in cash and cash equivalents	(53,033)	(133,434)	(3,302)	(6,361)
Effect of exchange rate fluctuations on cash held	3,689	(519)	(5)	(3)
Cash and cash equivalents at 1 January	387,182	521,135	5,725	12,089
Cash and cash equivalents at 31 December	337,838	387,182	2,418	5,725

Statements of cash flows for the year ended 31 December 2020 (continued)

Notes to the statements of cash flows

(i) Cash and cash equivalents

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

		Group		Company	
	Note	2020 RM'000	2019 RM'000	2020 RM'000	2019 RM'000
Cash and bank balances	18	905,794	1,175,857	2,418	5,725
Less: Remisiers' monies		(27,918)	(24,260)	-	-
Pledged for bank facilities		(493,503)	(711,886)	-	-
Restricted cash		(46,535)	(52,529)	-	-
Cash and cash equivalents		337,838	387,182	2,418	5,725

(ii) Cash outflows for leases as a lessee

	Group		Company	
	2020 RM'000	2019 RM'000	2020 RM'000	2019 RM'000
Included in net cash from operating activities:				
Payment relating to short-term leases	1,387	827	128	1,473
Payment relating to low value assets	2	225	-	-
Interest paid in relation to lease liabilities	106	180	292	5
Included in net cash from financing activities:				
Payment of lease liabilities	1,535	1,109	965	14
Total cash outflows for leases	3,030	2,341	1,385	1,492

Statements of cash flows for the year ended 31 December 2020 (continued)

Notes to the statements of cash flows (continued)

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

	Group			Company			
	Borrowings RM'000	Lease liabilities RM'000	Total RM'000	Borrowings RM'000	Lease liabilities RM'000	Due to subsidiaries RM'000	Total RM'000
As at 1 January 2019	1,933,570	3,490	1,937,060	182,918	97	15,202	198,217
Changes from financing activities							
Drawdown of borrowings	277,421	-	277,421	110,250	-	-	110,250
Payment of lease liabilities	-	(1,109)	(1,109)	-	(14)	-	(14)
Repayment of borrowings	(289,046)	-	(289,046)	(104,000)	-	-	(104,000)
Interest paid	(62,938)	-	(62,938)	(8,094)	-	(175)	(8,269)
Total changes from financing cash flows	(74,563)	(1,109)	(75,672)	(1,844)	(14)	(175)	(2,033)
Other changes							
Interest expense	63,509	-	63,509	8,200	5	140	8,345
Redemption of preference shares in lieu of settlement of amount due to a subsidiary	-	-	-	-	-	(12,461)	(12,461)
Other changes	6,389	-	6,389	-	(5)	4,949	4,944
Total liabilities related other changes	69,898	-	69,898	8,200	-	(7,372)	828
As at 31 December 2019	1,928,905	2,381	1,931,286	189,274	83	7,655	197,012
	Note 20			Note 20		Note 21.4	

Statements of cash flows for the year ended 31 December 2020 (continued)

Notes to the statements of cash flows (continued)

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

	Group				Company			
	Borrowings RM'000	**Lease liabilities RM'000**	**Due to joint venture RM'000**	**Total RM'000**	**Borrowings RM'000**	**Lease liabilities RM'000**	**Due to subsidiaries RM'000**	**Total RM'000**
As at 1 January 2020	1,928,905	2,381	69,014	2,000,300	189,274	83	7,655	197,012
Changes from financing activities								
Drawdown of borrowings	589,428	-	-	589,428	45,050	-	-	45,050
Payment of lease liabilities	-	(1,535)	-	(1,535)	-	(965)	-	(965)
Repayment of borrowings	(170,452)	-	-	(170,452)	(13,000)	-	-	(13,000)
Repayment to joint venture	-	-	(54,444)	(54,444)	-	-	-	-
Interest paid	(65,935)	-	-	(65,935)	(7,448)	-	(259)	(7,707)
Total changes from financing cash flows	353,041	(1,535)	(54,444)	297,062	24,602	(965)	(259)	23,378
Other changes								
Interest expense	51,555	106	-	51,661	7,314	292	259	7,865
Foreign exchange differences	(14,817)	-	-	(14,817)	-	-	-	-
Offset with return of capital contribution from joint venture	-	-	(14,405)	(14,405)	-	-	-	-
Other changes	-	1,364	-	1,364	-	6,747	(7,098)	(351)
Total liabilities related other changes	36,738	1,470	(14,405)	23,803	7,314	7,039	(6,839)	7,514
As at 31 December 2020	2,318,684	2,316	165	2,321,165	221,190	6,157	557	227,904
	Note 20		Note 21.4		Note 20		Note 21.4	

The notes on pages 20 to 189 are an integral part of these financial statements.

Notes to the financial statements

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

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

TA Enterprise Berhad was previously listed on the Main Market of Bursa Malaysia Securities Berhad before being delisted from the Official List of Bursa Securities with effect from 30 March 2021 pursuant to Paragraph 16.07 (a) of the Main Market Listing Requirements.

The consolidated financial statements of the Company as at and for the financial year ended 31 December 2020 comprise the Company and its subsidiaries (together referred to as the "Group" and individually referred to as "Group entities") and the Group's interests in an associate and joint ventures. The financial statements of the Company as at and for the year ended 31 December 2020 do not include other entities.

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

The financial statements were authorised for issue by the Board of Directors on 9 August 2021.

1. Basis of preparation

(a) Statement of compliance

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

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

MFRSs, interpretations and amendments effective for annual periods beginning on or after 1 June 2020
- Amendment to MFRS 16*, Leases – COVID-19-Related Rent Concessions*

1. Basis of preparation (continued)

(a) Statement of compliance (continued)

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

- Amendments to MFRS 9, *Financial Instruments*, MFRS 139, *Financial Instruments: Recognition and Measurement*, MFRS 7, *Financial Instruments: Disclosures*, MFRS 4, *Insurance Contracts* and MFRS 16, *Leases – Interest Rate Benchmark Reform – Phase 2*

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

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

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

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

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

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

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

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

1. Basis of preparation (continued)

(a) Statement of compliance (continued)

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

- from the annual period beginning on 1 January 2021 for those amendments that are effective for annual periods beginning on or after 1 June 2020 and 1 January 2021, except for amendments to MFRS 4, *Insurance Contracts*, which is not applicable to the Group and the Company.

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

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

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

(b) Basis of measurement

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

(c) Functional and presentation currency

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

(d) Use of estimates and judgements

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

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

1. Basis of preparation (continued)

(d) Use of estimates and judgements (continued)

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

- *Note 2(l)(ii) and Note 3 – Impairment on property, plant and equipment*
- *Note 2(l)(ii) and Note 7 – Impairment on intangible assets*
- *Note 2(p)(ii) and Note 23.2 – Revenue recognition*
- *Preparation of the financial statements on a going concern basis*

The Group incurred a net loss of RM166 million during the year ended 31 December 2020 and as of that date, the Company's current liabilities exceeded its current assets by RM216 million. The net loss of the Group is primarily contributed by the non-cash impairment loss on property, plant and equipment of RM162 million (Note 3) and non-cash impairment loss on goodwill of RM45 million (Note 7) recognised as at 31 December 2020 in the hotel operations segment.

In the preparation of the financial statements on going concern basis, the Directors have considered the Group's and the Company's ability to obtain continuing support from its bankers to rollover short-term borrowings and the waiver of loan covenant terms on one of the secured bank borrowings (Note 20.3) to correspond with the funding requirements of its long-term business plan.

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

2. Significant accounting policies

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

(a) Basis of consolidation

(i) Subsidiaries

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

2. Significant accounting policies (continued)

(a) Basis of consolidation (continued)

(i) Subsidiaries (continued)

The Group controls an entity when it is exposed, or has rights, to variable returns from its involvement with the entity and has the ability to affect those returns through its power over the entity. Potential voting rights are considered when assessing control only when such rights are substantive. The Group also considers it has *de facto* power over an investee when, despite not having the majority of voting rights, it has the current ability to direct the activities of the investee that significantly affect the investee's return.

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

(ii) Business combinations

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

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

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

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

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

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

2. Significant accounting policies (continued)

(a) Basis of consolidation (continued)

(iii) Acquisitions of non-controlling interests

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

(iv) Loss of control

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

(v) Associates

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

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

When the Group's share of losses exceeds its interest in an associate, the carrying amount of that interest including any long-term investments is reduced to zero, and the recognition of further losses is discontinued except to the extent that the Group has an obligation or has made payments on behalf of the associates.

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

2. Significant accounting policies (continued)

(a) Basis of consolidation (continued)

(v) Associates (continued)

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

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

(vi) Joint arrangements

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

Joint arrangements are classified and accounted for as follows:

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

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

(vii) Non-controlling interests

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

2. Significant accounting policies (continued)

(a) Basis of consolidation (continued)

(vii) Non-controlling interests (continued)

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

(viii) Transactions eliminated on consolidation

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

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

(b) Foreign currency

(i) Foreign currency transactions

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

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

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

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

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

2. Significant accounting policies (continued)

(b) Foreign currency (continued)

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

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

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

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

(c) Financial instruments

(i) Recognition and initial measurement

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

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

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

2. Significant accounting policies (continued)

(c) Financial instruments (continued)

(ii) Financial instrument categories and subsequent measurement

Financial assets

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

(a) Amortised cost

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

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

(b) Fair value through other comprehensive income

(i) Debt investments

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

2. Significant accounting policies (continued)

(c) Financial instruments (continued)

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

Financial assets (continued)

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

(i) Debt investments (continued)

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

(ii) Equity investment

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

(c) Fair value through profit or loss

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

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

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

2. Significant accounting policies (continued)

(c) Financial instruments (continued)

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

Financial liabilities

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

(a) Fair value through profit or loss

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

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

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

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

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

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

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

2. Significant accounting policies (continued)

(c) Financial instruments (continued)

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

Financial liabilities (continued)

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

(b) Amortised cost

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

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

(iii) Regular way purchase or sale of financial assets

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

Trade date accounting refers to:

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

Settlement date accounting refers to:

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

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

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

2. Significant accounting policies (continued)

(c) Financial instruments (continued)

(iv) Financial guarantee contracts

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

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

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

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

(v) Derecognition

A financial asset or part of it is derecognised when, and only when, the contractual rights to the cash flows from the financial asset expired or transferred, or control of the asset is not retained or substantially all of the risks and rewards of ownership of the financial asset are transferred to another party. On derecognition of a financial asset, the difference between the carrying amount of the financial asset and the sum of consideration received (including any new asset obtained less any new liability assumed) is recognised in profit or loss.

A financial liability or a part of it is derecognised when, and only when, the obligation specified in the contract is discharged, cancelled or expires. A financial liability is also derecognised when its terms are modified and the cash flows of the modified liability are substantially different, in which case, a new financial liability based on modified terms is recognised at fair value. On derecognition of a financial liability, the difference between the carrying amount of the financial liability extinguished or transferred to another party and the consideration paid, including any non-cash assets transferred or liabilities assumed, is recognised in profit or loss.

(vi) Offsetting

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

2. Significant accounting policies (continued)

(d) Property, plant and equipment

(i) Recognition and measurement

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

Cost includes expenditures that are directly attributable to the acquisition of the asset and any other costs directly attributable to bringing the asset to working condition for its intended use, and the costs of dismantling and removing the items and restoring the site on which they are located. The cost of self-constructed assets also includes the cost of materials and direct labour. For qualifying assets, borrowing costs are capitalised in accordance with the accounting policy on borrowing costs. Cost also may include transfers from equity of any gain or loss on qualifying cash flow hedges of foreign currency purchases of property, plant and equipment.

Purchased software that is integral to the functionality of the related equipment is capitalised as part of that equipment.

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

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

(ii) Subsequent costs

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

(iii) Depreciation

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

2. Significant accounting policies (continued)

(d) Property, plant and equipment (continued)

(iii) Depreciation (continued)

Depreciation is recognised in profit or loss on a straight-line basis or diminishing balance method over the estimated useful lives of each component of an item of property, plant and equipment from the date that they are available for use. Freehold land is not depreciated. Property, plant and equipment under construction are not depreciated until the assets are ready for their intended use.

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

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

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

(e) Leases

(i) Definition of a lease

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

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

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

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

2. Significant accounting policies (continued)

(e) Leases (continued)

(i) Definition of a lease (continued)

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

(ii) Recognition and initial measurement

(a) As a lessee

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

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

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

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

2. Significant accounting policies (continued)

(e) Leases (continued)

(ii) Recognition and initial measurement (continued)

(a) As a lessee (continued)

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

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

(b) As a lessor

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

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

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

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

(iii) Subsequent measurement

(a) As a lessee

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

2. Significant accounting policies (continued)

(e) Leases (continued)

(iii) Subsequent measurement (continued)

(a) As a lessee (continued)

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

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

(b) As a lessor

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

(f) Intangible assets

(i) Goodwill

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

(ii) Other intangible assets

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

(iii) Subsequent expenditure

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

2. Significant accounting policies (continued)

(f) Intangible assets (continued)

(iv) Amortisation

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

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

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

• Trading rights	5 years
• Software	3 years

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

(g) Investment properties

Investment properties carried at cost

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

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

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

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

• Buildings	50 – 58 years

2. Significant accounting policies (continued)

(g) Investment properties (continued)

Investment properties carried at cost (continued)

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

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

(h) Inventories

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

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

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

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

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

2. Significant accounting policies (continued)

(i) Contract assets/(Contract liabilities)

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

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

(j) Contract cost

(i) Incremental cost of obtaining a contract

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

(ii) Costs to fulfil a contract

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

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

(k) Cash and cash equivalents

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

2. Significant accounting policies (continued)

(k) Cash and cash equivalents (continued)

Monies held-in-trust

In accordance with Financial Reporting Standards Implementation Committee Consensus 18 ("FRSIC 18"), *Monies Held-in-Trust by a Participating Organisation of Bursa Malaysia Securities Berhad* are not recognised as part of the entity's assets with the corresponding liabilities as the entity neither has control over the trust monies nor has any contractual or statutory obligation to its clients on the money deposited in the trust account that would result in an outflow of resources embodying economic benefits from the entity.

This accounting treatment is consistent with the definition of assets and liabilities as defined in the Conceptual Framework for Financial Reporting under the MFRS Framework.

(l) Impairment

(i) Financial assets

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

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

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

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

2. Significant accounting policies (continued)

(l) Impairment (continued)

(i) Financial assets (continued)

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

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

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

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

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

(ii) Other assets

The carrying amounts of other assets (except for inventories, deferred tax asset and assets arising from employee benefits) are reviewed at the end of each reporting period to determine whether there is any indication of impairment. If any such indication exists, then the asset's recoverable amount is estimated. For goodwill and intangible assets that have indefinite useful lives or that are not yet available for use, the recoverable amount is estimated each year at the same time.

For the purpose of impairment testing, assets are grouped together into the smallest group of assets that generates cash inflows from continuing use that are largely independent of the cash inflows of other assets or cash-generating units. Subject to an operating segment ceiling test, for the purpose of goodwill impairment testing, cash-generating units to which goodwill has been allocated are aggregated so that the level at which impairment testing is performed reflects the lowest level at which goodwill is monitored for internal reporting purposes. The goodwill acquired in a business combination, for the purpose of impairment testing, is allocated to a cash-generating unit or a group of cash-generating units that are expected to benefit from the synergies of the combination.

2. Significant accounting policies (continued)

(l) Impairment (continued)

(ii) Other assets (continued)

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

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

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

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

(m) Equity instruments

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

(i) Issue expenses

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

(ii) Ordinary shares

Ordinary shares are classified as equity.

2. Significant accounting policies (continued)

(m) Equity instruments (continued)

(iii) Preference share capital

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

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

(iv) Distributions of assets to owners of the Company

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

(n) Employee benefits

(i) Short-term employee benefits

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

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

(ii) State plans

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

(iii) Defined benefit plan

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

2. Significant accounting policies (continued)

(o) Provisions

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

(p) Revenue and other income

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

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

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

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

2. Significant accounting policies (continued)

(p) Revenue and other income (continued)

(i) Hotel operation, room rental and related revenue

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

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

(ii) Sales of properties

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

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

(a) *If they are capable of being distinct:*

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

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

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

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

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

2. Significant accounting policies (continued)

(p) Revenue and other income (continued)

(ii) Sales of properties (continued)

Revenue recognised over time

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

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

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

Revenue recognised at a point in time

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

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

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

2. Significant accounting policies (continued)

(p) Revenue and other income (continued)

(iii) Gross brokerage

Revenue from gross brokerage is recognised at point in time upon the execution of trade on behalf of clients, computed based on a pre-determined percentage of the contract value.

The revenue from gross brokerage are made on trade credit terms of not exceeding 2 market days, as governed by the Bursa Malaysia Securities Berhad Fixed Delivery and Settlement System ("FDSS") trading rules.

(iv) Underwriting commission and placement fees

Underwriting commission and placement fees are due in accordance with the terms of the executed agreement, and are typically earned at point in time upon consummating an offering. Fees are recognised when the income is reasonably determined and the respective closing of the offering has occurred, and settlements are on immediate cash terms.

(v) Rollover and acceptance fees

Rollover and acceptance fees are recognised at point in time upon services rendered on customers, extension of loan due dates and drawdown of loan respectively. Fees are computed based on the terms of financing arrangements with customers, and are settled on cash terms.

(vi) Derivative trading income

Derivative trading income is recognised at point in time upon the execution and processing of trade on behalf of clients, computed based on a pre-determined rate of each transaction.

Derivative trading income is billed on normal credit terms of not exceeding 30 days.

(vii) Service and administration charge

Service and administration charge is recognised on:

(a) Margin and non-margin stockbroking clients on overdue outstanding amount, on accrual basis upon the execution and processing of trade on behalf of clients, computed based on a pre-determined rate of each transaction.

(b) Employee Share Scheme ("ESOS") financing clients on accrual basis, upon the processing of loan, computed based on the term of agreement with clients.

Service and administration charge are billed and settled on cash terms.

2. Significant accounting policies (continued)

(p) Revenue and other income (continued)

(viii) Nominees service fees

Nominees service fees are recognised at a point in time upon rendering the monitoring and processing of entitlement of rights issues, bonus issues and dividends for clients, computed based on a pre-determined rate of each transaction. Nominees service fees also include appointment of proxy to attend general meetings, attending restricted offer for sale to minority shareholders and handling Mandatory General Offers on behalf of clients.

Nominees service fees are billed and settled on cash terms.

(ix) Profit from sale of trust units to unit holders

Sales charge which takes the form of profit from the sale of units to unit holders is recognised point in time upon the execution of trade on behalf of clients, computed based on a pre-determined percentage of the contract value. The consideration is received from the investors on the day of purchases being made.

A qualified investor who is investing in any of the unit trust funds managed by the Group for the first time is eligible to a cooling-off right within the 6 business days from the day of purchase. The sales charge per unit originally on the day the units were purchased will be refunded to the qualified investor pursuant to the exercise of cooling-off right by the qualified investor. The revenue from sale of trust units to qualified investor is recognised to which the Group expects to be entitled.

(x) Management fees earned on unit trust funds

Fund Management fees are computed on a daily basis based on pre-determined percentage of daily net asset value on unit trust funds as stipulated in its’ prospectus. The management fees earned on unit trust funds are recognised over time because the unit holders simultaneously receive and consume the benefits provided by the Group as the Group performs the services. Management fees earned on unit trust funds are settled and paid for on a monthly basis.

(xi) Portfolio management fees earned on private mandates

Portfolio management fees earned on private mandates are computed on pre-determined percentage of month end portfolio valuation as stipulated in the Investment Management Agreement. The management fees earned on private mandates are recognised over time because the client simultaneously receives and consumes the benefits provided by the Group as the Group performs the services. Management fees earned on portfolio management are settled and paid for on a monthly basis.

2. Significant accounting policies (continued)

(p) Revenue and other income (continued)

(xii) Performance fee earned on private mandates

Performance fee is recognised quarterly or yearly when targeted performance is achieved over the pre-determined Benchmark rate as stipulated in the Investment Management Agreement. Performance fee is billed and paid quarterly or yearly depending on the payment term as stipulated in the Investment Management Agreement.

(xiii) Sales of food and beverage

Revenue relating to sales of food and beverage is recognised net of discounts upon goods sold and services rendered to customers. Sales of food and beverage is on cash terms (immediate payments) or on normal credit clearing period of one working day.

(xiv) Sale of goods

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

(xv) Management fees

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

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

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

2. Significant accounting policies (continued)

(p) Revenue and other income (continued)

(xvi) Properties rental income

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

(xvii) Interest income

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

(xviii) Dividend income

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

(xix) Sales of electricity

Revenue from electricity sales are recognised upon supply and distribution of electricity (acting as an agent of an electricity company) to tenant and the tenant receives and consumes the electrical energy.

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

(xx) Government grants

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

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

2. Significant accounting policies (continued)

(q) Borrowing costs

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

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

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

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

(r) Income tax

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

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

Deferred tax is recognised using the liability method, providing for temporary differences between the carrying amounts of assets and liabilities in the statements of financial position and their tax bases. Deferred tax is not recognised for the following temporary differences: the initial recognition of goodwill, the initial recognition of assets or liabilities in a transaction that is not a business combination and that affects neither accounting nor taxable profit or loss. Deferred tax is measured at the tax rates that are expected to be applied to the temporary differences when they reverse, based on the laws that have been enacted or substantively enacted by the end of the reporting period.

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

2. Significant accounting policies (continued)

(r) Income tax (continued)

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

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

(s) Earnings per ordinary share

The Group presents basic and diluted earnings per share data for its ordinary shares (“EPS”).

Basic EPS is calculated by dividing the profit or loss attributable to ordinary shareholders of the Company by the weighted average number of ordinary shares outstanding during the year, adjusted for own shares held.

Diluted EPS is determined by adjusting the profit or loss attributable to ordinary shareholders and the weighted average number of ordinary shares outstanding, adjusted for own shares held, for the effects of all dilutive potential ordinary shares, which comprise convertible notes and share options granted to employees.

(t) Operating segments

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

2. Significant accounting policies (continued)

(u) Contingencies

Contingent liabilities

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

(v) Fair value measurements

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

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

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

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

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

(w) Trust activities

The Group acts as trustees and in other fiduciary capacities that includes holding or placing of assets on behalf of individuals, trusts and other institutions. Such assets and income arising thereon are excluded from the Group's financial statements, as they are not part of the assets of the Group.

3. Property, plant and equipment

	Note	Freehold land RM'000	Leasehold land RM'000	Buildings RM'000	Renovations RM'000	Renovations in-progress RM'000	Furniture and fittings RM'000	Motor vehicles RM'000	Equipment and computers RM'000	Total RM'000
Group										
Cost										
At 1 January 2019		256,937	20,106	1,780,521	134,012	-	97,666	14,808	302,879	2,606,929
Adjustment		(40,386)	(20,106)	3,680	-	-	(36,188)	-	(55,223)	(148,223)
Reclassifications		81	-	9,489	21,480	-	(3,400)	-	(27,650)	-
Transfer from/(to):										
- investment properties	4	(8)	-	(509)	-	-	-	-	-	(517)
- intangible assets	7	-	-	-	-	-	-	-	(1,872)	(1,872)
- inventories		-	-	1,328	-	-	94	-	-	1,422
Acquisition through business combination	42	147,006	-	105,700	115	-	377	12	18,492	271,702
Additions		-	-	2,284	2,155	117	3,810	1,177	8,494	18,037
Write-off		-	-	-	(1,711)	-	(2,601)	-	(1,309)	(5,621)
Disposals		-	-	-	(394)	-	(421)	(414)	(656)	(1,885)
Effect of foreign exchange translation		15,578	-	9,337	(84)	-	9,187	97	(7,028)	27,087
At 31 December 2019		379,208	-	1,911,830	155,573	117	68,524	15,680	236,127	2,767,059

3. Property, plant and equipment (continued)

Group	Note	Freehold land RM'000	Leasehold land RM'000	Buildings RM'000	Renovations RM'000	Renovations in-progress RM'000	Furniture and fittings RM'000	Motor vehicles RM'000	Equipment and computers RM'000	Total RM'000
Cost (continued)										
At 1 January 2020		379,208	-	1,911,830	155,573	117	68,524	15,680	236,127	2,767,059
Reclassifications		-	-	(350)	4,285	(439)	-	-	(3,496)	-
Additions		-	-	374	1,468	6,356	1,607	1,193	2,411	13,409
Write-off		-	-	(482)	(1,568)	-	(469)	(278)	(3,499)	(6,296)
Disposals		-	-	-	-	-	(35)	(1,163)	(178)	(1,376)
Deconsolidation of a subsidiary	40.3	-	-	-	-	-	(12,053)	-	(10)	(12,063)
Effect of foreign exchange translation		2,540	-	44,712	6,041	8	1,280	99	8,477	63,157
At 31 December 2020		381,748	-	1,956,084	165,799	6,042	58,854	15,531	239,832	2,823,890

3. Property, plant and equipment (continued)

Group	Note	Freehold land RM'000	Leasehold land RM'000	Buildings RM'000	Renovations RM'000	Renovations in-progress RM'000	Furniture and fittings RM'000	Motor vehicles RM'000	Equipment and computers RM'000	Total RM'000
Accumulated depreciation and impairment loss										
At 1 January 2019										
Accumulated depreciation		-	2,718	331,620	103,041	-	65,223	8,964	181,295	692,861
Accumulated impairment loss		-	-	29,208	-	-	-	1,031	-	30,239
		-	2,718	360,828	103,041	-	65,223	9,995	181,295	723,100
Adjustment		-	(2,718)	(33,426)	-	-	(38,614)	-	(73,465)	(148,223)
Reclassifications		-	-	(2,142)	8,094	-	(2,261)	-	(3,691)	-
Depreciation for the year		-	-	41,127	6,250	-	9,448	999	27,834	85,658
Depreciation transfer to intangible assets	7	-	-	-	-	-	-	-	(1,475)	(1,475)
Write-off		-	-	-	(1,547)	-	(2,518)	-	(1,040)	(5,105)
Impairment loss	3.1	-	-	36,123	-	-	4,593	19	1,086	41,821
Reversal of impairment loss		-	-	-	-	-	-	(38)	-	(38)
Disposals		-	-	-	(113)	-	(327)	(289)	(527)	(1,256)
Effect of foreign exchange translation		-	-	(2,267)	2,064	-	5,494	72	(1,789)	3,574
At 31 December 2019										
Accumulated depreciation		-	-	323,521	117,789	-	36,445	9,746	126,630	614,131
Accumulated impairment loss		-	-	76,722	-	-	4,593	1,012	1,598	83,925
At 31 December 2019/ 1 January 2020		-	-	400,243	117,789	-	41,038	10,758	128,228	698,056

3. Property, plant and equipment (continued)

Group	Note	Freehold land RM'000	Leasehold land RM'000	Buildings RM'000	Renovations RM'000	Renovations in-progress RM'000	Furniture and fittings RM'000	Motor vehicles RM'000	Equipment and computers RM'000	Total RM'000
Accumulated depreciation and impairment loss (continued)										
Adjustment		-	-	2,015	-	-	-	-	-	2,015
Reclassifications		-	-	82	147	-	-	-	(229)	-
Depreciation for the year		-	-	42,067	6,311	-	9,262	797	21,346	79,783
Write-off		-	-	(482)	(1,568)	-	(465)	(278)	(3,498)	(6,291)
Impairment loss		-	-	148,713	11	588	8,507	121	3,952	161,892
Disposal		-	-	-	-	-	(34)	(1,006)	(178)	(1,218)
Deconsolidation of a subsidiary	40.3	-	-	-	-	-	(11,771)	-	(2)	(11,773)
Effect of foreign exchange translation		-	-	16,695	5,028	-	839	2	8,146	30,710
At 31 December 2020										
Accumulated depreciation		-	-	378,505	127,707	-	33,969	9,261	152,112	701,554
Accumulated impairment loss		-	-	230,828	11	588	13,407	1,133	5,653	251,620
At 31 December 2020		-	-	609,333	127,718	588	47,376	10,394	157,765	953,174
Carrying amounts										
At 1 January 2019		256,937	17,388	1,419,693	30,971	-	32,443	4,813	121,584	1,883,829
At 31 December 2019/ 1 January 2020		379,208	-	1,511,587	37,784	117	27,486	4,922	107,899	2,069,003
At 31 December 2020		381,748	-	1,346,751	38,081	5,454	11,478	5,137	82,067	1,870,716

3. Property, plant and equipment (continued)

Company	Renovations RM'000	Furniture and fittings RM'000	Motor vehicles RM'000	Equipment and computers RM'000	Total RM'000
Cost					
At 1 January 2019	1,500	2,512	1,871	1,442	7,325
Additions	-	-	448	16	464
Write-off	(1,468)	(2,442)	-	(588)	(4,498)
At 31 December 2019/ 1 January 2020/ 31 December 2020	32	70	2,319	870	3,291
Accumulated depreciation and impairment loss					
At 1 January 2019					
Accumulated depreciation	1,466	2,509	732	1,304	6,011
Accumulated impairment loss	-	-	90	-	90
	1,466	2,509	822	1,304	6,101
Depreciation for the year	4	2	97	66	169
Write-off	(1,451)	(2,442)	-	(587)	(4,480)
At 31 December 2019/ 1 January 2020					
Accumulated depreciation	19	69	829	783	1,700
Accumulated impairment loss	-	-	90	-	90
	19	69	919	783	1,790
Depreciation for the year	4	1	98	51	154
At 31 December 2020					
Accumulated depreciation	23	70	927	834	1,854
Accumulated impairment loss	-	-	90	-	90
	23	70	1,017	834	1,944
Carrying amounts					
At 1 January 2019	34	3	1,049	138	1,224
At 31 December 2019/ 1 January 2020	13	1	1,400	87	1,501
At 31 December 2020	9	-	1,302	36	1,347

3. Property, plant and equipment (continued)

3.1 Impairment loss

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

Significant judgement and assumptions in relation to impairment of hotel properties

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

3.1.1 Swissotel Kunshan, China

An impairment loss of RM34,825,000 (2019: RM41,821,000) was recognised during the year as the carrying amount of the hotel property exceeded its estimated recoverable amount of RM62,024,000 (2019: RM98,641,000).

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

a) 23 (2019: 24) years projected cash flow using a pre-tax discount rate of 9.5% (2019: 9.5%) and terminal growth rate of 3.0% (2019: 3.0%).

b) Occupancy rates were estimated to be 62% (2019: 37% to 60%) for 23 (2019: 24) years.

3. Property, plant and equipment (continued)

3.1 Impairment loss (continued)

3.1.1 Swissotel Kunshan, China (continued)

c) Average room rate and revenue per available room for 23 (2019: 24) years were projected to be ranging from RMB379 to RMB528 (2019: RMB422 to RMB712), and RMB236 to RMB329 (2019: RMB156 to RMB440) respectively.

3.1.2 Trump International Hotel, Vancouver

An impairment loss of RM15,239,000 (2019: Nil) was recognised as the carrying amount of the hotel property exceeded its estimated recoverable amount of RM253,825,000 at the end of the reporting period.

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

a) 10 years projected cash flows using a pre-tax discount rate of 7.5% and terminal growth rate of 1.0%.

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

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

3.1.3 Movenpick Karon Beach Resort, Thailand

An impairment loss of RM99,199,000 (2019: Nil) was recognised as the carrying amount of the hotel property exceeded its estimated recoverable amount of RM256,667,000 at the end of the reporting period.

The key assumptions used for the recoverable amount are disclosed in Note 7.3.3.

3. Property, plant and equipment (continued)

3.1 Impairment loss (continued)

3.1.4 Four Points by Sheraton, Bangkok

An impairment loss of RM12,542,000 (2019: Nil) was recognised as the carrying amount of the hotel property exceeded its estimated recoverable amount of RM246,878,000 at the end of the reporting period.

The key assumptions used for the recoverable amount are disclosed in Note 7.3.4.

3.2 Pledged assets

The net carrying amounts of certain land and buildings pledged to financial institutions for credit facilities granted to the Group at the end of the financial year as disclosed in Note 20 are as follows:

	Group	
	2020	**2019**
	RM'000	**RM'000**
Freehold land	46,719	43,592
Buildings	391,976	405,064
	438,695	448,656

4. Investment properties

Group	Note	Freehold land RM'000	Buildings RM'000	Capital work in progress RM'000	Total RM'000
Cost					
At 1 January 2019		252,256	542,745	2,539	797,540
Additions		-	3,782	3,559	7,341
Borrowing costs capitalised at average 4.61% per annum		-	-	128	128
Transfer from property, plant and equipment	3	8	509	-	517
Write-off		-	(33)	-	(33)
Effect of foreign exchange translation		1,998	8,968	-	10,966
At 31 December 2019/ 1 January 2020		254,262	555,971	6,226	816,459
Additions		-	517	17,959	18,476
Borrowing costs capitalised at average 3.61% per annum		-	-	42	42
Reclassification		-	15,331	(15,331)	-
Write-off		-	(3,617)	-	(3,617)
Derecognition upon commencement of finance lease		-	(7,445)	-	(7,445)
Effect of foreign exchange translation		320	1,309	-	1,629
At 31 December 2020		254,582	562,066	8,896	825,544
Accumulated depreciation and impairment loss					
At 1 January 2019					
Accumulated depreciation		-	234,397	-	234,397
Accumulated impairment loss		-	27,492	-	27,492
		-	261,889	-	261,889
Depreciation for the year		-	12,843	-	12,843
Write-off		-	(7)	-	(7)
Effect of foreign exchange translation		-	4,845	-	4,845
At 31 December 2019/ 1 January 2020					
Accumulated depreciation		-	252,078	-	252,078
Accumulated impairment loss		-	27,492	-	27,492
		-	279,570	-	279,570

4. Investment properties (continued)

Group	Freehold land RM'000	Buildings RM'000	Capital work in progress RM'000	Total RM'000
Accumulated depreciation and impairment loss (continued)				
Depreciation for the year	-	13,132	-	13,132
Write-off	-	(3,617)	-	(3,617)
Effect of foreign exchange translation	-	1,089	-	1,089
At 31 December 2020				
Accumulated depreciation	-	262,682	-	262,682
Accumulated impairment loss	-	27,492	-	27,492
	-	290,174	-	290,174
Carrying amounts				
At 1 January 2019	252,256	280,856	2,539	535,651
At 31 December 2019/ 1 January 2020	254,262	276,401	6,226	536,889
At 31 December 2020	254,582	271,892	8,896	535,370

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

Included in buildings are deferred leasing commissions amounting to RM4,658,000 (2019: RM5,496,000) to be amortised over the lease term.

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

	Group	
	2020 RM'000	2019 RM'000
Lease income	54,718	55,941
Direct operating expenses (exclude depreciation):		
- income generating investment properties	(29,741)	(36,604)
- non-income generating investment properties	(979)	(989)

4. Investment properties (continued)

The operating lease income to be received are as follows:

	Group	
	2020 RM'000	2019 RM'000
Less than one year	58,143	51,235
Between one and two years	49,435	39,036
Between two and three years	35,008	31,314
Between three and four years	28,355	23,692
Between four and five years	23,069	21,166
Later than five years	88,198	95,880
Total undiscounted lease income to be received	282,208	262,323

Fair value information

Fair values of investment properties are categorised as follows:

	Level 3	
	2020 RM'000	2019 RM'000
Group		
Land and buildings	1,683,729	1,701,594

Fair value information does not include capital work in progress.

Level 3 fair value

Valuation processes applied by the Group for Level 3 fair value

Level 3 fair values of buildings have been generally derived using the income approach and sales comparison approach (2019: sales comparison approach). The change in valuation technique for one of the investment properties was due to insufficient recent sales transactions that reflected the current economic condition in the similar type of properties in the market.

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

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

4. Investment properties (continued)

Properties pledged as security

Investment properties of the Group with carrying amount of RM481,063,000 (2019: RM484,068,000) have been charged to secure banking facilities granted to the Group at the end of the financial year as disclosed in Note 20.

5. Right-of-use assets

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

	Note	Land RM'000	Dormitory and office space RM'000	Motor vehicles RM'000	Equipment RM'000	Total RM'000
Group						
At 1 January 2019		357,251	2,874	400	216	360,741
Additions		-	582	-	51	633
Depreciation for the year		(4,760)	(1,443)	(193)	(134)	(6,530)
Impairment loss for the year		(1,929)	(146)	-	-	(2,075)
Effect of foreign exchange translation		80	(24)	12	6	74
At 31 December 2019/1 January 2020		350,642	1,843	219	139	352,843
Additions		-	1,599	-	-	1,599
Depreciation for the year		(5,042)	(1,384)	(115)	(71)	(6,612)
Deconsolidation of a subsidiary	40.3	-	-	(89)	(55)	(144)
Adjustment		2,015	-	-	-	2,015
Effect of foreign exchange translation		157	18	2	-	177
At 31 December 2020		347,772	2,076	17	13	349,878

5. Right-of-use assets (continued)

Company	Warehouse RM'000	Office space RM'000	Total RM'000
At 1 January 2019	97	-	97
Depreciation for the year	(16)	-	(16)
At 31 December 2019/ 1 January 2020	81	-	81
Additions	2	7,037	7,039
Depreciation for the year	(17)	(1,075)	(1,092)
At 31 December 2020	66	5,962	6,028

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

Right-of-use assets	No. of right-of-use assets	Range of remaining term
Land	4	21 – 73 years
Dormitory and office space	86	0 – 4 years
Motor vehicles	2	0 – 1 year
Equipment	2	0 – 2 years

The Company leases office space and warehouse as storage space that run for a period of 3 years with an option to renew the lease after the date.

5.1 Extension options

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

As of 31 December 2020, the Group has leases which contain extension options of one to 3 years that have not been included in the computation of lease liabilities, as the Group is not reasonably certain they will exercise the extension options. The potential future lease payments not included in the lease liabilities (discounted) is RM893,000 (2019: RM817,000).

5.2 Pledged assets

Right-of-use land of the Group with carrying amount of RM338,606,000 (2019: RM343,373,000) has been charged to secure banking facilities granted to the Group at the end of the financial year as disclosed in Note 20.

6. Inventories

	Note	Group 2020 RM'000	Group 2019 RM'000
At cost			
Non-current			
Land held for property development	6.1	641,483	631,386
Current			
Property under construction	6.2	169,591	64,753
Completed properties		38,138	38,118
Land held for resale		6,279	6,279
Food and beverages		730	2,963
Consumables		3,159	3,215
		217,897	115,328
Total inventories		859,380	746,714
Recognised in profit or loss:			
Inventories recognised as cost of inventories		21,948	47,644
Write-down to net realisable value – completed properties		-	2,841

In prior year, the write-down of completed properties is included in other expenses.

6.1 Land held for property development

Land held for property development amounting to RM252,635,000 (2019: RM217,450,000) has been pledged as security for credit facilities granted to the Group as disclosed in Note 20.

6.2 Properties under construction

Properties under construction amounting to RM34,101,000 (2019: Nil) has been pledged as security for credit facilities granted to the Group as disclosed in Note 20.

7. Intangible assets

	Note	Trading right RM'000	Goodwill RM'000	Software RM'000	Total RM'000
Group					
Cost					
At 1 January 2019		100	312,701	6,202	319,003
Acquisition of business	42	-	45,549	23	45,572
Additions		-	-	703	703
Transfer from property, plant and equipment	3	-	-	1,872	1,872
Effect of foreign exchange translation		-	(2,383)	118	(2,265)
At 31 December 2019		100	355,867	8,918	364,885
Effect of purchase price allocation adjustment	42	-	(1,095)	-	(1,095)
At 1 January 2020, *as restated*		100	354,772	8,918	363,790
Additions		-	-	333	333
Effect of foreign exchange translation		-	11,298	80	11,378
At 31 December 2020		100	366,070	9,331	375,501
Accumulated amortisation and impairment loss					
At 1 January 2019					
Accumulated amortisation		-	-	4,779	4,779
Accumulated impairment loss		-	18,690	-	18,690
		-	18,690	4,779	23,469
Amortisation for the year		-	-	770	770
Impairment loss for the year		-	4,998	48	5,046
Transfer from property, plant and equipment	3	-	-	1,475	1,475
Effect of foreign exchange translation		-	-	109	109
At 31 December 2019					
Accumulated amortisation		-	-	7,133	7,133
Accumulated impairment loss		-	23,688	48	23,736
		-	23,688	7,181	30,869
Amortisation for the year		-	-	655	655
Impairment loss for the year		-	44,969	47	45,016
Effect of foreign exchange translation		-	745	75	820
At 31 December 2020					
Accumulated amortisation		-	-	7,863	7,863
Accumulated impairment loss		-	69,402	95	69,497
		-	69,402	7,958	77,360

7. Intangible assets (continued)

	Note	Trading right RM'000	Goodwill RM'000	Software RM'000	Total RM'000
Group (continued)					
Carrying amounts					
At 1 January 2019		100	294,011	1,423	295,534
At 31 December 2019*, as restated*		100	331,084	1,737	332,921
At 31 December 2020		100	296,668	1,373	298,141
		Note 7.1	Note 7.3		

	Software RM'000
Company	
Cost	
At 1 January 2019	996
Additions	140
At 31 December 2019/1 January 2020	1,136
Additions	27
At 31 December 2020	1,163
Accumulated amortisation	
At 1 January 2019	529
Amortisation for the year	202
At 31 December 2019/1 January 2020	731
Amortisation for the year	205
At 31 December 2020	936
Carrying amounts	
At 1 January 2019	467
At 31 December 2019/1 January 2020	405
At 31 December 2020	227

7.1 Trading right

Trading right allows the Trading Participants to trade in all classes of contracts with Bursa Malaysia. In accordance with the Rule 304.1, Participantship of Bursa Malaysia Derivatives Berhad ("BMDB"), the rights of the trading participants are as follows:

(a) the right to trade for itself in the Market, in such manner as BMDB may from time to time direct;

(b) the right to trade on behalf of clients and to charge a commission on all business transacted by it on behalf of these clients at such rate or rates as BMDB may from time to time consider appropriate;

7. Intangible assets (continued)

7.1 Trading right (continued)

(c) the right to be a Nominating Participant for the purpose of clearing for Non-Clearing Participants; and

(d) all other rights conferred on Trading Participants by these Rules in respect of trading in contracts transacted in the Market.

The Group is not permitted to transfer its participantship in BMDB to any other person. The trading right has an indefinite useful life unless the Group resigns or voluntarily suspends its participantship or the Group's participantship is suspended or is terminated by BMDB.

7.2 Amortisation

Amortisation expenses are included in other expenses of the Group and the Company.

7.3 Impairment testing for cash-generating units containing goodwill

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

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

	Group	
	2020	**2019**
	RM'000	**RM'000**
		Restated
Hotel operations		
Westin Melbourne, Australia	165,580	153,330
Swissotel, Singapore	131,088	131,157
Movenpick Karon Beach Resort, Thailand	-	6,816
Four Points by Sheraton, Thailand	-	39,781
	296,668	331,084

Significant judgement and assumptions in relation to impairment of goodwill

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

7. Intangible assets (continued)

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

7.3.1 Westin Melbourne, Australia

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

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

a) 10 (2019: 5) years projected cash flows using a pre-tax discount rate of 7.75% (2019: 9.00%) and terminal growth rate of 2.00% (2019: 3.00%).

b) Occupancy rates were estimated to be 30% to 91% (2019: 93%) for 10 (2019: 5) years.

c) Average room rates and revenue per available room for 10 (2019: 5) years were projected to be AUD266 to AUD335 (2019: AUD330 to AUD350) and AUD79 to AUD303 (2019: AUD307 to AUD325) respectively.

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

A decrease of 1% (2019: 19%) in the occupancy rate across the projected period with the rest of the key assumptions remain the same, would result the recoverable amount to be equal with the carrying amount.

7. Intangible assets (continued)

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

7.3.2 Swissotel, Singapore

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

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

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

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

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

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

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

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

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

7. Intangible assets (continued)

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

7.1.2 Swissotel, Singapore (continued)

In prior year, the recoverable amount of the Swissotel Singapore was based on its fair value less cost of disposal determined by discounting future cash flows to be generated by the hotel performed by an accredited independent valuer. The estimated recoverable amount exceeded the carrying amount of the unit (including goodwill). The fair value measurement was categorised as a Level 3 fair value based on key assumptions in the valuation technique used.

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

a) 10 years projected cash flows using a pre-tax discount rate of 6.50% and terminal yield rate of 4.25%.

b) Occupancy rates were estimated to be 87% to 91% for 10 years.

c) Average room rates and revenue per available room for 10 years were projected to be SGD255 to SGD343 and SGD224 to SGD298 respectively.

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

A decrease of 20% in the occupancy rate with the rest of the key assumptions remain the same, would have resulted the recoverable amount to be equal with the carrying amount.

7. Intangible assets (continued)

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

7.3.3 Movenpick Karon Beach Resort, Thailand

The recoverable amount of the Movenpick Karon Beach Resort was based on its fair value less cost of disposal determined by discounting future cash flows to be generated by the hotel performed by an accredited independent valuer. The carrying amount of the unit (including goodwill) exceeded the estimated recoverable amount. The fair value measurement was categorised as a Level 3 fair value based on key assumptions in the valuation technique used.

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

a) 10 (2019: 10) years projected cash flows using a pre-tax discount rate of 8.00% (2019: 8.00%) and terminal growth rate of 0.50% (2019: 0.75%).

b) Occupancy rates were estimated to be 0% to 72% (2019: 73% to 75%) for 10 (2019: 10) years.

c) Average room rate and revenue per available room were projected to be THB3,300 to THB4,832 (2019: THB4,276 to THB5,296) and THB0 to THB3,479 (2019: THB3,079 to THB3,972) respectively.

The goodwill allocated to Movenpick Karon Beach Resort of RM6,816,000 has been fully impaired during the year.

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

7. Intangible assets (continued)

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

7.3.4 Four Points by Sheraton, Bangkok

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

Value in use was determined by discounting the future cash flows expected to be generated from the continuing use of the unit and was based on the following key assumptions:

a) 15 (2019: 15) years projected cash flows using a pre-tax discount rate of 7.50% (2019: 9.00%) and terminal growth rate of 2.00% (2019: 3.00%).

b) Occupancy rates were estimated to be 0% to 86% (2019: 85% to 86%) for 15 (2019: 15) years.

c) Average room rate and revenue per available room were projected to be THB0 to THB4,265 (2019: THB3,558 to THB5,382) and THB0 to THB3,668 (2019: THB3,035 to THB4,628) respectively.

The goodwill allocated to Four Points by Sheraton has been fully impaired following an impairment of goodwill amounting to RM38,153,000 during the year and RM4,998,000 in prior year.

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

8. Investments in subsidiaries

		Company	
	Note	2020 RM'000	2019 RM'000
Cost of investment	8.1	2,779,131	2,238,746
Less: Accumulated impairment losses		(62,444)	(63,920)
		2,716,687	2,174,826

8.1 During the year, the Company acquired additional interest in TA Global Berhad ("TAG"), a subsidiary of the Company as disclosed in Note 8.3.1 and Note 40.1.

8. Investments in subsidiaries (continued)

8.2 Subsidiaries

The details of the subsidiaries are as follows:

Name of entity	Principal place of business	Principal activities	Effective ownership interest and voting interest 2020 %	2019 %
TA Global Berhad (Note 40.1)	Malaysia	Investment holding	96.54	60.17
TA Securities Holdings Berhad	Malaysia	License stockbroker and dealer in securities	100	100
Ace Fit International Limited*	Hong Kong	Property investment	100	100
TA Capital Sdn. Bhd.	Malaysia	Money lending	100	100
TA Futures Sdn. Bhd.	Malaysia	Licensed futures and options broking	100	100
Flamingo Projects Sdn. Bhd.*	Malaysia	Property investment	100	100
TA Centre Berhad*	Malaysia	Investment holding	100	100
TA F&B Services Sdn. Bhd.*	Malaysia	Food and beverages	100	100
TA Nominees Sdn. Bhd.*	Malaysia	Dormant	100	100
TA Asset Management Sdn. Bhd.*	Malaysia	Share investment	100	100
TA Restaurant and Café Sdn. Bhd.*	Malaysia	Operation of restaurant chains and retail outlets	100	100
Total Ingenious Sdn. Bhd.*	Malaysia	Investment holding	100	100
Subsidiaries of TA Securities Holdings Berhad				
TA Muamalah Nominees (Tempatan) Sdn. Bhd.*	Malaysia	Nominee services for Islamic broking	100	100

8. Investments in subsidiaries (continued)

8.2 Subsidiaries (continued)

Name of entity	Principal place of business	Principal activities	Effective ownership interest and voting interest 2020 %	2019 %
Subsidiaries of TA Securities Holdings Berhad (continued)				
TA Nominees (Tempatan) Sdn. Bhd.*	Malaysia	Nominee services	100	100
TA Nominees (Asing) Sdn. Bhd.*	Malaysia	Nominee services	100	100
TASEC Nominees (Tempatan) Sdn. Bhd.*	Malaysia	Nominee services	100	100
TASEC Nominees (Asing) Sdn. Bhd.*	Malaysia	Nominee services	100	100
TA Investment Management Berhad	Malaysia	Licensed fund manager managing unit trust and private funds	100	100
Subsidiary of Ace Fit International Limited				
TA Ace Fit Investment Management (Kunming) Co. Ltd.*	The People's Republic of China	Property management	100	100
Subsidiaries of Total Ingenious Sdn. Bhd.				
Philippine TA Securities, Inc.*#	The Republic of the Philippines	Under voluntary suspension (formerly stockbroker and dealer in securities)	99.99	99.99
TA Wealth Investment Limited	The British Virgin Islands	Investment in securities	100	100

8. Investments in subsidiaries (continued)

8.2 Subsidiaries (continued)

Name of entity	Principal place of business	Principal activities	Effective ownership interest and voting interest 2020 %	2019 %
Subsidiaries of Total Ingenious Sdn. Bhd. (continued)				
TA Financial Services Pty. Ltd.*	Australia	Investment holding	100	100
Winner Star Group Limited*	Hong Kong	Dormant	100	100
TA Antarabangsa Ltd.^ (Note 40.2)	The British Virgin Islands	Investment holding (dissolved on 27 July 2020)	-	100
Subsidiary of TA Financial Services Pty. Ltd.				
TA Ausfinance Limited*	Australia	Dormant (formerly share investment)	100	100
Subsidiaries of TA Global Berhad				
TA Properties Sdn. Bhd.	Malaysia	Investment holding, property development and property management services	96.54	60.17
TA Global Development Pty. Ltd.*	Australia	Project management services	96.54	60.17
Raintree Amalgamated Sdn Bhd.*	Malaysia	Investment holding	96.54	60.17
TA Ascents (M) Sdn. Bhd.*	Malaysia	Investment holding	96.54	60.17
Metro Ingenious Sdn. Bhd.*	Malaysia	General trading, investment and property investment	96.54	60.17

8. Investments in subsidiaries (continued)

8.2 Subsidiaries (continued)

Name of entity	Principal place of business	Principal activities	Effective ownership interest and voting interest 2020 %	2019 %
Subsidiaries of TA Global Berhad (continued)				
Quaywest Ltd.*	Mauritius	Investment holding	96.54	60.17
Quayside Gem Ltd.*	Mauritius	Investment holding	96.54	60.17
Swiss Liberty Sdn. Bhd.*	Malaysia	Investment holding	96.54	60.17
Crystal Ingenious Sdn. Bhd.*	Malaysia	General trading, investment and property development	96.54	60.17
Crystal Caliber Sdn. Bhd.*	Malaysia	Investment holding	96.54	60.17
Grace Plus Enterprises Limited*	Hong Kong	Investment holding	96.54	60.17
Subsidiaries of TA Properties Sdn. Bhd.				
Cosmic Legion Sdn. Bhd.*	Malaysia	Investment holding	96.54	60.17
TA Binaprestij Sdn. Bhd.*	Malaysia	General construction	96.54	60.17
Wales House Hotel Ltd.$*	Australia	Hotel management services	96.54	60.17
Idaman Parkland Sdn. Bhd.*	Malaysia	Property investment and development	96.54	60.17
Wales House Nominees Pty. Ltd.*	Australia	Trustee of Wales House Trust	96.54	60.17
TA Team Stars Sdn. Bhd.*	Malaysia	Property investment and development	96.54	60.17
Menara TA Sdn. Bhd.	Malaysia	Property investment	96.54	60.17
Indo Aman Bina Sdn. Bhd.	Malaysia	Property investment and development	96.54	60.17

8. Investments in subsidiaries (continued)

8.2 Subsidiaries (continued)

Name of entity	Principal place of business	Principal activities	Effective ownership interest and voting interest 2020 %	2019 %
Subsidiaries of TA Properties Sdn. Bhd. (continued)				
Orchard Park Sdn. Bhd.	Malaysia	Property investment and development	96.54	60.17
Astra Dinamik Sdn. Bhd.	Malaysia	Property investment and development	96.54	60.17
TA Gemilang Trading Sdn. Bhd.*	Malaysia	Trading in building materials and investment holding	96.54	60.17
Binaprestij Maju Sdn. Bhd.*	Malaysia	Dormant	96.54	60.17
Ample Equities Sdn. Bhd.*	Malaysia	Property investment and development	96.54	60.17
TA Property Development (Philippines) Inc.*#	The Republic of the Philippines	Dormant	96.53	60.16
Ample Era Sdn. Bhd.*	Malaysia	Property investment and development	96.54	60.17
Star Winners Sdn. Bhd.*	Malaysia	Property investment and development	96.54	60.17
Beta Vector Sdn. Bhd.*	Malaysia	Property investment and development	96.54	60.17
TA Ventures Sdn. Bhd.*	Malaysia	Dormant	96.54	60.17
Factor Synergy Sdn. Bhd.*	Malaysia	Property investment and development	96.54	60.17
TA Project Management Sdn. Bhd.*	Malaysia	Dormant	96.54	60.17

8. Investments in subsidiaries (continued)

8.2 Subsidiaries (continued)

Name of entity	Principal place of business	Principal activities	Effective ownership interest and voting interest 2020 %	2019 %
Subsidiaries of TA Properties Sdn. Bhd. (continued)				
TA Property Management Sdn. Bhd.*	Malaysia	Property management	96.54	60.17
TA First Credit Sdn. Bhd.	Malaysia	Money lending (cessation of new money lending activities since 5 October 2009), property investment and development	96.54	60.17
Ativo Plaza Sdn. Bhd.*	Malaysia	Property investment and development	96.54	60.17
Pure Factor Sdn. Bhd.*	Malaysia	Property investment and development, hotel management services	96.54	60.17
Golden Artistic Sdn. Bhd.&*	Malaysia	Investment holding (in the process of striking off)	96.54	60.17
Harmony Sanctuary Sdn. Bhd.&*	Malaysia	Property investment and development (in the process of striking off)	96.54	60.17
Subsidiaries of TA Ascents (M) Sdn. Bhd.				
Ascents Hotel Pty. Ltd.$*	Australia	Hotel management services	96.54	60.17
TA Covenant Pty. Ltd.*	Australia	Trustee of Ascents Trust	96.54	60.17

8. Investments in subsidiaries (continued)

8.2 Subsidiaries (continued)

Name of entity	Principal place of business	Principal activities	Effective ownership interest and voting interest 2020 %	2019 %
Subsidiary of Quaywest Ltd.				
Merchant Court Pte. Ltd.$*	Singapore	Hotel management services	96.54	60.17
Subsidiariy of Quayside Gem Ltd.				
Merchant Quay Pte. Ltd.*@	Singapore	Dormant (currently under voluntary liquidation)	96.54	60.17
Subsidiary of Swiss Liberty Sdn. Bhd.				
TA Global Kunshan Ltd.*	Cayman Island	Investment holding	96.54	60.17
Subsidiaries of TA Global Kunshan Ltd.				
Shanghai Global Hotel Group Ltd.*	The British Virgin Islands	Investment holding	96.54	60.17
Sino Dragon Asset Ltd.*	The British Virgin Islands	Investment holding	96.54	60.17
Subsidiary of Shanghai Global Hotel Group Ltd.				
Kunshan Mamlaka Hotel Co., Ltd.$*	The People's Republic of China	Hotel management services	96.54	60.17
Subsidiary of Crystal Ingenious Sdn. Bhd.				
TA Little Bay Pty Limited*	Australia	Property development	96.54	60.17

8. Investments in subsidiaries (continued)

8.2 Subsidiaries (continued)

Name of entity	Principal place of business	Principal activities	Effective ownership interest and voting interest 2020 %	2019 %
Subsidiaries of Crystal Caliber Sdn. Bhd.				
TAG 195 Ltd.*	Cayman Island	Investment holding	96.54	60.17
TAG 194 Ltd.*	Cayman Island	Investment holding	96.54	60.17
Subsidiary of TAG 195 Ltd.				
TA Global (Thailand) Ltd. $*	Thailand	Dormant	(O) 96.54/ (V) 91.76	(O) 60.17/ (V) 57.19
Subsidiary of TA Global (Thailand) Ltd.				
Siam Recovery Holdings Company Ltd. $*	Thailand	Investment holding	96.54	60.17
Subsidiary of Siam Recovery Holdings Company Ltd.				
Siam Resorts Company Ltd. $*	Thailand	Hotel and residential apartment operations	96.54	60.17
Subsidiaries of TAG 194 Ltd.				
TA Global Phuket Ltd.*	The British Virgin Islands	Dormant	96.54	60.17
Able Global Investments Ltd.*	The British Virgin Islands	Dormant	96.54	60.17
Accord Delta Investments Ltd.*	The British Virgin Islands	Dormant	96.54	60.17
St. Lukes Holdings Ltd.*	The British Virgin Islands	Dormant	96.54	60.17

8. Investments in subsidiaries (continued)

8.2 Subsidiaries (continued)

Name of entity	Principal place of business	Principal activities	Effective ownership interest and voting interest 2020 %	2019 %
Subsidiaries of TAG 194 Ltd. (continued)				
Data Choice Investments Ltd.*	The British Virgin Islands	Dormant	96.54	60.17
Ecovision Investments Ltd.*	The British Virgin Islands	Dormant	96.54	60.17
Grand Classic Investment Ltd.*	The British Virgin Islands	Dormant	96.54	60.17
Summit Results Ltd.*	The British Virgin Islands	Dormant	96.54	60.17
Triumph Time Investments Ltd.*	The British Virgin Islands	Dormant	96.54	60.17
Mistletoe Holdings Ltd.*	The British Virgin Islands	Dormant	96.54	60.17
Subsidiary of TA Global Phuket Ltd.				
Siam Resorts Fund $*	Thailand	Closed-end property and loan fund	96.54	60.17
Subsidiary of Factor Synergy Sdn. Bhd.				
Peramah Setia (M) Sdn. Bhd.*	Malaysia	Dormant	96.54	60.17
Subsidiary of TA First Credit Sdn. Bhd.				
TFC Nominees (Asing) Sdn. Bhd.*&	Malaysia	Dormant (in the process of striking off)	96.54	60.17

8. Investments in subsidiaries (continued)

8.2 Subsidiaries (continued)

Name of entity	Principal place of business	Principal activities	Effective ownership interest and voting interest 2020 %	2019 %
Subsidiaries of Cosmic Legion Sdn. Bhd.				
Sanjung Padu (M) Sdn. Bhd.	Malaysia	Investment holding	96.54	60.17
Parallel Legion Sdn. Bhd.*	Malaysia	Investment holding	96.54	60.17
ERF Properties Sdn. Bhd.*	Malaysia	Investment holding	96.54	60.17
Subsidiaries of Sanjung Padu (M) Sdn. Bhd.				
Fine Legion Sdn. Bhd.*	Malaysia	Investment holding	96.54	60.17
TA Properties (Canada) Ltd.*	Canada	Dormant	96.54	60.17
Subsidiaries of Parallel Legion Sdn. Bhd.				
TA Optimum Investment Limited	The British Virgin Islands	Investment in securities	96.54	60.17
TA Antarabangsa Development Ltd.^ (Note 40.2)	The British Virgin Islands	Provision of funding facilities (dissolved on 16 June 2020)	-	60.17
Subsidiaries of ERF Properties Sdn. Bhd.				
No. 205 Cathedral Ventures Ltd.*	Canada	Dormant	96.54	60.17

8. Investments in subsidiaries (continued)

8.2 Subsidiaries (continued)

Name of entity	Principal place of business	Principal activities	Effective ownership interest and voting interest 2020 %	2019 %
Subsidiaries of ERF Properties Sdn. Bhd. (continued)				
Maxfine International Limited*	Hong Kong	Investment holding	96.54	60.17
Subsidiaries of Fine Legion Sdn. Bhd.				
TA Canada Holdings Ltd.*	Canada	Dormant	96.54	60.17
1187792 B.C Ltd.*	Canada	Dormant	96.54	60.17
TA Management Ltd.*	Canada	Management services	96.54	60.17
Subsidiary of Maxfine International Limited				
West Georgia Holdings Inc.*	Canada	Dormant	96.54	60.17
Subsidiary of TA Canada Holdings Ltd.				
TA West Georgia Development Ltd.*	Canada	Property development	96.54	60.17
Subsidiaries of TA Management Ltd.				
TA Hotel GP Ltd.* Ω (Note 40.3)	Canada	Investment holding (filed for voluntary bankruptcy)	-	60.17
TA F&B GP Ltd.*	Canada	Dormant	96.54	60.17
WG Restaurant GP Ltd.*	Canada	Dormant	96.54	60.17
Aava Whistler Hotel GP Ltd.*	Canada	Hotel partnership	96.54	60.17

8. Investments in subsidiaries (continued)

8.2 Subsidiaries (continued)

Name of entity	Principal place of business	Principal activities	Effective ownership interest and voting interest 2020 %	2019 %
Subsidiary of TA Hotel GP Ltd.				
TA Hotel Management Limited Partnership*Ω (Note 40.3)	Canada	Hotel management services (filed for voluntary bankruptcy)	-	60.17
Subsidiary of TA F&B GP Ltd.				
TA F&B Limited Partnership*	Canada	Operation of club	96.54	60.17
Subsidiary of WG Restaurant GP Ltd.				
WG Restaurant Limited Partnership*	Canada	Dormant	96.54	60.17
Subsidiary of Aava Whistler Hotel GP Ltd.				
Aava Whistler Hotel Limited Partnership*	Canada	Hotel management services	96.54	60.17

8. Investments in subsidiaries (continued)

8.2 Subsidiaries (continued)

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

Name of Trust	Country of incorporation	Effective ownership interest and voting interest 2020 %	2019 %
ERF Properties Sdn. Bhd. has trust beneficiary interest in:			
Aava (Canada) Trust*	Barbados	96.54	60.17
Raintree Amalgamated Sdn. Bhd. has trust beneficiary interest in:			
Wales House Trust $*	Australia	96.54	60.17
TA Ascents (M) Sdn. Bhd. has trust beneficiary interest in:			
Ascents Trust $*	Australia	96.54	60.17

* Not audited by KPMG PLT.
$ Audited by member firms of KPMG International.
# This subsidiary filed for dissolution with the Bureau of Internal Revenue of Philippines in previous financial years.
@ These subsidiaries commenced Member's Voluntary Winding Up.
^ These subsidiaries had been dissolved by way of voluntary liquidation.
Ω These subsidiaries had been filed for voluntary bankruptcy.
& These subsidiaries have commenced Member's Voluntary Striking Off.

8.3 Non-controlling interests in subsidiary

	Note	TA Global and its subsidiaries RM'000
2020		
NCI percentage of ownership interest and voting interest	8.3.1	3.46%
Carrying amount of NCI		100,704
Loss allocated to NCI		(89,006)
Total comprehensive loss allocated to NCI		(79,644)

8. Investments in subsidiaries (continued)

8.3 Non-controlling interests in subsidiary (continued)

	Note	TA Global and its subsidiaries RM'000	Others RM'000	Total RM'000
2019				
NCI percentage of ownership interest and voting interest	8.3.1	39.83%		
Carrying amount of NCI		1,238,570	-	1,238,570
Profit allocated to NCI		49,650	562	50,212
Total comprehensive income allocated to NCI		47,425	562	47,987

8.3.1 NCI percentage of ownership interest and voting interest

As at 31 December 2020, the Group has acquired a total number of 1,935,204,366 shares in TA Global Berhad (equivalent to RM541,930,000) through take-over offer and open-market purchase as disclose in Note 40.1. Hence, resulted in decrease of NCI percentage of ownership interest and voting interest from 39.83% to 3.46%.

	TA Global and its subsidiaries	
	2020 RM'000	2019 RM'000
Summarised financial information before intra-group elimination		
As at 31 December		
Non-current assets	3,768,302	4,171,240
Current assets	1,604,607	1,276,191
Non-current liabilities	(896,719)	(751,203)
Current liabilities	(1,490,192)	(1,510,449)
Net assets	2,985,998	3,185,779
Revenue	420,850	751,404
(Loss)/Profit for the year	(223,284)	123,672
Total comprehensive (loss)/ income	(199,781)	118,086
Cash flows generated from/(used in):		
- operating activities	76,793	118,028
- investing activities	(217,518)	(67,254)
- financing activities	124,206	(147,170)
Net decrease in cash and cash equivalents	(16,519)	(96,396)
Dividends paid to NCI	-	34,047

9. Investment in an associate

	Group 2020 RM'000	Group 2019 RM'000
Investment in shares	13,010	13,010
Share of post-acquisition reserves	2,482	2,579
	15,492	15,589

The Group does not have any material associate. The details of the associate are as follows:

Name of associate	Country of incorporation	Nature of the relationship	Effective ownership interest and voting interest 2020 %	2019 %
Dinar Ehsan Sdn. Bhd.@	Malaysia	Dinar Ehsan has a wholly owned subsidiary, Panca Resmi Sdn. Bhd. owns a parcel of land which provide strategic opportunity to the property development activities of the Group	25	25

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

The following table summarises the information of the Group's associate, adjusted for any differences in accounting policies and reconciles the information to the carrying amount of the Group's interest in the associate.

	Total 2020 RM'000	Total 2019 RM'000
Group		
Summarised financial information		
Reconciliation of net assets to carrying amount		
Group's share of net assets	14,378	14,475
Issuance of preference shares	1,383	1,383
Elimination of preference shares	(269)	(269)
Net assets	15,492	15,589
Year ended 31 December		
(Loss)/Profit for the year	(388)	452
Included in the total comprehensive income is:		
Revenue	214	228
Group's share of results for the year ended		
Group's share of (loss)/profit, net of tax	(97)	113

10. Investments in joint ventures

	Note	Group 2020 RM'000	Group 2019 RM'000
Investment in shares	10.1	4,773	121,626
Share of post-acquisition reserves		653	(4,027)
		5,426	117,599

10.1 Return of capital contribution

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

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

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

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

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

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

Under the contractual arrangements, unanimous consent is required from all parties to the agreements for all relevant activities.

The joint arrangements are structured via separate entities and provide the Group with the rights to the net assets of the entities under the arrangements. Therefore, these entities are classified as joint ventures of the Group.

10. Investments in joint ventures (continued)

The following table summarises the financial information of the joint ventures, as adjusted for any differences in accounting policies. The table also reconciles the summarised financial information to the carrying amount of the Group's interest in its joint ventures, which are accounted for using the equity method.

Group	West Georgia Development Limited Partnership 2020 RM'000	2019 RM'000	Nusa Lagenda Development Sdn. Bhd. 2020 RM'000	2019 RM'000	Total 2020 RM'000	2019 RM'000
Percentage of effective ownership interest	50.0%	50.0%	50.0%	50.0%		
Percentage of effective voting interest	50.0%	50.0%	50.0%	50.0%		
Summarised financial information						
As at 31 December						
Current assets, representing total assets	5,015	241,149	8,040	8,041	13,055	249,190
Current liabilities	(1,042)	(1,307)	(64)	(63)	(1,106)	(1,370)
Net assets	3,973	239,842	7,976	7,978	11,949	247,820
Cash and cash equivalents	4,851	2,933	1	1	4,852	2,934
Current financial liabilities (excluding trade and other payables and provisions)	-	-	-	-	-	-

10. Investments in joint ventures (continued)

Group	West Georgia Development Limited Partnership 2020 RM'000	West Georgia Development Limited Partnership 2019 RM'000	Nusa Lagenda Development Sdn. Bhd. 2020 RM'000	Nusa Lagenda Development Sdn. Bhd. 2019 RM'000	Total 2020 RM'000	Total 2019 RM'000
Reconciliation of net assets to carrying amount as at 31 December						
Group's share of net assets	1,987	119,921	3,988	3,989	5,975	123,910
Elimination of unrealised profit	-	(6,311)	-	-	-	(6,311)
Elimination of intercompany transactions	(549)	-	-	-	(549)	-
	1,438	113,610	3,988	3,989	5,426	117,599
Year ended 31 December						
Profit/(Loss) for the year	953	(72)	(2)	(2)	951	(74)
Included in the total comprehensive income are:						
Interest income	31	47	-	-	31	47
Others	922	(119)	(2)	(2)	920	(121)
Group's share of results for the year ended 31 December						
Group's share of profit/(loss), net of tax	477	(36)	(1)	(1)	476	(37)
Group's adjustment	(545)	-	-	-	(545)	-
	(68)	(36)	(1)	(1)	(69)	(37)

11. Investments in securities

Group 2020	FVTPL RM'000	FVOCI – Equity instrument designated upon initial recognition RM'000	FVOCI – Debt instrument RM'000	Total RM'000
Non-current				
Shares	-	2,902	-	2,902
Bonds	-	-	935	935
	-	2,902	935	3,837
Current				
Shares	1,045,401	-	-	1,045,401
Unit trusts	1,957	-	-	1,957
	1,047,358	-	-	1,047,358
Total investments in securities	1,047,358	2,902	935	1,051,195
2019				
Non-current				
Shares	-	2,745	-	2,745
Bonds	-	-	83,421	83,421
	-	2,745	83,421	86,166
Current				
Shares	207,692	-	-	207,692
Unit trusts	23,230	-	-	23,230
Structured securities	76,929	-	-	76,929
Bonds	44,861	-	18,540	63,401
	352,712	-	18,540	371,252
Total investments in securities	352,712	2,745	101,961	457,418
Company				
2020				
Non-current				
Shares	-	2,902	-	2,902
2019				
Non-current				
Shares	-	2,745	-	2,745

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11. Investments in securities (continued)

11.1 Significant judgements and assumptions arising from determining the fair value of investments in structured securities

The Group applied judgement and assumptions in determining the fair value of the structured securities based on relevant prices or inputs in prior years. Judgement is involved when selecting and applying a valuation technique for measuring the fair value of these unquoted structured securities. Judgement is also applied in assessing the relevance of observable market data to determine the inputs under fair value hierarchy.

11.2 Pledged assets

The investment securities portfolio of the Group amounting to RM1,034,809,000 (2019: RM442,917,000) are charged to the financial institutions for the facilities granted to the Group's entities as disclosed in Note 20.

11.3 Equity investment designated at fair value through other comprehensive income

The Group and the Company designated the following investment as equity investment measured at fair value through other comprehensive income because this equity represents investment that the Group and the Company intend to hold for long-term strategic purposes.

	Fair value at 31 December		Dividend income recognised during	
Group and Company	**2020 RM'000**	**2019 RM'000**	**2020 RM'000**	**2019 RM'000**
Investment in Malaysia Rating Corporation Berhad	2,902	2,745	196	98

There were no disposals or transfers of any cumulative gain or loss within equity relating to this investment during 2020 and 2019.

12. Deferred tax assets/(liabilities)

Recognised deferred tax assets/(liabilities)

Deferred tax assets and liabilities are attributable to the following:

	Assets		Liabilities		Net	
	2020 RM'000	**2019 RM'000**	**2020 RM'000**	**2019 RM'000**	**2020 RM'000**	**2019 RM'000**
Group						
Property, plant and equipment	4,062	3,377	(192,425)	(203,586)	(188,363)	(200,209)
Right-of-use assets	-	-	(8,097)	(2,195)	(8,097)	(2,195)
Unutilised tax losses	7,503	3,686	-	-	7,503	3,686
Inventories	1,281	2,053	(92)	(92)	1,189	1,961
Lease liabilities	8,260	2,284	-	-	8,260	2,284
Receivables	898	961	-	-	898	961
Contract liabilities	1,455	1,099	-	-	1,455	1,099
Other items	3,985	2,272	-	(433)	3,985	1,839
Tax assets/(liabilities)	27,444	15,732	(200,614)	(206,306)	(173,170)	(190,574)
Set off of tax	(8,283)	(2,378)	8,283	2,378	-	-
Net tax assets/ (liabilities)	19,161	13,354	(192,331)	(203,928)	(173,170)	(190,574)

	2020 RM'000	**2019 RM'000**
Company		
Property, plant and equipment	(29)	(26)
Right-of-use assets	(1,447)	(19)
Lease liabilities	1,478	20
Net tax assets/(liabilities)	2	(25)

Unrecognised deferred tax assets

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

	Group	
	2020 RM'000	**2019 RM'000**
Unabsorbed capital allowances	14,754	14,608
Unutilised tax losses	539,713	458,759
Other deductible temporary differences	103,362	77,565
	657,829	550,932

Certain unutilised tax losses and all the unabsorbed capital allowances of the subsidiaries are available indefinitely to offset against future taxable profits of the subsidiaries. The unutilised tax losses of RM407,272,000 (2019: RM353,410,000) expire between 2022 to 2040 (2019: 2021 to 2039). There were unutilised tax losses of certain subsidiaries of RM53,876,000 (2019: RM29,132,000) which had expired during the financial year.

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

Movement in temporary differences during the year

	At 1.1.2019 RM'000	Recognised in profit or loss (Note 30) RM'000	Arising from business combinations RM'000	Effect of movement in exchange rates RM'000	At 31.12.2019 RM'000	Adjustment on purchase price allocation (Note 42) RM'000	At 31.12.2019, Restated/ 1.1.2020 RM'000	Recognised in profit or loss (Note 30) RM'000	Effect of movement in exchange rates RM'000	At 31.12.2020 RM'000
Group										
Property, plant and equipment	(211,892)	11,746	(1,087)	(71)	(201,304)	1,095	(200,209)	11,566	280	(188,363)
Right-of-use assets	(3,290)	1,095	-	-	(2,195)	-	(2,195)	(5,873)	(29)	(8,097)
Unutilised tax losses	11,807	(8,121)	-	-	3,686	-	3,686	3,821	(4)	7,503
Inventories	(90)	2,053	-	(2)	1,961	-	1,961	(773)	1	1,189
Lease liabilities	3,290	(1,006)	-	-	2,284	-	2,284	5,976	-	8,260
Receivables	890	82	-	(11)	961	-	961	(63)	-	898
Contract assets	(344)	344	-	-	-	-	-	-	-	-
Contract liabilities	193	907	-	(1)	1,099	-	1,099	356	-	1,455
Other items	2,048	(165)	-	(44)	1,839	-	1,839	1,470	676	3,985
	(197,388)	6,935	(1,087)	(129)	(191,669)	1,095	(190,574)	16,480	924	(173,170)

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

Movement in temporary differences during the year (continued)

	At 1.1.2019 RM'000	Recognised in profit or loss (Note 30) RM'000	At 31.12.2019/ 1.1.2020 RM'000	Recognised in profit or loss (Note 30) RM'000	At 31.12.2020 RM'000
Company					
Property, plant and equipment	-	(26)	(26)	(3)	(29)
Right-of-use assets	(23)	4	(19)	(1,428)	(1,447)
Lease liabilities	23	(3)	20	1,458	1,478
	-	(25)	(25)	27	2

13. Receivables

	Note	Group 2020 RM'000	Group 2019 RM'000	Company 2020 RM'000	Company 2019 RM'000
Non-current					
Deferred tenant inducements	13.3	19,774	10,139	-	-
Finance lease receivables	13.5	6,807	-	-	-
Operating lease receivables	13.6	497	-	-	-
Due from subsidiaries	13.7	-	-	77,848	59,220
		27,078	10,139	77,848	59,220
Less: Allowance for impairment		-	-	(157)	(75)
		27,078	10,139	77,691	59,145
Current					
Financial receivables	13.1	95,442	102,364	-	-
Trade receivables	13.2	414,992	274,200	-	-
Deferred tenant inducements	13.3	3,297	2,179	-	-
Other receivables	13.4	17,361	19,628	909	867
Finance lease receivables	13.5	637	-	-	-
Operating lease receivables	13.6	11,646	11,215	-	-
Due from subsidiaries	13.7	-	-	1,765	14,436
Due from a joint venture		27	27	-	-
Due from a deconsolidated subsidiary	13.8	13,104	-	-	-
		556,506	409,613	2,674	15,303
Less: Allowance for impairment		(80,895)	(65,854)	(492)	(495)
		475,611	343,759	2,182	14,808
Total receivables		502,689	353,898	79,873	73,953

13. Receivables (continued)

13.1 Financial receivables

	Group 2020 RM'000	Group 2019 RM'000
Current		
Loan and advances	39,444	41,706
Loan receivables	55,998	60,658
	95,442	102,364
Less: Allowance for impairment	(51,150)	(53,420)
	44,292	48,944

The Group's financial receivables bear interest ranging from:

	2020	2019
Performing loans	6%-12%	6%-12%
Overdue interests	8%	8%

13.2 Trade receivables

	Note	Group 2020 RM'000	Group 2019 RM'000
Due from stockbroking clients	13.2.1	328,557	226,381
Due from unit trust funds	13.2.2	29,221	15,144
Amount with derivative clearing house		2,567	1,315
Due from brokers	13.2.3	18,556	1,690
Other trade receivables	13.2.4	36,091	29,670
		414,992	274,200
Less: Allowance for impairment		(14,460)	(11,509)
		400,532	262,691

13.2.1 Due from stockbroking clients represents amounts receivable from margin clients and non-margin clients, and contracts entered into on behalf of clients where settlements via Central Depository System have yet to be made.

According to the Bursa Malaysia Securities Berhad Fixed Delivery and Settlement System ("FDSS") trading rules, the trade settlement is 2 market days. The Group's trade credit terms for margin clients are set in accordance with the terms of the respective margin agreements.

13. Receivables (continued)

13.2 Trade receivables (continued)

The interest rates charged to margin financing receivables reported as part of amount due from stockbroking clients during the year ranged from 4.85% to 20.00% (2019: 4.85% to 20.00%) per annum. Margin financing receivables interest rates are fixed upon the grant of margin financing and are revised on a yearly basis. Margin financing receivables which are secured by margin shares held as collaterals do not have fixed terms of maturity.

13.2.2 The amounts receivable from unit trust funds are due to cancellation of units which are receivable within 10 days and manager's fee arising from the management of the unit trust funds are receivable within 30 days. These amounts are neither past due nor impaired.

13.2.3 Offsetting of financial assets and financial liabilities

The following table provides information of financial assets and liabilities that have been set off for presentation purpose:

Group	**Gross amount RM'000**	**Balances that are set off RM'000**	**Net amount presented in the statement of financial position RM'000**
2020			
Financial assets			
Trade receivables			
Due from brokers	250,391	(231,835)	18,556
Financial liabilities			
Trade payables			
Due to brokers	232,301	(231,835)	466
2019			
Financial assets			
Trade receivables			
Due from brokers	89,001	(87,311)	1,690
Financial liabilities			
Trade payables			
Due to brokers	87,987	(87,311)	676

Certain amounts due from brokers and due to brokers were set off for presentation purpose because they have enforceable right to set off and they intend either to settle on a net basis, or to realise the asset and settle the liability simultaneously.

13. Receivables (continued)

13.2 Trade receivables (continued)

13.2.3 Offsetting of financial assets and financial liabilities (continued)

The gross amount of financial asset and financial liabilities and their net amounts disclosed in the above tables have been measured in the statements of financial position on amortised cost basis.

13.2.4 Other trade receivables are mostly non-interest bearing. They are recognised at their original invoiced amounts which represent their fair values at initial recognition.

13.3 Deferred tenant inducements

Deferred tenant inducements relate to tenant inducements by a subsidiary that are capitalised and amortised over the respective terms of the leases.

13.4 Other receivables

	Note	Group 2020 RM'000	Group 2019 RM'000	Company 2020 RM'000	Company 2019 RM'000
Current					
Prepayments		3,201	7,757	23	-
Deposits		6,188	6,053	404	385
Grant receivable	13.4.1	2,031	-	-	-
Sundry receivables		4,029	1,537	6	6
Others		1,912	4,281	476	476
		17,361	19,628	909	867
Less: Allowance for impairment		(2,181)	(925)	(476)	(476)
		15,180	18,703	433	391

13.4.1 Grant receivable was unconditional and related to the wage subsidy support scheme introduced by the government of Singapore to support local businesses to retain local employees during the COVID-19 pandemic time. This grant was recognised in profit or loss in full and presented in 'other income' (Note 24).

13.5 Finance lease receivables

The Group leases out a building for a lease term of 8 years with a fit-out period of 2 months both commencing from Handover Date of 1 November 2020.

This lease transfers substantially all the risk and rewards incidental to ownership of the building. The lease does not include buy-back agreements or residual value guarantees.

13. Receivables (continued)

13.5 Finance lease receivables (continued)

The lease payments to be received are as follows:

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

The following are recognised in profit or loss:

	2020 RM'000
Gain for new lease entered into	2,700

13.6 Operating lease receivables

Operating lease receivables mainly arises from straight-line operating lease income due to variability in periodic payments.

13.7 Due from subsidiaries

	Company 2020 RM'000	Company 2019 RM'000
Non-current		
Loan and advances to subsidiaries	77,848	59,220
Less: Allowance for impairment	(157)	(75)
	77,691	59,145
Current		
Loan and advances to subsidiaries	1,765	14,436
Less: Allowance for impairment	(16)	(19)
	1,749	14,417
	79,440	73,562

Loans and advances to subsidiaries
Other than an amount of RM77,777,000 (2019: RM59,220,000) which is subject to interest charge of 3.08% to 4.50% (2019: 2.34% to 4.67%) per annum, advances to subsidiaries of the Company are unsecured, interest-free, and repayable on demand.

13. Receivables (continued)

13.8 Due from a deconsolidated subsidiary

Amount due from a deconsolidated subsidiary relates to the amount due from TA Hotel Management Limited Partnership ("TAHMLP") (Note 40.3). The Group has measured the credit loss allowance on this receivable to be 100% of the outstanding balance.

14. Contract assets/(contract liabilities)

	Note	Group 2020 RM'000	Group 2019 RM'000
Contract assets			
Contract assets from sales of properties	14.1	16,262	41,960
Other contract assets		337	421
		16,599	42,381
Contract liabilities			
Contract liabilities from:			
- sales of properties	14.1	(27,874)	(8,669)
- hotel operation	14.2	(7,162)	(19,641)
Other contract liabilities		(2,511)	(1,768)
		(37,547)	(30,078)

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

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

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

14.1 Contract assets/(liabilities) from sales of properties

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

	Group 2020 RM'000	Group 2019 RM'000
Contract assets	16,262	41,960
Contract liabilities	(27,874)	(8,669)
	(11,612)	33,291

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

14.1 Contract assets/(liabilities) from sales of properties (continued)

	Group 2020 RM'000	Group 2019 RM'000
At 1 January	33,291	2,075
Net revenue recognised during the year	107,191	42,738
Net progress billings during the year	(152,094)	(11,522)
At 31 December	(11,612)	33,291

14.2 Contract liabilities from hotel operations

Reconciliation of contract liabilities movement relating to hotel operation:

	Group 2020 RM'000	Group 2019 RM'000
At 1 January	(19,641)	(19,208)
Revenue recognised that was included in the contract liability balance at the beginning of the period	19,608	19,407
Increase in cash received, excluding amounts recognised as revenue during the period	(7,014)	(19,554)
Effect of foreign exchange translation	(115)	(286)
At 31 December	(7,162)	(19,641)

15. Contract cost

	Note	Group 2020 RM'000	Group 2019 RM'000
Cost to fulfil a contract	15.1		
- Land costs		5,691	5,754
- Development costs		348	-
Cost to obtain a contract	15.2	10,348	4,112
Total contract costs		16,387	9,866

15.1 Cost to fulfil a contract

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

15. Contract cost (continued)

15.2 Cost to obtain a contract

Sales commission fees that are attributable to the sold units are capitalised as contract costs during the year. The capitalised sales commission fees are expensed to profit or loss over time based on the percentage of completion of the properties sold. The amount amortised during the year was RM3,490,000 (2019: RM1,191,000).

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

15.3 Land pledged as securities

Freehold land has been pledged as securities for credit facilities granted to the Group as disclosed in Note 20.

16. Derivatives

Group	Note	Nominal value RM'000	Assets RM'000	Liabilities RM'000
2020				
Derivatives held for trading at fair value through profit or loss				
- Geared currency accumulators	16.1	171,221	-	(1,500)
- Geared currency decumulators	16.1	22,381	-	(1,243)
- Forward exchange contracts	16.4	312,830	-	(1,479)
- Stock options	16.3	47,510	84	-
		553,942	84	(4,222)
2019				
Derivatives held for trading at fair value through profit or loss				
- Geared equity decumulators	16.2	39,553	-	(214)
- Forward exchange contracts	16.4	318,548	-	(1,037)
- Stock options	16.3	2,030	839	-
		360,131	839	(1,251)

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

16. Derivatives (continued)

16.1 Geared currency accumulators and decumulators

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

16.2 Geared equity accumulators and decumulators

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

16.3 Stock options

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

16.4 Forward exchange contracts

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

17. Other investment

	Group	
	2020 RM'000	2019 RM'000
Fixed and call deposits with financial institutions with maturity more than three months	7,302	51,388
Less: Allowance for impairment	-	(150)
	7,302	51,238

Included in other investment of the Group are fixed and call deposits of RM3,900,000 pledged for bank guarantee granted to a subsidiary. In prior year, included in other investment of the Group are fixed and call deposits of USD11,110,000 or RM45,473,000 equivalent pledged for credit facilities granted to a subsidiary.

17. Other investment (continued)

The average maturity period as at reporting date for the deposits with financial institutions is 12 months (2019: 11.61 months) with interest rate of 1.85% (2019: 2.20%) per annum.

18. Cash and bank balances

		Group		Company	
	Note	2020 RM'000	2019 RM'000	2020 RM'000	2019 RM'000
Cash and bank balances	18.1	682,541	474,891	2,418	5,725
Deposits and placements with financial institutions	18.2	223,253	700,966	-	-
		905,794	1,175,857	2,418	5,725
Less: Allowance for impairment		(688)	(1,428)	-	-
		905,106	1,174,429	2,418	5,725

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

(i) Remisiers' monies of approximately RM27,918,000 (2019: RM24,260,000) arising from a stockbroking subsidiary.

(ii) An amount of RM372,291,000 (2019: RM133,156,000) pledged for credit facilities granted to subsidiaries.

(iii) An amount of RM71,637,000 (2019: RM8,633,000) held pursuant to Section 7A of the Housing Development (Control and Licensing) Act, 1966 and therefore restricted from use in other operations.

(iv) Reserve fund denominated in AUD, SGD, RMB, THB and CAD totaling RM46,535,000 equivalent (2019: RM52,529,000 equivalent) is for hotel capital replacement purposes.

18.2 Included in the deposits and placements with financial institutions of the Group is an amount of RM121,212,000 (2019: RM578,730,000) pledged for credit facilities granted to subsidiaries.

18.3 Monies held-in-trust

18.3.1 Stockbroking and unit trust operations

Monies held-in-trust on behalf of clients by the Group as at 31 December 2020 are RM492,099,000 (2019: RM247,143,000). These monies do not constitute part of the Group's assets and are not recognised in the statements of financial position.

18.3.2 Derivative trading operations

These segregated accounts do not constitute part of the Group's assets and liabilities.

18. Cash and bank balances (continued)

18.3 Monies held-in-trust (continued)

18.3.2 Derivative trading operations (continued)

Segregated accounts

	Note	Group 2020 RM'000	Group 2019 RM'000
Receivables	18.1.2.1	76,240	52,951
Payables	18.1.2.2	(172,219)	(96,548)
		(95,979)	(43,597)
Cash and cash equivalents:			
Cash and bank balances		31,288	14,749
Deposits with financial institutions		64,691	28,848
	18.1.2.3	95,979	43,597

18.3.2.1 Receivables represent segregated clearing account balances maintained with Bursa Malaysia Derivatives Clearing Berhad ("BMDC") on behalf of the Group's clients.

Interest earned on such accounts is paid to the clients upon the Group's discretion in accordance with the respective Risk Disclosure Documents signed and agreed by the clients.

18.3.2.2 Payables in excess of clients' segregated clearing account balances and unrealised (loss)/gain are repayable upon clients' request for withdrawal.

18.3.2.3 Cash and cash equivalents represent monies held on behalf of the Group's clients. Interest earned on these accounts is payable to the clients at the Group's discretion in accordance with the respective Risk Disclosure Documents signed and agreed by the clients.

The weighted average effective interest rates of bank balances and deposits at the reporting date are:

	Group 2020 %	Group 2019 %	Company 2020 %	Company 2019 %
Cash and bank balances	0.57	1.09	1.64	2.78
Deposits and placements with financial institutions	0.93	1.54	-	-

18. Cash and bank balances (continued)

18.3 Monies held-in-trust (continued)

The average maturities of deposits at the reporting date are:

	Group		Company	
	2020 days	2019 days	2020 days	2019 days
Deposits and placements with financial institutions	6.67	11.99	-	-

19. Capital and reserves

Share capital

	Group and Company			
	Amount 2020 RM'000	Number of shares 2020 '000	Amount 2019 RM'000	Number of shares 2019 '000
Issued and fully paid shares with no par value classified as equity instruments:				
Ordinary shares				
As at 1 January	1,775,118	1,711,910	1,775,118	1,711,910
Issued during the year	511,810	781,391	-	-
As at 31 December	2,286,928	2,493,301	1,775,118	1,711,910

19.1 Ordinary shares

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

During the financial year, the Company issued 781,391,000 new ordinary shares of RM0.655 each for total consideration of RM511,810,000, which was settled by way of cash consideration of RM272,368,000 and share exchange in-kind of RM239,442,000 pursuant to the takeover exercise disclosed in Note 40.1 to acquire additional interest in TA Global Berhad, a subsidiary of the Company.

There were no other changes in the issued and paid up capital of the Company for the year.

19.2 Capital reserve

Capital reserve was created mainly from the retained profits of a subsidiary, TA Properties Sdn. Bhd. as a result of the redemption of unquoted shares out of profits by this subsidiary in prior years.

19. Capital and reserves (continued)

19.3 Fair value reserve

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

19.4 Exchange translation reserve

Exchange translation reserve includes:

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

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

20. Borrowings

	Group		Company	
	2020 RM'000	2019 RM'000	2020 RM'000	2019 RM'000
Non-current				
Secured				
Term loans	688,669	523,804	-	-
Bridging loan	12,183	17,119	-	-
	700,852	540,923	-	-
Current				
Secured				
Term loans	11,067	102,802	-	-
Revolving credits	172,249	176,855	71,067	59,324
Bridging loans	23,662	-	-	-
Other bank borrowings	1,166,344	881,275	-	-
	1,373,322	1,160,932	71,067	59,324
Unsecured				
Revolving credits	244,510	227,050	150,123	129,950
	1,617,832	1,387,982	221,190	189,274
Total borrowings	2,318,684	1,928,905	221,190	189,274

20. Borrowings (continued)

20.1 Interest rate

Group

Term loans
The term loans of the Group are subject to interest rates ranging from 1.48% to 3.35% (2019: 2.85% to 4.79%) per annum.

Non-current term loans of the Group are repayable over the next 10 years (2019: 3 years).

Other bank borrowings
Other bank borrowings are subject to interest rates ranging from 0.40% to 1.80% (2019: 0.40% to 3.13%) per annum.

Revolving credits
The revolving credits are subject to interest rates ranging from 2.65% to 3.35% (2019: 4.02% to 4.95%) per annum.

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

i) an amount of RM22,987,000 (2019: RM17,119,000) bearing interest rate of 3.00% (2019: 4.32%) per annum and repayable over next 1 year (2019: 3 years). The loan shall repay this credit facility in monthly instalments commencing from 2 April 2021; and

ii) an amount of RM12,858,000 (2019: Nil) bearing interest rate of 3.50% (2019: Nil) per annum and repayable by redemption sums from sale of development units.

Company

Revolving credits
The revolving credits are subject to interest rates ranging from 2.65% to 3.18% (2019: 4.02% to 4.69%) per annum.

20.2 Security

Group

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

20. Borrowings (continued)

20.2 Security (continued)

Group (continued)

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

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

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

Company

Revolving credits
The revolving credits are secured by a freehold land and building of a subsidiary.

20.3 Loan Covenant

COVID-19 pandemic has adversely impacted the hotel business during the year, certain ratios set by the lenders prior to pandemic may not be achievable. The Group is actively monitoring its covenants with all its banks. Negotiations with the banks are carried out continuously to manage the risk during the year. The Group has negotiated with a bank to waive a Debt Service Coverage Ratio ("DSCR") of a short-term borrowing of RM444,405,000 which included non-cash depreciation and amortisation. The bank has on 15 April 2021, waived the requirement. This incidence does not affect the classification and other terms of the loan.

21. Payables

	Note	Group 2020 RM'000	Group 2019 RM'000	Company 2020 RM'000	Company 2019 RM'000
Current					
Trade					
Trade payables	21.1	165,042	127,426	-	-
Trade accruals	21.2	23,040	17,078	-	-
		188,082	144,504	-	-
Non-trade					
Other payables	21.3	128,487	123,984	1,677	6,858
Due to Directors		345	298	195	149
Due to subsidiaries, associate and joint venture	21.4	165	69,055	557	7,655
		128,997	193,337	2,429	14,662
Total payables		317,079	337,841	2,429	14,662

21.1 Trade payables

Trade payables arise mainly from:

(i) subsidiaries involved in property management, hotel operations and property development activities.

(ii) a stockbroking subsidiary relates to amounts payable to margin and non-margin clients and outstanding contracts entered into on behalf of clients where settlements have yet to be made;

(iii) security deposits withheld to enable the Group to grant and monitor the trading limit to the remisiers' customers.

21.2 Trade accruals

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

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

21.3 Other payables

	Group 2020 RM'000	Group 2019 RM'000	Company 2020 RM'000	Company 2019 RM'000
Other payables	46,489	46,718	1,511	6,691
Deposits received	15,610	15,521	-	-
Accruals	66,388	61,745	166	167
	128,487	123,984	1,677	6,858

21. Payables (continued)

21.4 Due to subsidiaries, associate and joint venture

	Group		Company	
	2020 RM'000	2019 RM'000	2020 RM'000	2019 RM'000
Due to subsidiaries	-	-	557	7,655
Due to joint venture	165	69,014	-	-
Due to associate	-	41	-	-
	165	69,055	557	7,655

Due to subsidiaries
An amount of RM557,000 (2019: RM7,655,000) due to subsidiaries is subject to interest charge of 3.14% (2019: 4.67%) per annum and repayable on demand.

Due to joint venture and associate
Amount due to joint venture and associate is unsecured, interest-free, and repayable on demand.

22. Provisions

	Employee benefits RM'000	Development/ construction costs RM'000	Total RM'000
Group			
At 1 January 2019	8,472	8,540	17,012
Provisions included under personnel costs	13,098	-	13,098
Provisions written-back under personnel costs	(12,162)	-	(12,162)
Exchange differences	(16)	-	(16)
At 31 December 2019/1 January 2020	9,392	8,540	17,932
Provisions included under personnel costs	2,264	-	2,264
Provisions written-back under personnel costs	(4,806)	-	(4,806)
Exchange differences	410	-	410
At 31 December 2020	7,260	8,540	15,800

22. Provisions (continued)

	Employee benefits RM'000	Development/ construction costs RM'000	Total RM'000
2020			
Non-current	3,692	-	3,692
Current	3,568	8,540	12,108
	7,260	8,540	15,800
2019			
Non-current	5,699	-	5,699
Current	3,693	8,540	12,233
	9,392	8,540	17,932

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

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

23. Revenue

Group 2020 **Major products/service line** ***Revenue from contracts with customers***	Broking and financial services RM'000	Investment holding RM'000	Credit and lending RM'000	Property investment RM'000	Property development RM'000	Hotel operations RM'000	Others RM'000	Total RM'000
Hotel room rental and related revenue	-	-	-	-	-	174,009	-	174,009
Sales of food and beverage	-	-	-	-	-	53,767	-	53,767
Sales of properties	-	-	-	-	107,191	-	-	107,191
Gross brokerage fee	123,634	-	-	-	-	-	-	123,634
Underwriting commission and placement fees	11,396	-	-	-	-	-	-	11,396
Profit from sale of trust units	107,980	-	-	-	-	-	-	107,980
Manager's fee from unit trust and private mandate clients' funds	33,199	-	-	-	-	-	-	33,199
Maintenance charges recoveries from tenants	-	-	-	20,706	-	-	-	20,706
Sale of electricity	-	-	-	465	-	-	-	465
Others	6,051	636	570	-	-	-	-	7,257
	282,260	636	570	21,171	107,191	227,776	-	639,604

23. Revenue (continued)

Group	Broking and financial services RM'000	Investment holding RM'000	Credit and lending RM'000	Property investment RM'000	Property development RM'000	Hotel operations RM'000	Others RM'000	Total RM'000
2020								
Major products/service line								
Other revenue								
Rental income from:								
- properties	-	-	-	54,118	1,907	-	-	56,025
- a Director	-	369	-	-	-	-	-	369
- others	243	-	-	-	-	-	28	271
Service and administration charges	13,208	-	-	-	-	-	-	13,208
Interest income of financial assets calculated using the effective interest method that are:								
At amortised cost								
- money lending	-	-	5,105	-	-	-	-	5,105
- others	-	-	434	-	-	-	-	434
	13,451	369	5,539	54,118	1,907	-	28	75,412
Total revenue	295,711	1,005	6,109	75,289	109,098	227,776	28	715,016

23. Revenue (continued)

Group	Broking and financial services RM'000	Investment holding RM'000	Credit and lending RM'000	Property investment RM'000	Property development RM'000	Hotel operations RM'000	Others RM'000	Total RM'000
2020								
Revenue from contracts with customers								
Primary geographical markets								
Malaysia	282,260	636	570	476	107,191	168	28	391,329
Australia	-	-	-	-	-	85,593	-	85,593
Canada	-	-	-	20,695	-	27,843	-	48,538
Singapore	-	-	-	-	-	64,900	-	64,900
China	-	-	-	-	-	19,723	-	19,723
Thailand	-	-	-	-	-	29,549	-	29,549
	282,260	636	570	21,171	107,191	227,776	28	639,632
Other revenue								
Malaysia	13,451	369	5,539	18,924	1,907	-	-	40,190
Canada	-	-	-	35,194	-	-	-	35,194
	13,451	369	5,539	54,118	1,907	-	-	75,384
Total revenue	295,711	1,005	6,109	75,289	109,098	227,776	28	715,016

23. Revenue (continued)

Group	Broking and financial services RM'000	Investment holding RM'000	Credit and lending RM'000	Property investment RM'000	Property development RM'000	Hotel operations RM'000	Others RM'000	Total RM'000
2019								
Major products/service line								
Revenue from contracts with customers								
Hotel room rental and related revenue	-	-	-	-	-	458,143	-	458,143
Sales of food and beverage	-	-	-	-	-	147,585	-	147,585
Sales of properties	-	-	-	-	53,807	-	-	53,807
Gross brokerage fee	45,380	-	-	-	-	-	-	45,380
Underwriting commission and placement fees	7,479	-	-	-	-	-	-	7,479
Profit from sale of trust units	43,500	-	-	-	-	-	-	43,500
Manager's fee from unit trust and private mandate clients' funds	17,401	-	-	-	-	-	-	17,401
Maintenance charges recoveries from tenants	-	-	-	24,028	-	-	-	24,028
Sale of electricity	-	-	-	318	-	-	-	318
Others	6,225	636	450	6	-	-	135	7,452
	119,985	636	450	24,352	53,807	605,728	135	805,093

23. Revenue (continued)

Group	Broking and financial services RM'000	Investment holding RM'000	Credit and lending RM'000	Property investment RM'000	Property development RM'000	Hotel operations RM'000	Others RM'000	Total RM'000
2019								
Major products/service line								
Other revenue								
Rental income from:								
- properties	-	-	-	55,736	2,318	-	-	58,054
- a Director	-	360	-	-	-	-	-	360
- others	171	8	-	37	-	-	-	216
Service and administration charges	12,924	-	-	-	-	-	-	12,924
Interest income of financial assets calculated using the effective interest method that are:								
At amortised cost								
- money lending	-	-	4,573	-	-	-	-	4,573
- others	-	-	746	-	-	-	-	746
Gain on disposal of other investments	157	-	-	-	-	-	-	157
	13,252	368	5,319	55,773	2,318	-	-	77,030
Total revenue	133,237	1,004	5,769	80,125	56,125	605,728	135	882,123

23. Revenue (continued)

Group	Broking and financial services RM'000	Investment holding RM'000	Credit and lending RM'000	Property investment RM'000	Property development RM'000	Hotel operations RM'000	Others RM'000	Total RM'000
2019								
Revenue from contracts with customers								
Primary geographical markets								
Malaysia	119,985	636	450	1,661	42,738	656	135	166,261
Australia	-	-	-	-	11,069	191,640	-	202,709
Canada	-	-	-	22,691	-	113,537	-	136,228
Singapore	-	-	-	-	-	168,265	-	168,265
China	-	-	-	-	-	33,531	-	33,531
Thailand	-	-	-	-	-	98,099	-	98,099
	119,985	636	450	24,352	53,807	605,728	135	805,093
Other revenue								
Malaysia	13,252	368	5,319	19,670	2,318	-	-	40,927
Canada	-	-	-	36,103	-	-	-	36,103
	13,252	368	5,319	55,773	2,318	-	-	77,030
Total revenue	133,237	1,004	5,769	80,125	56,125	605,728	135	882,123

23. Revenue (continued)

	Company 2020 RM'000	Company 2019 RM'000
Major products/service line		
Revenue from contracts with customers		
Management fees from subsidiaries	6,576	6,909
Other revenue		
Gross dividends from subsidiaries	41,705	61,331
	48,281	68,240

23.1 Transaction price allocated to the remaining performance obligation

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

	Group 2020 RM'000	Group 2019 RM'000
Remaining performance obligations at the reporting date:		
Sales of properties	387,992	355,195

The remaining performance obligations amounting to RM387,992,000 (2019: RM355,195,000) are expected to be recognised over 1 to 3 years (2019: 2 to 4 years). Included in the sale of properties are revenue allocated to the furniture and fittings amounting to RM51,667,000 (2019: RM42,334,000) given to the purchasers when they purchase the property which is expected to be recognised after 1 to 3 years (2019: 2 to 4 years) when the customers obtain control of the assets.

The Group applies the following practical expedients:

- exemption on disclosure of information on remaining performance obligations that have original expected durations of one year or less.
- exemption not to adjust the promised amount of consideration for the effects of a significant financing component when the period between the transfer of a promised good or service to a customer and when the customer pays for that good or service is one year or less.

23. Revenue (continued)

23.2 Significant judgements and assumptions arising from revenue recognition

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

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

24. Other income

	Note	Group 2020 RM'000	Group 2019 RM'000	Company 2020 RM'000	Company 2019 RM'000
Net gain on disposal of investment in a subsidiary		-	7,325	-	322
Gain on deconsolidation of subsidiaries	40.3	16,609	-	-	-
Government grant	24.1	32,769	-	-	-
Gain on redemption of preference share in a subsidiary		-	-	-	12,594
Others		11,394	50,153	2,499	2,046
		60,772	57,478	2,499	14,962

24.1 Government grant

	Note	Group 2020 RM'000	Group 2019 RM'000
Wage subsidy support scheme	(a)	28,358	-
Business support fund	(b)	218	-
Property tax waiver/relief	(c)	3,601	-
Rent assistance	(d)	592	-
		32,769	-

(a) Wage subsidy support scheme was given by government of Canada, Singapore and Australia to support respective local businesses to retain local employees during the COVID-19 pandemic time.

24. Other income (continued)

24.1 Government grant (continued)

(b) Business support fund was provided by Victorian Government, Australia, to support their local businesses especially tourism sector which had been impacted by restrictions which the businesses are heavily restricted to operate in a limited capacity or closed due to COVID-19.

(c) Property tax waiver/relief was provided by the government of Singapore, Australia and China which related to the concession provided to owners of hotel properties and landlords that had provided rental reduction to their tenant due to COVID-19.

(d) Rent assistance is a type of forgivable loan given by Canadian Government to local small businesses that generates rental income from qualifying commercial properties and have provided a minimum of 75% rental reduction to their tenants between the period April 2020 to September 2020.

There is an outstanding balance for receivables related to the abovementioned grants as at 31 December 2020 as disclosed in Note 13.4.

25. Net gain from investments in securities

	Group		Company	
	2020 RM'000	2019 RM'000	2020 RM'000	2019 RM'000
Net fair value (loss)/gain from investment in securities:				
At FVTPL				
- structured securities	(11,046)	225,113	-	-
- bonds	(4,053)	1,948	-	-
- shares	(14,078)	(121,952)	-	-
- unit trust	47	1,797	-	-
- derivatives	306	27,407	-	-
	(28,824)	134,313	-	-
Interest income from investment in securities:				
At FVTPL				
- bonds	2,103	3,158	-	-
- structured securities	53,905	46,260	-	-
At FVOCI				
- bonds	2,165	5,567	-	-
	58,173	54,985	-	-

25. Net gain from investments in securities (continued)

	Group		Company	
	2020 RM'000	2019 RM'000	2020 RM'000	2019 RM'000
Gross dividend income from investment in securities:				
At FVTPL				
- shares	2,613	2,733	-	-
At FVOCI				
- shares	196	98	196	98
	2,809	2,831	196	98
Gain/(Loss) on disposal/redemption of investment in securities:				
At FVTPL				
- shares	55,210	11,983	-	-
- bonds	(1,494)	-	-	-
At FVOCI				
- bonds	4,846	132	-	-
	58,562	12,115	-	-
	90,720	204,244	196	98

26. Personnel costs

	Group		Company	
	2020 RM'000	2019 RM'000	2020 RM'000	2019 RM'000
Wages, salaries, allowance and bonuses	146,067	239,846	8,794	11,317
Contribution to defined contribution plan	12,311	17,564	760	982
Social security costs	1,150	5,247	49	59
Unutilised annual leave	5,064	7,023	-	-
Incentives	43,896	9,902	-	-
Other staff related expenses	19,425	26,281	371	617
	227,913	305,863	9,974	12,975

The above personnel costs include remuneration paid/payable to Directors of the Group and of the Company (excluding fees and benefits-in-kind that are not classified as personnel costs) that are disclosed in Note 27.

27. Directors' remuneration

	Group		Company	
	2020 RM'000	2019 RM'000	2020 RM'000	2019 RM'000
Directors of the Company				
Executive:				
Salaries and other emoluments	2,745	2,816	2,745	2,816
Bonus	639	1,287	639	1,287
Benefits-in-kind	55	55	55	55
	3,439	4,158	3,439	4,158
Non-executive:				
Other emoluments	5,029	6,396	-	383
Fees	447	411	207	206
Bonus	710	23,084	-	9,571
Benefits-in-kind	74	167	10	10
	6,260	30,058	217	10,170
Directors of the subsidiaries				
Executive:				
Salaries and other emoluments	5,380	6,053	-	-
Bonus	892	3,264	-	-
Fees	8	39	-	-
Benefits-in-kind	116	153	-	-
	6,396	9,509	-	-
Non-executive:				
Salaries and other emoluments	282	400	-	-
Fees	247	341	-	-
	529	741	-	-
Total	16,624	44,466	3,656	14,328
Total excluding benefits-in-kind	16,379	44,091	3,591	14,263

The above Directors' remuneration is excluding legal and consultancy fees paid to firms where certain Directors have interest as disclosed in Note 39.

28. Finance income

	Group 2020 RM'000	Group 2019 RM'000	Company 2020 RM'000	Company 2019 RM'000
Interest income of financial assets calculated using the effective interest method that are:				
At amortised costs:				
- bank balances, deposits and placements with financial institutions	9,500	20,589	218	143
- amount due from subsidiaries	-	-	3,197	2,966
Other finance income	2,763	1,729	2	15
	12,263	22,318	3,417	3,124

29. Finance costs

	Group 2020 RM'000	Group 2019 RM'000	Company 2020 RM'000	Company 2019 RM'000
Interest expense of financial liabilities that are not at fair value through profit or loss:				
- amount due to subsidiaries	-	-	239	112
- amount due to a director	17	-	17	-
- bank borrowings	51,555	63,509	7,314	8,200
Interest expense on lease liabilities	106	180	292	5
Other finance cost	2,711	2,435	46	85
	54,389	66,124	7,908	8,402
Recognised in profit or loss	54,347	65,996	7,908	8,402
Interest expense of financial liabilities that are not at fair value through profit or loss capitalised into qualifying assets				
- investment property	42	128	-	-
	54,389	66,124	7,908	8,402

30. Tax expense

Recognised in profit or loss

	Group		Company	
	2020 RM'000	**2019 RM'000**	**2020 RM'000**	**2019 RM'000**
Current tax expense				
Current year:				
- Malaysian income tax	23,130	17,732	251	529
- Foreign tax	13,439	21,663	-	-
	36,569	39,395	251	529
Under/(Over) provision in prior years:				
- Malaysian income tax	5,286	7,058	(125)	2,793
- Foreign tax	63	25	-	-
	5,349	7,083	(125)	2,793
	41,918	46,478	126	3,322
Deferred tax expense				
Origination and reversal of temporary differences (Note 12)	(16,480)	(6,935)	(27)	25
	(16,480)	(6,935)	(27)	25
Total tax expense	25,438	39,543	99	3,347

Reconciliation of tax expense

	Group 2020 RM'000	Group 2019 RM'000	Company 2020 RM'000	Company 2019 RM'000
(Loss)/Profit for the year	(166,794)	201,420	30,254	55,501
Tax expense	25,438	39,543	99	3,347
(Loss)/Profit excluding tax	(141,356)	240,963	30,353	58,848
Taxation at Malaysian statutory tax rate of 24%	(33,925)	57,831	7,285	14,124
Effect of different tax rates in foreign jurisdiction	655	3,719	-	-
Tax exempt income	(31,893)	(64,441)	(10,306)	(17,858)
Non-deductible expenses	62,969	25,620	3,245	4,288
Recognition of previously unrecognised tax losses and capital allowances	(1,792)	(1,278)	-	-
Temporary differences for which no deferred tax asset was recognised	24,075	11,009	-	-
Under/(Over) provision in prior years	5,349	7,083	(125)	2,793
Tax expense	25,438	39,543	99	3,347

31. (Loss)/Profit for the year

	Group 2020 RM'000	Group 2019 RM'000	Company 2020 RM'000	Company 2019 RM'000
(Loss)/Profit for the year is arrived at after charging/(crediting):				
Auditors' remunerations				
Audit fees:				
- KPMG PLT	905	1,005	95	116
- Overseas affiliates of KPMG PLT	926	1,100	-	-
- Other auditors	839	1,053	-	-
Non-audit fees:				
- KPMG PLT	61	131	-	35
- Local affiliates of KPMG PLT	62	274	15	15
- Overseas affiliates of KPMG PLT	102	-	-	-
- Other auditors	185	116	-	-
Material expenses/(income)				
Hotel operation cost (excluding personnel cost)	65,678	172,407	-	-
Remisier's incentive	16,441	3,729	-	-
Management fees charged by hotel operators	9,165	26,137	-	-
Gain on deconsolidation of subsidiaries	(16,609)	-	-	-
Expenses arising from leases				
Expenses relating to short-term leases	1,387	827	128	1,473
Expenses relating to low value assets	2	225	-	-

32. (Loss)/Earnings per ordinary share

32.1 Basic (loss)/earnings per ordinary share

The calculation of basic (loss)/earnings per ordinary share was based on the profit attributable to ordinary shareholders and a weighted average number of ordinary shares outstanding, calculated as follows:

	Group	
	2020	**2019**
(Loss)/Profit attributable to ordinary shareholders (RM'000)	(77,788)	151,208
Weighted average number of ordinary shares at 31 December ('000)	1,724,570	1,711,910
Basic (loss)/earnings per ordinary share (sen)	(4.51)	8.83

Subsequent to year end, the Company had issued a total of 44,634,649 new ordinary shares as at 9 August 2021. The issuance of new ordinary shares is in relation to the conditional voluntary take-over offer by the Company to acquire additional interest in TA Global Berhad as per disclosed in Note 40.1.

32.2 Diluted (loss)/earnings per ordinary share

At reporting date, the Group does not have any dilutive potential ordinary shares in issue.

33. Dividends

Dividends recognised by the Company:

	Sen per share	Total amount RM'000	Date of payment
2020			
Interim 2019 ordinary	1.00	17,119	8 May 2020
2019			
Final 2018 ordinary	4.10	70,188	12 July 2019

34. Segment information

34.1 Operating segments

The Group has reportable segments as described below, which are the Group's strategic business units. The strategic business units offer different products and services, and are managed separately because they require different technology and marketing strategies. For each of the strategic business units, the Chief Operating Decision Maker ("CODM") (i.e. the Company's Managing Director and Chief Executive Officer) reviews internal management reports at least on a quarterly basis.

The following summary describes the operations in each of the Group's reportable segments:

(i)	Broking and financial services	- stockbroking, fund management, unit trust, derivatives broking and trading;
(ii)	Investment holding	- provision of funding and investment related services;
(iii)	Credit and lending	- provision of finance and related services;
(iv)	Property investment	- investment in residential and commercial properties;
(v)	Property development	- development of residential and commercial properties;
(vi)	Hotel operations	- operation of hotels and related services; and
(vii)	Others	- general construction and trading in building materials.

Other business segments include construction, food and beverages and other inactive operations, none of which are of sufficient size to be reported separately.

Performance is measured based on segment operating profit before tax, finance income, finance costs, share of results of an associate and joint ventures as included in the internal management reports that are reviewed by the CODM. Segment profit is used to measure performance as management believes that such information is the most relevant in evaluating the results of certain segments relative to other entities that operate within these industries. The assets and liabilities of the Group are not analysed by segments. Accordingly, the information on segment assets and liabilities are not presented in the financial statements.

Segment capital expenditure

Segment capital expenditure is the total cost incurred during the year to acquire property, plant and equipment, and tangible assets other than goodwill.

34. Segment information (continued)

34.1 Operating segments (continued)

Group	Broking and financial services RM'000	Investment holding RM'000	Credit and lending RM'000	Property investment RM'000	Property development RM'000	Hotel operations RM'000	Others RM'000	Elimination RM'000	Consolidated RM'000
2020									
Revenue									
External revenue	295,711	1,005	6,109	75,289	109,098	227,776	28	-	715,016
Inter-segment revenue	81	94,517	-	6,772	18	61	40	(101,489)	-
Total revenue	295,792	95,522	6,109	82,061	109,116	227,837	68	(101,489)	715,016
Results									
Net segment results	60,642	20,219	5,178	36,708	24,691	(251,306)	431	-	(103,437)
Foreign exchange gain/(loss)	49	32,349	115	(24)	12	(4,621)	(67)	-	27,813
Operating profit/(loss)	60,691	52,568	5,293	36,684	24,703	(255,927)	364	-	(75,624)
Finance income	7,830	3,222	96	416	290	368	41	-	12,263
Finance costs	(350)	(17,254)	(785)	(11,754)	(3,782)	(20,422)	-	-	(54,347)
Share of results of:									
- associate	-	(97)	-	-	-	-	-	-	(97)
- joint ventures	-	-	-	-	(69)	-	-	-	(69)
Segment profit/(loss)	68,171	38,439	4,604	25,346	21,142	(275,981)	405	-	(117,874)
Unallocated corporate expenses									(23,482)
Loss before tax									(141,356)
Tax expense									(25,438)
Loss for the year									(166,794)

34. Segment information (continued)

34.1 Operating segments (continued)

Group 2020 Other information	Note	Broking and financial services RM'000	Investment holding RM'000	Credit and lending RM'000	Property investment RM'000	Property development RM'000	Hotel operations RM'000	Others RM'000	Elimination RM'000	Consolidated RM'000
Results										
Net gain/(loss) from investments in securities	25	-	93,066	-	-	-	(2,346)	-	-	90,720
Hotel operation costs	31	-	-	-	-	-	(65,678)	-	-	(65,678)
Management fees charged by hotel operator	31	-	-	-	-	-	(9,165)	-	-	(9,165)
Property development expenditure recognised as expense		-	-	-	-	(77,739)	-	-	-	(77,739)
Gain on deconsolidation of subsidiaries	24	-	16,609	-	-	-	-	-	-	16,609
Government grant	24	-	-	-	394	-	32,375	-	-	32,769
Net (loss)/reversal on impairment of financial assets		(789)	1,802	98	(20)	-	(16,236)	(159)	-	(15,304)

34. Segment information (continued)

34.1 Operating segments (continued)

Group 2020 Other information (continued)	Note	Broking and financial services RM'000	Investment holding RM'000	Credit and lending RM'000	Property investment RM'000	Property development RM'000	Hotel operations RM'000	Others RM'000	Elimination RM'000	Consolidated RM'000
Assets										
Additions to:										
- property, plant and equipment	3	389	965	-	2,705	9	9,341	-	-	13,409
- investment properties	4	-	-	-	18,476	-	-	-	-	18,476
Depreciation of:										
- property, plant and equipment	3	(1,282)	(1,298)	(9)	(5,073)	(1,050)	(71,067)	(4)	-	(79,783)
- investment properties	4	-	-	-	(13,080)	-	-	(52)	-	(13,132)
- right-of-use assets	5	(733)	(39)	-	(18)	(323)	(5,499)	-	-	(6,612)
Impairment loss of:										
- property, plant and equipment	3	-	(86)	-	-	-	(161,806)	-	-	(161,892)
- intangible assets	7	-	-	-	-	-	(45,016)	-	-	(45,016)

34. Segment information (continued)

34.1 Operating segments (continued)

Group	Broking and financial services RM'000	Investment holding RM'000	Credit and lending RM'000	Property investment RM'000	Property development RM'000	Hotel operations RM'000	Others RM'000	Elimination RM'000	Consolidated RM'000
2019									
Revenue									
External revenue	133,237	1,004	5,769	80,125	56,125	605,728	135	-	882,123
Inter-segment revenue	11	84,219	-	5,903	-	-	15	(90,148)	-
Total revenue	133,248	85,223	5,769	86,028	56,125	605,728	150	(90,148)	882,123
Results									
Net segment results	12,566	171,616	4,870	26,824	9,158	49,697	253	-	274,984
Foreign exchange gain/(loss)	664	12,387	(497)	(2)	1	30,937	(3)	-	43,487
Operating profit	13,230	184,003	4,373	26,822	9,159	80,634	250	-	318,471
Finance income	8,438	11,345	409	419	995	682	30	-	22,318
Finance costs	(417)	(23,553)	(1,118)	(12,748)	(4,504)	(23,656)	-	-	(65,996)
Share of results of:									
- associate	-	113	-	-	-	-	-	-	113
- joint ventures	-	-	-	-	(37)	-	-	-	(37)
Segment profit	21,251	171,908	3,664	14,493	5,613	57,660	280	-	274,869
Unallocated corporate expenses									(33,906)
Profit before tax									240,963
Tax expense									(39,543)
Profit for the year									201,420

34. Segment information (continued)

34.1 Operating segments (continued)

Group 2019 Other information	Note	Broking and financial services RM'000	Investment holding RM'000	Credit and lending RM'000	Property investment RM'000	Property development RM'000	Hotel operations RM'000	Others RM'000	Elimination RM'000	Consolidated RM'000
Results										
Net gain from investments in securities	25	-	204,244	-	-	-	-	-	-	204,244
Hotel operation costs	31	-	-	-	-	-	(172,407)	-	-	(172,407)
Management fees charged by hotel operator	31	-	-	-	-	-	(26,137)	-	-	(26,137)
Property development expenditure recognised as expense		-	-	-	-	(31,149)	-	-	-	(31,149)
Net (loss)/reversal on impairment of financial assets		(228)	(310)	(185)	59	19	(32)	-	-	(677)
Assets										
Additions to:										
- property, plant and equipment	3	723	835	-	1,852	528	14,099	-	-	18,037
- investment properties	4	-	-	-	7,341	-	-	-	-	7,341

34. Segment information (continued)

34.1 Operating segments (continued)

Group 2019 Other information (continued)	Note	Broking and financial services RM'000	Investment holding RM'000	Credit and lending RM'000	Property investment RM'000	Property development RM'000	Hotel operations RM'000	Others RM'000	Elimination RM'000	Consolidated RM'000
Assets (continued)										
Depreciation of:										
- property, plant and equipment	3	(877)	(1,643)	(10)	(5,594)	(617)	(76,818)	(99)	-	(85,658)
- investment properties	4	-	-	-	(12,772)	-	-	(71)	-	(12,843)
- right-of-use assets	5	(761)	(174)	-	(18)	(350)	(5,227)	-	-	(6,530)
Impairment loss of:										
- property, plant and equipment	3	-	-	-	-	-	(41,821)	-	-	(41,821)
- right-of-use assets	5	-	-	-	-	-	(2,075)	-	-	(2,075)
- intangible assets	7	-	-	-	-	-	(5,046)	-	-	(5,046)

34. Segment information (continued)

34.2 Geographical segment

The Group's six major operating segments are managed on a worldwide basis and they operate in the geographical areas as follows:

(i)	Malaysia	-	stockbroking, investment holding, provision of funding facilities, fund management, unit trust, derivatives broking and trading, operation of a hotel, property development and investment;
(ii)	Australia	-	operation of hotels;
(iii)	Canada	-	property investment in commercial properties, property development and operation of hotels;
(iv)	British Virgin Islands	-	investment holding;
(v)	Singapore	-	operation of a hotel;
(vi)	China	-	operation of a hotel; and
(vii)	Thailand	-	operation of hotels.

Geographical information Group	Non-current assets (excluding deferred tax assets and receivables) 2020 RM'000	2019 RM'000
Malaysia	1,276,384	1,091,772
Australia	736,900	700,328
Canada	425,304	732,119
British Virgin Islands	935	83,421
Singapore	712,130	744,346
China	59,321	98,739
Thailand	508,264	688,710
Others	1,105	2,961
	3,720,343	4,142,396

The external revenues based on geographical information have been disclosed in Note 23.

34.3 Major customers

There was no reliance on a single external customer that amounted to 10 percent or more of the Group's revenue as of the reporting period.

35. Financial instruments

35.1 Categories of financial instruments

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

2020 Financial assets	Carrying amount RM'000	AC RM'000	FVTPL RM'000	FVOCI – EIDUIR RM'000	FVOCI – DI RM'000
Group					
Investments in securities	1,051,195	-	1,047,358	2,902	935
Receivables (excluding prepayment)	499,488	499,488	-	-	-
Derivatives	84	-	84	-	-
Other investment	7,302	7,302	-	-	-
Cash and bank balances	905,106	905,106	-	-	-
	2,463,175	1,411,896	1,047,442	2,902	935
Company					
Investments in securities	2,902	-	-	2,902	-
Receivables (excluding prepayment)	79,850	79,850	-	-	-
Cash and bank balances	2,418	2,418	-	-	-
	85,170	82,268	-	2,902	-
Financial liabilities					
Group					
Borrowings	(2,318,684)	(2,318,684)	-	-	-
Payables	(317,079)	(317,079)	-	-	-
Derivatives	(4,222)	-	(4,222)	-	-
	(2,639,985)	(2,635,763)	(4,222)	-	-
Company					
Borrowings	(221,190)	(221,190)	-	-	-
Payables	(2,429)	(2,429)	-	-	-
	(223,619)	(223,619)	-	-	-

35. Financial instruments (continued)

35.1 Categories of financial instruments (continued)

2019 Financial assets	Carrying amount RM'000	AC RM'000	FVTPL RM'000	FVOCI – EIDUIR RM'000	FVOCI – DI RM'000
Group					
Investments in securities	457,418	-	352,712	2,745	101,961
Receivables (excluding prepayment)	346,141	346,141	-	-	-
Derivatives	839	-	839	-	-
Other investment	51,238	51,238	-	-	-
Cash and bank balances	1,174,429	1,174,429	-	-	-
	2,030,065	1,571,808	353,551	2,745	101,961
Company					
Investments in securities	2,745	-	-	2,745	-
Receivables (excluding prepayment)	73,953	73,953	-	-	-
Cash and bank balances	5,725	5,725	-	-	-
	82,423	79,678	-	2,745	-
Financial liabilities					
Group					
Borrowings	(1,928,905)	(1,928,905)	-	-	-
Payables	(337,841)	(337,841)	-	-	-
Derivatives	(1,251)	-	(1,251)	-	-
	(2,267,997)	(2,266,746)	(1,251)	-	-
Company					
Borrowings	(189,274)	(189,274)	-	-	-
Payables	(14,662)	(14,662)	-	-	-
	(203,936)	(203,936)	-	-	-

35. Financial instruments (continued)

35.2 Net gains and losses arising from financial instruments

	Group		Company	
	2020 RM'000	2019 RM'000	2020 RM'000	2019 RM'000
Net gains/(losses) on:				
Financial assets at fair value through profit or loss	83,513	198,604	-	-
Debt instruments at fair value through other comprehensive income:				
- recognised in profit or loss	7,633	5,782	-	-
- recognised in other comprehensive income	3,118	10,742	-	-
- reclassified from other comprehensive income to profit or loss	(4,999)	758	-	-
	5,752	17,282	-	-
Equity instruments designated at fair value through other comprehensive income:				
- recognised in profit or loss	196	98	196	98
- recognised in other comprehensive income	157	(14)	157	(14)
	353	84	353	84
Financial assets at amortised cost	67,164	92,159	3,333	3,131
Financial liabilities at amortised cost	(92,348)	(88,496)	(7,908)	(8,402)
	64,434	219,633	(4,222)	(5,187)

35. Financial instruments (continued)

35.3 Financial risk management

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

- Credit risk
- Liquidity risk
- Market risk

35.4 Credit risk

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

35.4.1 Investments in debt securities

Risk management objectives, policies and processes for managing the risk

The Group maintains a portfolio of diversified debt securities issued by various issuers. Such exposures are capped according to the credit rating of the issuers.

Exposure to credit risk, credit quality and collateral

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

Investments in debt securities are unsecured.

The following table presents an analysis of the credit quality of debt securities at FVTPL and FVOCI.

	2020		2019	
Group	**FVTPL RM'000**	**FVOCI RM'000**	**FVTPL RM'000**	**FVOCI RM'000**
BBB- to AAA	-	-	3,143	62,598
B- to BB+	-	-	41,718	38,516
D	-	935	-	847
Carrying amounts	-	935	44,861	101,961

35. Financial instruments (continued)

35.4 Credit risk (continued)

35.4.1 Investments in debt securities (continued)

Exposure to credit risk, credit quality and collateral (continued)

The movements in the allowance for impairment in respect of investments in debt securities during the year are shown below:

	/--------FVOCI--------/		
Group	**12-month ECL RM'000**	**Credit impaired RM'000**	**Total RM'000**
Balance at 1 January 2019	547	6,133	6,680
Impairment loss recognised	38	271	309
Impairment loss reversed	(326)	-	(326)
Exchange difference	7	65	72
Balance at 31 December 2019/ 1 January 2020	266	6,469	6,735
Impairment loss reversed	(273)	(349)	(622)
Exchange difference	7	(92)	(85)
Balance at 31 December 2020	-	6,028	6,028

The Group did not have any debt securities that were past due but not impaired at 31 December 2020 and 31 December 2019.

An issuer for a debt security with a credit rating of D (2019: D) has defaulted on its interest payment since 2018. The Group has no collateral in respect of this investment and has classified the debt security as credit impaired.

Recognition and measurement of impairment loss

The Group applies two approaches to measure the ECL of investments in debt securities which are 12-month ECL and lifetime ECL.

12-month ECL For investments in debt securities that do not have significant increase in credit risk since initial recognition, the Group shall measure the loss allowance at an amount equal to the probability of default events occurring within the next 12 months and considering the loss given default of the financial assets.

35. Financial instruments (continued)

35.4 Credit risk (continued)

35.4.1 Investments in debt securities (continued)

Recognition and measurement of impairment loss (continued)

Lifetime ECL At each reporting date, the Group will assess whether there is a significant increase in credit risk for investments in debt securities since initial recognition by comparing risk of defaults on these financial assets as at the reporting date with the risk of defaults as at the date of initial recognition. The Group considers external credit rating and other supportive information to assess deterioration in credit quality of these financial assets. The same recognition and measurement of impairment loss are being applied on the interest receivables from these investments in debt securities.

35.4.2 Trade receivables, contract assets and financial receivables

Risk management objectives, policies and processes for managing the risk

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

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

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

Exposure to credit risk, credit quality and collateral

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

35. Financial instruments (continued)

35.4 Credit risk (continued)

35.4.2 Trade receivables, contract assets and financial receivables (continued)

Exposure to credit risk, credit quality and collateral (continued)

The trade credit term for non-margin clients for the Malaysian stockbroking subsidiary is 2 market days in accordance with the Bursa Malaysia Securities Berhad Fixed Delivery and Settlement System ("FDSS") trading rules. The trade credit terms for margin clients for the Malaysian stockbroking subsidiary are set within respective margin agreements.

The normal credit term for cancellation of units by the funds is 10 days whereas for management fees is 30 days. The Group's normal trade credit terms for other trade receivables are assessed and approved on a case-by-case basis.

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

Concentration of credit risk

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

	Group			
	2020		2019	
	RM'000	% of total	RM'000	% of total
By country				
Malaysia	446,706	96.81	331,015	93.51
Singapore	5,395	1.17	4,748	1.34
Australia	6,290	1.37	7,708	2.18
Canada	2,220	0.48	3,194	0.90
Thailand	149	0.03	6,350	1.79
Other countries	663	0.14	1,001	0.28
	461,423	100.00	354,016	100.00

35. Financial instruments (continued)

35.4 Credit risk (continued)

35.4.2 Trade receivables, contract assets and financial receivables (continued)

Concentration of credit risk (continued)

	Group			
	2020		2019	
	RM'000	% of total	RM'000	% of total
By business segment				
Broking and financial services	370,676	80.33	235,970	66.65
Credit and lending	43,679	9.47	48,240	13.63
Hotel operations	12,837	2.78	22,378	6.32
Property investment	3,586	0.78	1,374	0.39
Investment holding	741	0.16	816	0.23
Property development	27,245	5.90	43,200	12.20
Others	2,659	0.58	2,038	0.58
	461,423	100.00	354,016	100.00

(i) Trade receivables and contract assets

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

(ii) Financial receivables

The 10 (2019: 10) largest financial receivables, which contributed 94% (2019: 87%) of the net financial receivables, representing the Group's significant concentration of credit risks, are summarised as follows:

Group	Gross RM'000	Impairment losses RM'000	Net RM'000
2020			
Ten largest financial receivables	45,425	(3,744)	41,681
Others	50,017	(47,406)	2,611
	95,442	(51,150)	44,292
2019			
Ten largest financial receivables	46,550	(3,752)	42,798
Others	55,814	(49,668)	6,146
	102,364	(53,420)	48,944

35. Financial instruments (continued)

35.4 Credit risk (continued)

35.4.2 Trade receivables, contract assets and financial receivables (continued)

Recognition and measurement of impairment loss

(i) Trade receivables and contract assets

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

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

For broking services, the Group measures ECLs of each client individually. These receivables are impaired up to collaterised values under the following circumstances:

Types of accounts	Criteria for classification as impaired
Margin financing	When its equity value falls below 130% of its outstanding balance.
Contra losses	When the account remains outstanding for 16 calendar days or more from the date of contra transaction.
Overdue purchase contracts	When the account remains outstanding from T+4 market days onwards.

35. Financial instruments (continued)

35.4 Credit risk (continued)

35.4.2 Trade receivables, contract assets and financial receivables (continued)

Recognition and measurement of impairment loss (continued)

(i) Trade receivables and contract assets (continued)

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

	Gross carrying amount RM'000	Loss allowance RM'000	Net balance RM'000
Group			
2020			
Not past due	406,634	-	406,634
Past due 1 – 30 days	4,326	(53)	4,273
Past due 31 – 60 days	2,197	(10)	2,187
Past due 61 – 90 days	544	(15)	529
Past due more than 90 days	844	(278)	566
	414,545	(356)	414,189
Credit impaired			
Individually impaired	17,046	(14,104)	2,942
	431,591	(14,460)	417,131
Trade receivables	414,992	(14,460)	400,532
Contract assets	16,599	-	16,599
	431,591	(14,460)	417,131
Collaterised trade receivables			
- where no loss allowance recognised	177,612	-	177,612
- where loss allowance recognised	10,541	(8,780)	1,761
	188,153	(8,780)	179,373

35. Financial instruments (continued)

35.4 Credit risk (continued)

35.4.2 Trade receivables, contract assets and financial receivables (continued)

Recognition and measurement of impairment loss (continued)

(i) Trade receivables and contract assets (continued)

	Gross carrying amount RM'000	Loss allowance RM'000	Net balance RM'000
Group			
2019			
Not past due	300,774	-	300,774
Past due 1 – 30 days	3,238	(66)	3,172
Past due 31 – 60 days	855	(37)	818
Past due 61 – 90 days	143	(65)	78
Past due more than 90 days	109	(57)	52
	305,119	(225)	304,894
Credit impaired			
Individually impaired	11,462	(11,284)	178
	316,581	(11,509)	305,072
Trade receivables	274,200	(11,509)	262,691
Contract assets	42,381	-	42,381
	316,581	(11,509)	305,072
Collaterised trade receivables			
- where no loss allowance recognised	149,504	-	149,504
- where loss allowance recognised	9,731	(8,512)	1,219
	159,235	(8,512)	150,723

Trade receivables which are credit impaired amounting to RM17,046,000 (2019: RM11,462,000) are partially collaterised in the form of remisiers' deposits, cash and shares. Impairment loss has been provided to the extent of the collateral value of RM1,761,000 (2019: RM1,219,000).

There are trade receivables where the Group has not recognised any loss allowance as the trade receivables are supported by collateral such as remisiers' deposits, cash and shares held as securities in managing exposure to credit risk.

35. Financial instruments (continued)

35.4 Credit risk (continued)

35.4.2 Trade receivables, contract assets and financial receivables (continued)

Recognition and measurement of impairment loss (continued)

(i) Trade receivables and contract assets (continued)

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

Group	**Lifetime ECL RM'000**	**Credit impaired RM'000**	**Total RM'000**
Balance at 1 January 2019	410	11,312	11,722
Amount written off	-	(382)	(382)
Impairment loss recognised	(183)	1,248	1,065
Impairment loss reversed	-	(894)	(894)
Exchange difference	(2)	-	(2)
Balance at 31 December 2019/ 1 January 2020	225	11,284	11,509
Amount written off	-	(11)	(11)
Impairment loss recognised	203	3,652	3,855
Impairment loss reversed	(76)	(824)	(900)
Exchange difference	4	3	7
Balance at 31 December 2020	356	14,104	14,460

(ii) Financial receivables

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

12-month ECL	For financial receivables that do not have significant increase in credit risk since initial recognition, the Group shall measure the loss allowance at an amount equal to the probability of default events occurring within the next 12 months and considering the loss given default of the financial assets.

35. Financial instruments (continued)

35.4 Credit risk (continued)

35.4.2 Trade receivables, contract assets and financial receivables (continued)

Recognition and measurement of impairment loss (continued)

(ii) Financial receivables (continued)

Lifetime ECL — At each reporting date, the Group will assess whether there is a significant increase in credit risk for financial receivables since initial recognition by comparing risk of defaults on these financial assets as at the reporting date with the risk of defaults as at the date of initial recognition. The Group assessed the risk of loss of each customer individually based on past trend of payments, and other supportive information, where applicable.

Credit impaired — Financial receivables are considered credit impaired if they are past due 90 days and are unlikely to repay loans in full, loan rollover due to difficulty to repay on maturity, or it is becoming probable that receivable counterpart will enter bankruptcy.

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

	Gross carrying amount RM'000	Loss allowance RM'000	Net balance RM'000
Group			
2020			
Not past due	71	-	71
	71	-	71
Credit impaired			
More than 90 days past due	1,363	(944)	419
Individually impaired	94,008	(50,206)	43,802
	95,371	(51,150)	44,221
	95,442	(51,150)	44,292
Collaterised financial receivables			
- where no loss allowance recognised	71	-	71
- where loss allowance recognised	95,371	(51,150)	44,221
	95,442	(51,150)	44,292

35. Financial instruments (continued)

35.4 Credit risk (continued)

35.4.2 Trade receivables, contract assets and financial receivables (continued)

Recognition and measurement of impairment loss (continued)

(ii) Financial receivables (continued)

	Gross carrying amount RM'000	Loss allowance RM'000	Net balance RM'000
Group			
2019			
Not past due	1,719	-	1,719
	1,719	-	1,719
Credit impaired			
More than 90 days past due	936	(931)	5
Individually impaired	99,709	(52,489)	47,220
	100,645	(53,420)	47,225
	102,364	(53,420)	48,944
Collaterised financial receivables			
- where no loss allowance recognised	1,719	-	1,719
- where loss allowance recognised	100,645	(53,420)	47,225
	102,364	(53,420)	48,944

Financial receivables which are credit impaired amounting to RM95,371,000 (2019: RM100,645,000) are partially collaterised in the form of shares. Impairment loss has been provided to the extent of the collateral value of RM44,221,000 (2019: RM47,225,000).

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

35. Financial instruments (continued)

35.4 Credit risk (continued)

35.4.2 Trade receivables, contract assets and financial receivables (continued)

Recognition and measurement of impairment loss (continued)

(ii) Financial receivables (continued)

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

	Credit impaired	
Group	**2020 RM'000**	**2019 RM'000**
Balance at 1 January	53,420	53,486
Amount written off	(1,832)	(195)
Impairment loss recognised	18	178
Impairment loss reversed	(456)	(49)
Balance at 31 December	51,150	53,420

35.4.3 Inter-company loans and advances

Risk management objectives, policies and processes for managing the risk

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

Exposure to credit risk, credit quality and collateral

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

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

35. Financial instruments (continued)

35.4 Credit risk (continued)

35.4.3 Inter-company loans and advances (continued)

Recognition and measurement of impairment loss

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

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

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

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

Company	**Gross carrying amount RM'000**	**Impairment loss allowance RM'000**	**Net balance RM'000**
2020			
Low credit risk	79,597	(157)	79,440
Credit impaired	16	(16)	-
	79,613	(173)	79,440
2019			
Low credit risk	73,637	(75)	73,562
Credit impaired	19	(19)	-
	73,656	(94)	73,562

35. Financial instruments (continued)

35.4 Credit risk (continued)

35.4.3 Inter-company loans and advances (continued)

Recognition and measurement of impairment loss (continued)

The movement in the allowance for impairment in respect of subsidiaries' loans and advances during the year is as follows:

Company	12-month ECL RM'000	Credit impaired RM'000	Total RM'000
Balance at 1 January 2019	121	16	137
Net measurement on loss allowance	(43)	-	(43)
Balance at 31 December 2019/ 1 January 2020	78	16	94
Net measurement on loss allowance	79	-	79
Balance at 31 December 2020	157	16	173

35.4.4 Financial guarantees

Risk management objectives, policies and processes for managing the risk

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

Exposure to credit risk, credit quality and collateral

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

	Company	
	2020 RM'000	2019 RM'000
Corporate guarantees issued to:		
- financial institutions for bank facilities granted to its subsidiaries	71,779	83,217

Recognition and measurement of impairment loss

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

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

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

35. Financial instruments (continued)

35.4 Credit risk (continued)

35.4.5 Cash, bank balances and deposits

Exposure to credit risk, credit quality and collateral

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

Recognition and measurement of impairment loss

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

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

Group	**12-month ECL RM'000**
Balance at 1 January 2019	1,183
Impairment loss recognised	526
Impairment loss reversed	(120)
Exchange difference	(11)
Balance at 31 December 2019/1 January 2020	1,578
Impairment loss recognised	349
Impairment loss reversed	(1,190)
Exchange difference	(49)
Balance at 31 December 2020	688

35.4.6 Other receivables

Risk management objectives, policies and processes for managing the risk

Credit risks on other receivables are mainly arising from sundry receivables and amount due from a deconsolidated subsidiary. Sundry receivables are conventional short-term receivables that are either fixed or non-interest bearing receivables that are repayable on demand.

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

35. Financial instruments (continued)

35.4 Credit risk (continued)

35.4.6 Other receivables (continued)

Exposure to credit risk, credit quality and collateral

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

Recognition and measurement of impairment loss

The Group and the Company have adopted lifetime ECL measurements for sundry receivables due to the expected lifetime period of sundry receivables are generally less than 12 months. The Group and the Company consider a sundry receivable as credit impaired when the receivable is unlikely to repay the obligation in full.

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

Group	Lifetime ECL RM'000	Credit impaired RM'000	Total RM'000
Balance at 1 January 2019	319	1,606	1,925
Impairment loss reversed	-	(19)	(19)
Amount written off	-	(990)	(990)
Exchange difference	-	9	9
Balance at 31 December 2019/ 1 January 2020	319	606	925
Impairment loss recognised	160	14,417	14,577
Impairment loss reversed	(327)	-	(327)
Exchange difference	(1)	111	110
Balance at 31 December 2020	151	15,134	15,285

Company	Credit impaired RM'000
Balance at 1 January 2019/31 December 2019/ 1 January 2020/31 December 2020	476

35. Financial instruments (continued)

35.5 Liquidity risk

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

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

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

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

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

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

35. Financial instruments (continued)

35.5 Liquidity risk (continued)

Maturity analysis

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

Group	Carrying amount RM'000	Contractual interest rate/ discount rate	Contractual cash flows RM'000	Under 1 year RM'000	1 - 2 years RM'000	2 - 5 years RM'000	More than 5 years RM'000
2020							
Non-derivative financial liabilities							
Borrowings	2,318,684	0.40% - 3.50%	2,443,820	1,596,570	336,710	162,346	348,194
Lease liabilities	2,316	2.11% - 5.94%	2,399	1,263	740	396	-
Payables	317,079	-	317,079	317,079	-	-	-
	2,638,079		2,763,298	1,914,912	337,450	162,742	348,194
Derivative financial liabilities							
Geared currency decumulators	1,500	-	1,500	1,500	-	-	-
Geared currency accumulators	1,243	-	1,243	1,243	-	-	-
Forward exchange contracts (gross settled):							
Outflow	1,479	-	312,830	312,830	-	-	-
Inflow	-	-	(311,351)	(311,351)	-	-	-
	4,222		4,222	4,222	-	-	-

35. Financial instruments (continued)

35.5 Liquidity risk (continued)

Maturity analysis (continued)

Group	Carrying amount RM'000	Contractual interest rate/ discount rate	Contractual cash flows RM'000	Under 1 year RM'000	1 - 2 years RM'000	2 - 5 years RM'000	More than 5 years RM'000
2019							
Non-derivative financial liabilities							
Borrowings	1,928,905	0.40% - 4.95%	2,003,702	1,373,122	307,781	322,799	-
Lease liabilities	2,381	4.13% - 5.90%	2,485	1,665	768	52	-
Payables	337,841	-	337,841	337,841	-	-	-
	2,269,127		2,344,028	1,712,628	308,549	322,851	-
Derivative financial liabilities							
Geared equity decumulators	214	-	214	214	-	-	-
Forward exchange contracts (gross settled):							
Outflow	1,037	-	318,708	318,708	-	-	-
Inflow	-	-	(317,671)	(317,671)	-	-	-
	1,251		1,251	1,251	-	-	-

35. Financial instruments (continued)

35.5 Liquidity risk (continued)

Maturity analysis (continued)

Company	Carrying amount RM'000	Contractual interest rate/ discount rate	Contractual cash flows RM'000	Under 1 year RM'000	1 - 2 years RM'000	2 - 5 years RM'000	More than 5 years RM'000
2020							
Financial liabilities							
Borrowings	221,190	2.65% - 3.18%	227,754	227,754	-	-	-
Lease liabilities	6,157	4.77% - 4.93%	6,944	1,370	1,370	4,091	113
Payables	2,429	0% - 3.14%	2,449	2,449	-	-	-
Financial guarantees*	-	-	71,779	71,779	-	-	-
	229,776		308,926	303,352	1,370	4,091	113
2019							
Financial liabilities							
Borrowings	189,274	4.02% - 4.69%	197,736	197,736	-	-	-
Lease liabilities	83	5.84%	96	19	19	58	-
Payables	14,662	0% - 4.67%	15,020	15,020	-	-	-
Financial guarantees*	-	-	83,217	83,217	-	-	-
	204,019		296,069	295,992	19	58	-

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

35. Financial instruments (continued)

35.6 Market risk

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

35.6.1 Currency risk

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

Risk management objectives, policies and processes for managing the risk

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

The Group uses forward exchange contracts to hedge its foreign currency risk. This forward exchange contract has a maturity of less than one year after the end of the reporting period. Where necessary, the forward contract is rolled over at maturity.

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

35. Financial instruments (continued)

35.6 Market risk (continued)

35.6.1 Currency risk (continued)

Exposure to foreign currency risk

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

	Denominating currencies									
	MYR	**USD**	**AUD**	**CAD**	**HKD**	**SGD**	**EUR**	**THB**	**Others**	**Total**
Group	**RM'000**	**RM'000**	**RM'000**	**RM'000**	**RM'000**	**RM'000**	**RM'000**	**RM'000**	**RM'000**	**RM'000**
2020										
Cash, bank balances and deposits	701	11,793	65,296	429,506	657	1,186	5	-	193	509,337
Investments in securities	-	-	-	-	73,279	24,393	193,963	-	480	292,115
Other receivables	-	-	-	5	-	-	-	-	-	5
Trade payables	-	(1,755)	(268)	-	-	(284)	-	-	(201)	(2,508)
Other payables	(22)	(733)	(32)	-	-	-	(144)	-	(17)	(948)
Bank borrowings	-	-	-	(91,357)	(62,151)	(317,901)	(119,196)	-	-	(590,605)
Intra-group balances	(1,071)	791,883	393,448	621,958	-	13,478	-	662,075	494	2,482,265
Net currency exposures	(392)	801,188	458,444	960,112	11,785	(279,128)	74,628	662,075	949	2,689,661

35. Financial instruments (continued)

35.6 Market risk (continued)

35.6.1 Currency risk (continued)

Group	MYR RM'000	USD RM'000	AUD RM'000	CAD RM'000	HKD RM'000	SGD RM'000	GBP RM'000	EUR RM'000	THB RM'000	Others RM'000	Total RM'000
	|---------- Denominating currencies									----------|	
2019											
Cash, bank balances and deposits	759	3,822	174,416	434,174	8,626	1,006	2,990	57,348	-	212	683,353
Investments in securities	-	-	-	-	7,126	3,143	-	102,110	-	975	113,354
Other receivables	-	186	6,933	616	3	35	-	-	-	-	7,773
Trade payables	-	(386)	(847)	-	-	(340)	-	-	-	(54)	(1,627)
Other payables	(118)	(1,389)	(33)	(696)	-	-	(10)	(127)	-	-	(2,373)
Bank borrowings	-	-	-	(182,793)	-	(305,279)	(15,327)	(32,509)	-	-	(535,908)
Intra-group balances	(24,859)	765,387	351,525	617,204	28	16,037	-	-	659,150	473	2,384,945
Net currency exposures	(24,218)	767,620	531,994	868,505	15,783	(285,398)	(12,347)	126,822	659,150	1,606	2,649,517

35. Financial instruments (continued)

35.6 Market risk (continued)

35.6.1 Currency risk (continued)

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

	I--------Denominating currencies--------I					
	USD	**CAD**	**AUD**	**HKD**	**SGD**	**Total**
Company	**RM'000**	**RM'000**	**RM'000**	**RM'000**	**RM'000**	**RM'000**
2020						
Cash, bank balances and deposits	157	11	15	-	37	220
Due from subsidiaries	-	-	18	-	-	18
Net currency exposures	157	11	33	-	37	238
2019						
Cash, bank balances and deposits	667	2	24	-	37	730
Due from subsidiaries	-	-	16	28	-	44
Net currency exposures	667	2	40	28	37	774

Currency risk sensitivity analysis

A 10% (2019: 10%) strengthening of the respective functional currencies against the following currencies at the end of the reporting period would have increased/(decreased) equity and post-tax profit or loss by the amounts shown below. This analysis is based on foreign currency exchange rate variances that the Group and the Company considered to be reasonably possible at the end of the reporting period. The analysis assumes that all other variables, in particular interest rates, remained constant and ignores any impact of forecasted sales and purchases.

	Equity		**Profit or loss**	
	2020	**2019**	**2020**	**2019**
	RM'000	**RM'000**	**RM'000**	**RM'000**
Group				
RM	30	1,841	30	1,841
USD	(60,887)	(58,339)	(739)	(24,171)
AUD	(34,842)	(40,431)	(34,842)	(40,431)
CAD	(97,208)	(66,006)	(87,833)	(38,308)
HKD	(896)	(1,200)	(896)	(1,200)
SGD	21,214	21,690	41,470	36,678
GBP	-	938	-	938
EUR	(5,672)	(9,638)	(5,672)	(9,638)
THB	(50,207)	(50,095)	-	(50,095)
Others	(70)	(126)	(70)	(126)

35. Financial instruments (continued)

35.6 Market risk (continued)

35.6.1 Currency risk (continued)

Currency risk sensitivity analysis (continued)

	Equity		Profit or loss	
	2020 RM'000	2019 RM'000	2020 RM'000	2019 RM'000
Company				
USD	(12)	(51)	(12)	(51)
CAD	(1)	-	(1)	-
AUD	(3)	(3)	(3)	(3)
HKD	-	(2)	-	(2)
SGD	(3)	(3)	(3)	(3)

A 10% (2019: 10%) weakening of RM against the above currencies at the end of the reporting period would have had equal but opposite effect on the above currencies to the amounts shown above, on the basis that all other variables remained constant.

35.6.2 Interest rate risk

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

Risk management objectives, policies and processes for managing the risk

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

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

35. Financial instruments (continued)

35.6 Market risk (continued)

35.6.2 Interest rate risk (continued)

Exposure to interest rate risk

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

	Group		Company	
	2020	**2019**	**2020**	**2019**
	RM'000	**RM'000**	**RM'000**	**RM'000**
Fixed rate instruments				
Investments in securities:				
- Bonds	935	146,822	-	-
Fixed deposits placed with financial institutions	209,794	752,354	-	-
Borrowings	(366,233)	(281,294)	-	-
Lease liabilities	(2,316)	(2,381)	(6,157)	(83)
	(157,820)	615,501	(6,157)	(83)
Floating rate instruments				
Due from subsidiaries	-	-	77,777	59,220
Borrowings	(1,952,451)	(1,647,611)	(221,190)	(189,274)
	(1,952,451)	(1,647,611)	(143,413)	(130,054)

Interest rate risk sensitivity analysis

Fair value sensitivity analysis for fixed rate instruments

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

35. Financial instruments (continued)

35.6 Market risk (continued)

35.6.2 Interest rate risk (continued)

Interest rate risk sensitivity analysis (continued)

Fair value sensitivity analysis for fixed rate instruments (continued)

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

	Equity		**Profit or loss**	
Group	**100 bp increase RM'000**	**100 bp decrease RM'000**	**100 bp increase RM'000**	**100 bp decrease RM'000**
2020				
Fixed rate instruments				
Investments in securities				
- Bonds	315	338	-	-
2019				
Fixed rate instruments				
Investments in securities				
- Bonds	(11,997)	(5,253)	(3,658)	(2,887)

Cash flow sensitivity analysis for variable rate instruments

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

	Equity		**Profit or loss**	
Group	**100 bp increase RM'000**	**100 bp decrease RM'000**	**100 bp increase RM'000**	**100 bp decrease RM'000**
2020				
Floating rate instruments	(17,638)	17,638	(17,638)	17,638
2019				
Floating rate instruments	(14,608)	14,608	(14,608)	14,608
Company				
2020				
Floating rate instruments	(1,089)	1,089	(1,090)	1,090
2019				
Floating rate instruments	(986)	986	(988)	988

35. Financial instruments (continued)

35.6 Market risk (continued)

35.6.3 Other price risk

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

Risk management objectives, policies and processes for managing the risk

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

Equity price risk sensitivity analysis

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

	Equity		**Profit or loss**	
	2020	**2019**	**2020**	**2019**
	RM'000	**RM'000**	**RM'000**	**RM'000**
Group				
- FTSE Bursa Malaysia KLCI	792	701	792	701
- Dow Jones	76,886	8,865	76,886	8,865
- Hang Seng	7,337	741	7,337	741
- Strait Times Index	2,443	4	2,443	4
- S&P/ASX 200 Index	83	13	83	13
- Euro Stoxx 50	16,736	10,211	16,736	10,211

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

35.7 Fair value information

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

35. Financial instruments (continued)

35.7 Fair value information (continued)

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

	Fair value of financial instruments carried at fair value				Fair value of financial instruments not carried at fair value				Total fair value	Carrying amount
Group	**Level 1**	**Level 2**	**Level 3**	**Total**	**Level 1**	**Level 2**	**Level 3**	**Total**		
2020	**RM'000**	**RM'000**	**RM'000**	**RM'000**	**RM'000**	**RM'000**	**RM'000**	**RM'000**	**RM'000**	**RM'000**
Financial assets										
At FVTPL										
Shares	1,045,401	-	-	1,045,401	-	-	-	-	1,045,401	1,045,401
Unit trust	-	1,957	-	1,957	-	-	-	-	1,957	1,957
Stock options	-	84	-	84	-	-	-	-	84	84
	1,045,401	2,041	-	1,047,442	-	-	-	-	1,047,442	1,047,442
At FVOCI										
Shares	-	-	2,902	2,902	-	-	-	-	2,902	2,902
Bonds	-	935	-	935	-	-	-	-	935	935
	-	935	2,902	3,837	-	-	-	-	3,837	3,837
	1,045,401	2,976	2,902	1,051,279	-	-	-	-	1,051,279	1,051,279
Financial liabilities										
At FVTPL										
Geared currency decumulators	-	(1,243)	-	(1,243)	-	-	-	-	(1,243)	(1,243)
Geared currency accumulators	-	(1,500)	-	(1,500)	-	-	-	-	(1,500)	(1,500)
Forward exchange contracts	-	(1,479)	-	(1,479)	-	-	-	-	(1,479)	(1,479)
	-	(4,222)	-	(4,222)	-	-	-	-	(4,222)	(4,222)
At amortised cost										
Borrowings - Non-current	-	-	-	-	-	-	(700,852)	(700,852)	(700,852)	(700,852)
	-	(4,222)	-	(4,222)	-	-	(700,852)	(700,852)	(705,074)	(705,074)

35. Financial instruments (continued)

35.7 Fair value information (continued)

Group 2019	Fair value of financial instruments carried at fair value Level 1 RM'000	Level 2 RM'000	Level 3 RM'000	Total RM'000	Fair value of financial instruments not carried at fair value Level 1 RM'000	Level 2 RM'000	Level 3 RM'000	Total RM'000	Total fair value RM'000	Carrying amount RM'000
Financial assets										
At FVTPL										
Shares	207,692	-	-	207,692	-	-	-	-	207,692	207,692
Structured securities	-	76,929	-	76,929	-	-	-	-	76,929	76,929
Bonds	-	44,861	-	44,861	-	-	-	-	44,861	44,861
Unit trust	-	23,230	-	23,230	-	-	-	-	23,230	23,230
Stock options	-	839	-	839	-	-	-	-	839	839
	207,692	145,859	-	353,551	-	-	-	-	353,551	353,551
At FVOCI										
Shares	-	-	2,745	2,745	-	-	-	-	2,745	2,745
Bonds	-	101,961	-	101,961	-	-	-	-	101,961	101,961
	-	101,961	2,745	104,706	-	-	-	-	104,706	104,706
	207,692	247,820	2,745	458,257	-	-	-	-	458,257	458,257
Financial liabilities										
At FVTPL										
Geared equity decumulators	-	(214)	-	(214)	-	-	-	-	(214)	(214)
Forward exchange contracts	-	(1,037)	-	(1,037)	-	-	-	-	(1,037)	(1,037)
	-	(1,251)	-	(1,251)	-	-	-	-	(1,251)	(1,251)
At amortised cost										
Borrowings - Non-current	-	-	-	-	-	-	(544,033)	(544,033)	(544,033)	(540,923)
	-	(1,251)	-	(1,251)	-	-	(544,033)	(544,033)	(545,284)	(542,174)

35. Financial instruments (continued)

35.7 Fair value information (continued)

Company	Fair value of financial instruments carried at fair value				Fair value of financial instruments not carried at fair value				Total fair value	Carrying amount
	Level 1	Level 2	Level 3	Total	Level 1	Level 2	Level 3	Total		
2020	**RM'000**	**RM'000**	**RM'000**	**RM'000**	**RM'000**	**RM'000**	**RM'000**	**RM'000**	**RM'000**	**RM'000**
Financial assets										
At FVOCI										
Shares	-	-	2,902	2,902	-	-	-	-	2,902	2,902
At amortised cost										
Due from subsidiaries										
- Non-current	-	-	-	-	-	-	77,691	77,691	77,691	77,691
	-	-	2,902	2,902	-	-	77,691	77,691	80,593	80,593
2019										
Financial assets										
At FVOCI										
Shares	-	-	2,745	2,745	-	-	-	-	2,745	2,745
At amortised cost										
Due from subsidiaries										
- Non-current	-	-	-	-	-	-	59,145	59,145	59,145	59,145
	-	-	2,745	2,745	-	-	59,145	59,145	61,890	61,890

35. Financial instruments (continued)

35.7 Fair value information (continued)

Level 2 fair value

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

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

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

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

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

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

Structured securities
In prior year, the fair value of structured securities was estimated by considering inter-relationship between volatility and correlation in discounted cash flows and option pricing by financial institutions.

Transfers between Level 1 and Level 2 fair values

There has been no transfer between Level 1 and Level 2 fair values during the financial year (2019: no transfer in either directions).

35. Financial instruments (continued)

35.7 Fair value information (continued)

Level 3 fair values

The following table shows a reconciliation of Level 3 fair values:

	Group 2020 RM'000	Group 2019 RM'000
Structured securities		
At 1 January	-	289,595
Purchases	-	967,334
Disposal	-	(1,466,622)
Fair value gain recognised in profit or loss		
- Realised	-	225,477
Foreign exchange loss recognised in profit or loss		
- Realised	-	(429)
Effect of foreign exchange translation	-	(825)
Transfer out of Level 3	-	(14,530)
As at 31 December	-	-

	Group and Company 2020 RM'000	Group and Company 2019 RM'000
Shares		
At 1 January	2,745	2,759
Fair value gain/(loss) recognised in other comprehensive income	157	(14)
At 31 December	2,902	2,745

Transfer out of Level 3

In prior year, unobservable inputs of the structured securities were not significant due to the maturity of this product was short and impact of the correlation on the fair value was not significant. Therefore, the fair value measurement was transferred from Level 3 to Level 2 of the fair value hierarchy at 31 December 2019.

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

35. Financial instruments (continued)

35.7 Fair value information (continued)

The following table shows the valuation techniques used in the determination of fair values within Level 3, as well as the key unobservable inputs used in the valuation models.

35.7.1 Financial instruments carried at fair value

Type	Description of valuation technique and inputs used	Significant unobservable inputs	Inter-relationship between significant unobservable inputs and fair value measurement
Shares	The fair values of shares are based on the adjusted net asset method by reference to the fair value of the assets and liabilities of the investee.	Adjusted net asset value	The higher the value of the adjusted net assets the higher the fair value.

Sensitivity analysis

There was no material Level 3 financial instrument carried at fair value at the end of this reporting period and in prior year. The management believed that the changing in one or more of the unobservable inputs would not change the fair value significantly, therefore, the sensitivity of the fair value measurements to changes in unobservable input is not presented.

35.7.2 Financial instruments not carried at fair value

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

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

The Group and the Company have an established control framework in respect to the measurement of fair values of financial instruments. This includes the regular monitoring by the Treasury Team on the fair value of the instruments by obtaining expert advice from the issuer banks and reports directly to the Investment Committee.

36. Capital management

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

The gearing ratios were as follows:

		Group		Company	
	Note	2020 RM'000	2019 RM'000	2020 RM'000	2019 RM'000
Borrowings	20	2,318,684	1,928,905	221,190	189,274
Lease liabilities		2,316	2,381	6,157	83
Total debts		2,321,000	1,931,286	227,347	189,357
Equity attributable to equity holders of the Company		3,470,334	2,531,345	2,583,799	2,058,697
Gearing ratio (times)		0.67	0.76	0.09	0.09

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

37. Commitments

	Group	
	2020 RM'000	2019 RM'000
Capital expenditure commitments		
Plant and equipment		
Contracted but not provided for	8,442	12,846
Investment properties		
Contracted but not provided for	10,356	28,653
	18,798	41,499

38. Contingencies

Contingent liabilities

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

38. Contingencies (continued)

Contingent liabilities (continued)

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

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

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

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

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

On 8 March 2021, High Court has allowed MTA's application for security for cost of RM50,000 to be paid by Plaintiff to an account jointly held by both solicitors as co-stakeholders within 21 days from the date of decision from High Court and cost of RM4,000 to be paid by Plaintiff to MTA. On 13 April 2021, MTA has filed an application in the High Court to strike out the Plaintiff's claim and the matter is awaiting the decision of the High Court. On 20 May 2021, the Plaintiff was allowed extension of time for filing of Plaintiff's Affidavit in Reply. The case is set for hearing on 24 August 2021.

Based on the current facts and evidence available, it is the opinion of the Group's solicitors that there is a reasonably good prospect of MTA to successfully defend the main suit and obtain the said security for costs.

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

39. Related parties

Identity of related parties

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

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

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

Significant related party transactions

Related party transactions have been entered into in the normal course of business under normal trade terms. The significant related party transactions of the Group and the Company are shown below. The balances related to the below transactions are shown in Note 13 and Note 21.

	Group		Company	
	2020 RM'000	2019 RM'000	2020 RM'000	2019 RM'000
A. Subsidiaries				
Gross dividend income	-	-	41,705	61,331
Management fee income	-	-	6,576	6,909
Interest income	-	-	3,197	2,966
Deemed fee income from provision of financial guarantee	-	-	1,016	1,910
Interest expense	-	-	(239)	(112)
Management fee expenses	-	-	(1,291)	(1,181)
Rental of office premises paid	-	-	(1,364)	(1,366)
Rental of warehouse paid	-	-	(19)	(19)
Parking fee paid	-	-	(92)	(106)
Advisory fee paid	-	-	(519)	-
B. Associate				
Interest income	-	2	-	-

39. Related parties (continued)

Significant related party transactions (continued)

	Group 2020 RM'000	Group 2019 RM'000	Company 2020 RM'000	Company 2019 RM'000
C. Key management personnel				
Directors				
Rental income for a property let to:				
- Christopher Koh Swee Kiat, a Director of the Company has interest	87	90	-	-
- Datuk Tiah Thee Kian, a Director of the Company	360	360	-	-
Legal fees paid to a firm where:				
- Christopher Koh Swee Kiat, a Director of the Company has interest	(162)	(226)	-	-
- Datuk Leong Kam Weng, a Director of the Company has interest	(191)	(155)	-	-
- Ngiam Kee Tong, a Director of the Company has interest	(123)	-	-	-
Acquisition of securities by				
- Datuk Tiah Thee Kian, a Director of the Company	55,017	25,050	-	-
- Datin Tan Kuay Fong, a Director of the Company	485	-	-	-
Management fees and performance fees of private mandate received from Datin Tan Kuay Fong, a Director of the Company	15	80	-	-
Advisory fee paid to Datuk Tiah Thee Kian, a Director of the Company	(55)	-	-	-
Brokerage income received from				
- Datuk Tiah Thee Kian, a Director of the Company	101	50	-	-
- Datin Tan Kuay Fong, a Director of the Company	3	-	-	-
Disposal of securities by				
- Datuk Tiah Thee Kian, a Director of the Company	(782)	-	-	-
- Datin Tan Kuay Fong, a Director of the Company	(1,039)	-	-	-
Short term loan by				
- Datuk Tiah Thee Kian, a Director of the Company	20,000	-	20,000	-

39. Related parties (continued)

Significant related party transactions (continued)

	Group		Company	
	2020	**2019**	**2020**	**2019**
	RM'000	**RM'000**	**RM'000**	**RM'000**
C. Key management personnel (continued)				
Directors (continued)				
Sale of property to:				
- Datin Tan Kuay Fong, a Director of the Company	2,537	-	-	-

Compensation of key management personnel

The remuneration of the Directors are disclosed in Note 27. The remuneration of other key management personnel during the financial year are as follows:

	Group		Company	
	2020	**2019**	**2020**	**2019**
	RM'000	**RM'000**	**RM'000**	**RM'000**
Other key management personnel				
Short-term employee benefits, fees, commission and gratuity	2,321	2,923	451	866
Post-employment benefits:				
Defined contribution plan	230	272	53	102
	2,551	3,195	504	968

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

Other significant related party transactions

(i) As at 31 December 2020, TA First Credit Sdn. Bhd., a subsidiary, has 1,105,526 units (2019: 1,105,526 units) in the unit trust fund managed by a subsidiary, TA Small Cap Fund, representing 12.09% (2019: 11.44%) of units in circulation.

(ii) As at 31 December 2020, two Directors of the Group and a key management personnel have units in the unit trust funds managed by a subsidiary as follows:

- 0 units (2019: 2,462,439 units) in TA Islamic Fund, representing 0.00% (2019: 1.82%) of units in circulation;

- 0 units (2019: 3,981,981 units) in TA South East Asia Equity Fund, representing 0.00% (2019: 0.86%) of units in circulation;

- 0 units (2019: 151,613 units) in TA Dana Fokus, representing 0.00% (2019: 0.88%) of units in circulation;

39. Related parties (continued)

Other significant related party transactions (continued)

- 233,754 units (2019: 217,938 units) in TA Dana Optimix, representing 0.27% (2019: 0.30%) of units in circulation;
- 44,469 units (2019: 16,716 units) in TA Islamic CashPLUS Fund, representing 0.12% (2019: 0.03%) of units in circulation;
- 4,741,769 units (2019: 4,409,027 units) in TA Asia Pacific REITs Income Fund, representing 29.44% (2019: 18.44%) of units in circulation;
- 91,014 units (2019: 0 units) in TA Global Technology Fund MYR Hedged Class, representing 0.08% (2019: 0.00%) of units in circulation;
- 50,963 units (2019: 0 units) in TA All China Equity Fund MYR Hedged Class, representing 0.02% (2019: 0.00%) of units in circulation; and
- 102,738 units (2019: 0 units) in TA Asia Absolute Alpha Fund MYR Hedged Class, representing 0.01% (2019: 0.00%) of units in circulation.

40. Significant events during the year

40.1 Conditional voluntary take-over offer (“Proposed VGO”) of TA Global Berhad

On 12 February 2020, the Company announced the following:-

(i) the Company proposed to acquire additional interest in TA Global Berhad (“TAG”) via a proposed conditional voluntary take-over offer (“Proposed VGO”) to acquire up to 2,119,389,362 ordinary shares in TAG (“Offer Shares”), representing up to 39.83% equity interest in TAG, for a consideration of RM0.28 per Offer Share, which shall be satisfied by way of the following:

(a) a cash consideration of RM0.28 for every 1 Offer Share surrendered (“Cash Option”); or

(b) a share exchange based on an exchange ratio of 0.4211 new ordinary share in the Company (“TAE Shares”) (“Consideration Shares”) to be issued at an issue price of RM0.665 each for every 1 Offer Share surrendered; and

(ii) the Company proposed to issue up to 550,539,554 new ordinary shares (“Subscription Shares”) at an issue price of RM0.665 each to be subscribed by Datuk Tiah Thee Kian to fund the Cash Option pursuant to the Proposed VGO (“Proposed Subscription”).

40. Significant events during the year (continued)

40.1 Conditional voluntary take-over offer ("Proposed VGO") of TA Global Berhad (continued)

On 28 February 2020, the Board of TAE declared an interim single tier dividend in respect of the financial year ended 31 December 2019 of 1.00 sen per TAE Share. In view that the entitlement date of the TAE Dividend is during the Offer period, the Accepting Holders who elect for the Share Exchange Option will receive the Consideration Shares based on the exchange ratio of 0.4275 Consideration Share issued at the issue price of RM0.655 each (i.e., RM0.665 - RM0.01 = RM0.655) for every 1 Offer Share surrendered.

On 6 May 2020, the Company announced the withdrawal of the Proposed VGO for the Offer Shares after taking into consideration, amongst others, the adverse impact of the COVID-19 pandemic to the financial performance of TAG and its subsidiaries ("TAG Group") in the financial year ended 31 December 2020 following the temporary suspension of operations of several hotels of TAG Group in the months of March 2020 and April 2020.

The Board was of the view that the ripple effects of COVID-19 pandemic are still unfolding and the full impact of this pandemic can only be determined after the situation stabilises and that the withdrawal will be in the best interests of:

(i) the Company as the Offeror;
(ii) shareholders of the Company; and
(iii) holders of the Offer Shares based on the prevailing situation.

On 2 June 2020, the Company announced that the Securities Commission had vide its letter dated 1 June 2020, declined the application for withdrawal of the Proposed VGO by the Company, after having considered the justifications provided on a holistic basis.

On 10 November 2020, the Proposed VGO was approved by Bursa Malaysia Securities Berhad for the listing of and quotation for the Consideration Shares and Subscription Shares on the Main Market of Bursa Securities; and on 30 November 2020, the Proposed VGO was approved by shareholders at an extraordinary general meeting of the Company.

Pursuant to the execution of the take-over exercise, the Company acquired an additional 36.37% interest in TAG, increasing its effective ownership from 60.17% to 96.54%.

40. Significant events during the year (continued)

40.1 Conditional voluntary take-over offer ("Proposed VGO") of TA Global Berhad (continued)

The following table summarises the effect of the changes in the equity interest in TAG that is attributable to owners of the Company:

	Group and Company 2020 RM'000
Acquired through issue of the Company's shares	
Consideration in cash through Cash Option	272,368
Consideration in-kind through Share Exchange option	239,442
	511,810
Consideration in cash through additional open-market purchases of TAG shares	30,074
Consideration in cash through exercise of minority shareholders rights pursuant to Section 223 of the Capital Markets and Services Act ("CMSA")	46
Total consideration for acquisition of additional equity interest in TAG	541,930

	Group 2020 RM'000
Equity interest at 1 January 2020	1,869,809
Effect of increase in Company's ownership interest	1,058,222
Share of comprehensive loss in TAG	(120,137)
Equity interest at 31 December 2020	2,807,894

40.2 Wind up of TA Antarabangsa Development Ltd and TA Antarabangsa Limited

TA Antarabangsa Development Ltd and TA Antarabangsa Limited were wound up effectively on 16 June 2020 and 27 July 2020 respectively.

40.3 Deconsolidation of TA Hotel Management Limited Partnership ("TAHMLP") and TA Hotel GP Ltd ("TAHGPL")

In March 2020, the COVID-19 outbreak has impacted the tourism and hospitality industry due to the travel restrictions imposed by the countries across the world. Trump Hotel which was operated by TAHMLP was temporarily closed due to COVID-19 since March 2020. The ongoing expenses since the outbreak of COVID-19 and lack of revenue have impacted the financial position of TAHMLP and have placed TAHMLP into a position of insolvency.

40. Significant events during the year (continued)

40.3 Deconsolidation of TA Hotel Management Limited Partnership ("TAHMLP") and TA Hotel GP Ltd ("TAHGPL") (continued)

On 28 August 2020, the Board of Directors of TAG announced that Grant Thornton Limited has been appointed on 27 August 2020 to act as a Trustee pursuant to an Assignment in Bankruptcy made under Section 49(4) of the Bankruptcy and Insolvency Act of Canada for TAHMLP and its general partner, TAHGPL.

At a meeting of creditors that was held on 4 March 2021, the requisite majority of creditors in attendance at the meeting voted to replace Grant Thornton Limited as Trustee of TAHMLP with The Bowra Group Inc. which, as the substitute trustee, will carry on the administration of the TAHMLP bankruptcy estate. The Trustee of TAHGPL, Grant Thornton Limited has remained unchanged.

Following the bankruptcy, the deconsolidation of TAHMLP and TAHGPL had the following effects to the Group's assets and liabilities.

Effect of deconsolidation on the financial position of the Group

	As at 27 August 2020 TAHMLP RM'000
Plant and equipment	290
Right-of-use assets	144
Inventories	1,552
Receivables	649
Cash and bank balances	301
Payables	(19,842)
Net liabilities deconsolidated	(16,906)
Less:	
Reclassification of foreign currency translation reserve to profit or loss	297
Gain on deconsolidation of a subsidiary	16,609
	-
Less:	
Cash and cash equivalent in subsidiary deconsolidated	(301)
Net cash outflow from deconsolidation of a subsidiary	(301)

The financial impact arising from the deconsolidation of TAHGPL is below RM1,000.

41. Subsequent events

41.1 Changes in ownership interest in TAG

Subsequent to the financial year end, the Company acquired an additional 2.14% interest in TAG and increased its interest from 96.54% to 98.68% by way of:

(i) cash consideration of RM29,553,000 for 105,548,000 shares; and
(ii) shares exchange in-kind of RM2,378,000 for 8,494,000 shares based on the exchange ratio of 0.4275 of the Company each for every 1 TAG's share surrendered.

41.2 Delisting of TAG

On 15 December 2020, the Group submitted an application to Bursa Malaysia Securities Berhad ("Bursa Securities") for the withdrawal of TAG's listing status from the Official List of Bursa Securities pursuant to Paragraph 16.07(a) of the Main Market Listing Requirements of Bursa Securities. The application was approved by Bursa Securities on 7 January 2021.

The entire issued share capital of TAG was delisted with effect from 9.00 a.m., 12 January 2021.

41.3 Delisting of the Company

On 10 March 2021, the Company submitted an application to Bursa Malaysia Securities Berhad ("Bursa Securities") for the withdrawal of its listing status from the Official List of Bursa Securities pursuant to Paragraph 16.07(a) of the Main Market Listing Requirements of Bursa Securities. The application was approved by Bursa Securities on 25 March 2021.

The entire issued share capital of the Company was delisted with effect from 9.00 a.m., 30 March 2021.

42. Comparatives

These comparative figures have been restated due to the completion of purchase price allocation. The changes do not have any impact on the earnings per ordinary shares of the Group.

	As previously reported RM'000	Adjustments RM'000	As restated RM'000	Note
Group				
2019				
Statements of financial position				
Intangible assets	334,016	(1,095)	332,921	42(i), 7
Deferred tax liabilities	(205,023)	1,095	(203,928)	42(i),12

42. Comparatives (continued)

42(i) Completion of purchase price allocation in relation to the acquisition of hotel and business of Four Points by Sheraton Bangkok in prior year

On 7 August 2019, Siam Resorts Company Limited, a wholly owned subsidiary of the Company, completed its acquisition of a hotel and business of Four Points by Sheraton Bangkok, Sukhumvit 15 for a total cash consideration of THB2,316,760,000 (equivalent to approximately RM314,679,000).

The following summarises the major classes of consideration transferred, and the recognised amounts of assets acquired and liabilities assumed at the acquisition date.

A) Consideration transferred

	Group 2019	
	THB'000	RM'000
(i) Cash	(2,316,760)	(314,679)
(ii) Cash and bank balances acquired	388	53
	(2,316,372)	(314,626)

B) Acquisition-related costs

The Group incurred acquisition-related costs of THB7,066,000 (equivalent to approximately RM947,000) on legal fees and other professional fees in prior year. These costs had been included in other expenses in prior year.

C) Identifiable assets acquired and liabilities assumed

The following table summarises the recognised amounts of assets acquired and liabilities assumed at the date of acquisition.

	Group 2019			
	Finalised		Provisional	
	THB'000	RM'000	THB'000	RM'000
Property, plant and equipment	2,000,356	271,708	2,000,356	271,702
Intangible assets	170	23	170	23
Inventories	3,580	486	3,580	486
Trade and other receivables	1,396	190	1,396	190
Cash and bank balances	388	53	388	53
Trade and other payables	(16,467)	(2,235)	(16,467)	(2,237)
Deferred tax liabilities	-	-	(8,005)	(1,087)
Total identifiable net assets acquired	1,989,423	270,225	1,981,418	269,130

42. Comparatives (continued)

42(i) Completion of purchase price allocation in relation to the acquisition of hotel and business of Four Points by Sheraton Bangkok in prior year (continued)

D) Goodwill

The goodwill is attributable mainly to the skills and technical talent of Four Points by Sheraton work force, and the synergies expected to be achieved from integrating the business into the Group's existing hotel business. None of the goodwill recognised is expected to be deductible for income tax purposes.

The Group completed the purchase price allocation to determine the fair value of the net assets of the hotel and business of Four Points by Sheraton Bangkok on 1 July 2020, within the stipulated time period of twelve months from the acquisition date of 7 August 2019, in accordance with MFRS 3 *Business Combinations.*

Goodwill was recognised as a result of the acquisition as follows:

	Group 2019			
	Finalised		Provisional	
	THB'000	RM'000	THB'000	RM'000
Consideration transferred	2,316,760	314,679	2,316,760	314,679
Fair value of identified net assets	(1,989,423)	(270,225)	(1,981,418)	(269,130)
Goodwill	327,337	44,454	335,342	45,549

The goodwill for Four Points by Sheraton Bangkok has been adjusted retrospectively to THB327,337,000 or RM44,454,000 equivalent (2019: THB335,342,000 or RM45,549,000 equivalent on provisional basis).

TA Enterprise Berhad
(Registration No. 199001003300 (194867-M))
(Incorporated in Malaysia)
and its subsidiaries

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

In the opinion of the Directors, the financial statements set out on pages 7 to 189 are drawn up in accordance with Malaysian Financial Reporting Standards, International Financial Reporting Standards and the requirements of the Companies Act 2016 in Malaysia so as to give a true and fair view of the financial position of the Group and of the Company as of 31 December 2020 and of their financial performance and cash flows for the financial year then ended.

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

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

……………………………………………….
Datuk Tiah Thee Kian
Director

Kuala Lumpur

Date: 9 August 2021

TA Enterprise Berhad
(Registration No. 199001003300 (194867-M))
(Incorporated in Malaysia)
and its subsidiaries

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

I, **Lee Lin Chyuan** (MIA membership number: 36722), the officer primarily responsible for the financial management of TA Enterprise Berhad, do solemnly and sincerely declare that the financial statements set out on pages 7 to 189 are, to the best of my knowledge and belief, correct and I make this solemn declaration conscientiously believing the declaration to be true, and by virtue of the Statutory Declarations Act, 1960.

Subscribed and solemnly declared by the abovenamed Lee Lin Chyuan, at Kuala Lumpur in the Federal Territory on 9 August 2021.

………………………………..
Lee Lin Chyuan

Before me:

INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF TA ENTERPRISE BERHAD

(Registration No. 199001003300 (194867-M))
(Incorporated in Malaysia)

Report on the Audit of the Financial Statements

Opinion

We have audited the financial statements of TA Enterprise Berhad, which comprise the statements of financial position as at 31 December 2020 of the Group and of the Company, and the statements of profit or loss, statements of profit or loss and other comprehensive income, statements of changes in equity and statements of cash flows of the Group and of the Company for the financial year then ended, and notes to the financial statements, including a summary of significant accounting policies, as set out on pages 7 to 189.

In our opinion, the accompanying financial statements give a true and fair view of the financial position of the Group and of the Company as at 31 December 2020, and of their financial performance and their cash flows for the financial year then ended in accordance with Malaysian Financial Reporting Standards, International Financial Reporting Standards and the requirements of the Companies Act 2016 in Malaysia.

Basis for Opinion

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

Independence and Other Ethical Responsibilities

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

Information Other than the Financial Statements and Auditors' Report Thereon

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

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

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

Responsibilities of the Directors for the Financial Statements

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

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

Auditors' Responsibilities for the Audit of the Financial Statements

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

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

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

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

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

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

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

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

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

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

Report on Other Legal and Regulatory Requirements

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

Other Matter

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

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

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

Petaling Jaya,

Date: 9 August 2021