TA Enterprise Berhad

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

and its subsidiaries

Financial statements for the year ended 31 December 2022

TA Enterprise Berhad
(Registration No. 199001003300 (194867-M))
(Incorporated in Malaysia)
and its subsidiaries

Directors' report for the year ended 31 December 2022

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 2022.

Principal activities

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	(237,322)	4,795
Non-controlling interests	(1,539)	-
	(238,861)	4,795

Reserves and provisions

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

Dividends

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

Directors of the Company

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

Datuk Tiah Thee Kian
Datin Tan Kuay Fong
Zainab Binti Ahmad
Dato' Sri Mohamed Bin Abid (resigned on 17 April 2023)

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 (resigned on 17 April 2023)
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 (resigned on 1 April 2022)
Tah Heong Beng
Choo Swee Kee
Mohammed A'reeff Bin Abdul Khalid
Ahmed Fauzi Bin Mohamed
Nor Aziah Binti Ab Halim
Dayangku Shukarni Binti Awang Jolkipli
Nor Asma Binti Mohamed
Mohd Sahiful Bin Yazid Ziani (resigned on 26 July 2022)
Ernest Yeap Kian Fuj
Lee Yen Foong
Dulsi Karabet
Ong Khay Soon (resigned on 31 May 2022)
Peter John Tudehope
Tony Ong Thian Bok
Khong Kim Kong
Lee Medd
Tiah Ee Laine
Tiah Joo Kim
Tiah Joo Keng
Yip Kam Mun
Chau Koan Hung

Directors of the Company (continued)

Jimmy Wong
Mike Mootien
Jannette N. Pel
Tan Kuay Geok
Ngiam Kee Tong
Tawee Saengrung
Lim Yee Mun
Leong Chee Lim
Chin Pei San (appointed on 26 July 2022)
Datuk Leong Kam Weng (appointed on 18 March 2022)

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 1.1.2022	**Bought**	**Sold**	**At 31.12.2022**
Interests in the Company				
Datuk Tiah Thee Kian				
- direct	2,367,172,645	3,966,838	-	2,371,139,483
- others @	114,844,483	-	-	114,844,483
Datin Tan Kuay Fong				
- direct	8,183,848	-	-	8,183,848
- others @	114,844,483	-	-	114,844,483

@ Indirect interests held through children

By virtue of their interests 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 2022 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,

i) no Director of the Company has received nor become entitled to receive any benefit from the Company or its subsidiaries (other than those shown below);

	By the Company RM'000	By a subsidiary company RM'000
Directors of the Company:		
Fees	52	-
Remuneration	1,035	8,268
Estimated money value of any other benefits	55	150
	1,142	8,418

ii) no Director of the Company has received nor become entitled to receive any benefit by reason of a contract made by the Company or a related corporation with the Director or with a firm of which Director is a member, or with a company in which the Director has a substantial financial interest other than certain Directors received fixed salary of a full time employee of related corporations.

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

Issue of shares and debentures

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

There were no debentures issued during the financial year.

Options granted over unissued shares

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

Indemnity and insurance costs

During the financial year, 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 RM10,610.

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

Other statutory information

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

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

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

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

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

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

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

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

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

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

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

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

In the opinion of the Directors, the financial performance of the Group and of the Company for the financial year ended 31 December 2022 have not been substantially affected by any item, transaction or event of a material and unusual nature nor has any such item, transaction or event occurred in the interval between the end of that financial year and the date of this report.

Auditors

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

The auditors’ remuneration of the Group and of the Company during the year are RM939,000 and RM85,000 respectively.

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: 31 May 2023

TA Enterprise Berhad
(Registration No. 199001003300 (194867-M))
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Statements of financial position as at 31 December 2022

	Note	Group 2022 RM'000	Group 2021 RM'000	Company 2022 RM'000	Company 2021 RM'000
Assets					
Property, plant and equipment	3	1,766,450	1,796,735	1,004	1,228
Investment properties	4	530,951	535,141	-	-
Right-of-use assets	5	352,032	350,842	3,649	4,839
Inventories	6	765,801	649,980	-	-
Intangible assets	7	302,107	296,348	247	253
Investments in subsidiaries	8	-	-	2,778,105	2,762,000
Investment in an associate	9	-	15,397	-	-
Investments in joint ventures	10	5,222	5,474	-	-
Investments in securities	11	3,845	3,536	3,123	2,969
Deferred tax assets	12	19,948	28,597	61	14
Receivables	13	33,154	38,346	43,382	8,635
Total non-current assets		3,779,510	3,720,396	2,829,571	2,779,938
Inventories	6	205,686	222,457	-	-
Contract assets	14	47,372	23,820	-	-
Contract costs	15	12,343	41,222	-	-
Investments in securities	11	700,089	1,126,864		-
Receivables	13	465,985	491,908	2,873	6,449
Derivatives	16	20	528	-	-
Tax recoverable		25,527	15,612	1,986	1,917
Other investment	17	37,956	7,373	-	-
Cash and bank balances	18	455,524	500,846	877	8,372
Total current assets		1,950,502	2,430,630	5,736	16,738
Total assets		5,730,012	6,151,026	2,835,307	2,796,676

Statements of financial position as at 31 December 2022 (continued)

	Note	Group 2022 RM'000	Group 2021 RM'000	Company 2022 RM'000	Company 2021 RM'000
Equity					
Share capital	19	2,316,164	2,316,164	2,316,164	2,316,164
Reserves		1,167,365	1,320,027	354,438	349,489
Total equity attributable to owners of the Company	19	3,483,529	3,636,191	2,670,602	2,665,653
Non-controlling interests		81,879	35,217	-	-
Total equity		3,565,408	3,671,408	2,670,602	2,665,653
Liabilities					
Deferred tax liabilities	12	196,331	186,270	-	-
Borrowings	20	457,719	536,977	-	-
Lease liabilities		499	1,288	2,693	3,903
Provisions	22	16,057	1,249	-	-
Total non-current liabilities		670,606	725,784	2,693	3,903
Borrowings	20	1,190,949	1,366,767	158,318	124,850
Lease liabilities		1,014	1,337	1,210	1,154
Payables	21	253,083	301,602	1,401	1,116
Provisions	22	9,717	14,296	-	-
Contract liabilities	14	33,806	31,320	1,083	-
Derivatives	16	2,018	18,021	-	-
Income tax payables		3,411	20,491	-	-
Total current liabilities		1,493,998	1,753,834	162,012	127,120
Total liabilities		2,164,604	2,479,618	164,705	131,023
Total equity and liabilities		5,730,012	6,151,026	2,835,307	2,796,676

The notes on pages 20 to 153 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 2022

	Note	Group 2022 RM'000	Group 2021 RM'000	Company 2022 RM'000	Company 2021 RM'000
Revenue	23	895,771	794,722	20,023	72,091
Other income		9,234	46,622	1,595	1,432
Net (loss)/gain from investments in securities	24	(279,789)	93,275	98	196
Property development expenditure recognised as expense		(111,604)	(105,846)	-	-
Cost of inventories	6	(25,120)	(15,473)	-	-
Personnel costs		(231,587)	(189,280)	(5,384)	(10,448)
Depreciation		(92,396)	(87,014)	(1,357)	(1,322)
Remisiers', agents' and commissioned futures broker representatives' commissions		(69,236)	(183,479)	-	-
Foreign exchange (loss)/gain, net		(32,811)	2,111	12	7
Net (allowance for)/reversal of impairment of financial assets		(558)	8,435	(1,163)	158
Other expenses		(236,276)	(182,531)	(4,491)	(5,458)
Operating (loss)/profit		(174,372)	181,542	9,333	56,656
Finance income	26	13,118	9,480	1,153	1,481
Finance costs	27	(50,109)	(39,381)	(5,428)	(5,328)
Share of loss in an associate, net of tax	9	(68)	(95)	-	-
Share of loss in joint ventures, net of tax	10	(250)	(6)	-	-
(Loss)/Profit before tax		(211,681)	151,540	5,058	52,809
Tax expense	28	(27,180)	(46,797)	(263)	(258)
(Loss)/Profit for the year	29	(238,861)	104,743	4,795	52,551
(Loss)/Profit attributable to:					
Owners of the Company		(237,322)	103,478	4,795	52,551
Non-controlling interests		(1,539)	1,265	-	-
(Loss)/Profit for the year		(238,861)	104,743	4,795	52,551

The notes on pages 20 to 153 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 2022

	Group		Company	
	2022 RM'000	2021 RM'000	2022 RM'000	2021 RM'000
(Loss)/Profit for the year	(238,861)	104,743	4,795	52,551
Other comprehensive income:				
Items that are or may be reclassified subsequently to profit or loss:				
Net gain on foreign currency translation differences	70,575	3,962	-	-
Reclassification of foreign currency differences on loss of control	-	(2,618)	-	-
Debt investments measured at fair value through other comprehensive income				
- Net fair value (loss)/gain	(406)	676	-	-
- Reclassification to profit or loss	-	(1,289)	-	-
	70,169	731	-	-
Items that will not be reclassified subsequently to profit or loss:				
Net change in fair value of equity investments designated at fair value through other comprehensive income	154	67	154	67
Other comprehensive income for the year	70,323	798	154	67
Total comprehensive (loss)/income for the year	(168,538)	105,541	4,949	52,618
Total comprehensive (loss)/income attributable to:				
Owners of the Company	(167,449)	103,843	4,949	52,618
Non-controlling interests	(1,089)	1,698	-	-
Total comprehensive (loss)/income for the year	(168,538)	105,541	4,949	52,618

The notes on pages 20 to 153 are an integral part of these financial statements.

TA Enterprise Berhad
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Consolidated statement of changes in equity for the year ended 31 December 2022

Group	/-------------------	---*Attributable to owners of the Company*---			----------------/			
	/--------------	*Non-distributable*		----------------/	*Distributable*			
	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**
At 1 January 2021	2,286,928	37,769	3,918	381,601	760,118	3,470,334	100,704	3,571,038
Foreign currency translation differences for foreign operations	-	-	-	8,666	-	8,666	356	9,022
Net investment in foreign operations	-	-	-	(5,060)	-	(5,060)	-	(5,060)
Reclassification of foreign currency differences on loss of control	-	-	-	(2,618)	-	(2,618)	-	(2,618)
Net change in fair value of equity investment designated at FVOCI	-	-	67	-	-	67	-	67
Debt investments measured at FVOCI								
- Net fair value gain	-	-	599	-	-	599	77	676
- Reclassification to profit or loss	-	-	(1,289)	-	-	(1,289)	-	(1,289)
Other comprehensive (loss)/income for the year	-	-	(623)	988	-	365	433	798
Profit for the year	-	-	-	-	103,478	103,478	1,265	104,743
Total comprehensive (loss)/income for the year	-	-	(623)	988	103,478	103,843	1,698	105,541
Acquisition of NCI	29,236	-	37	3,466	29,275	62,014	(67,185)	(5,171)
Total transactions with owners of the Group	29,236	-	37	3,466	29,275	62,014	(67,185)	(5,171)
At 31 December 2021	2,316,164	37,769	3,332	386,055	892,871	3,636,191	35,217	3,671,408
	Note 19	Note 19	Note 19	Note 19				

Consolidated statement of changes in equity for the year ended 31 December 2022 (continued)

	/---Attributable to owners of the Company---/								
	/---Non-distributable---/					Distributable			
Group	Share capital RM'000	Merger reserve RM'000	Capital reserve RM'000	Fair value reserve RM'000	Exchange translation reserve RM'000	Retained earnings RM'000	Total RM'000	Non-controlling interests RM'000	Total equity RM'000
At 1 January 2022	2,316,164	-	37,769	3,332	386,055	892,871	3,636,191	35,217	3,671,408
Foreign currency translation differences for foreign operations	-	-	-	-	58,925	-	58,925	462	59,387
Net investment in foreign operations	-	-	-	-	11,188	-	11,188	-	11,188
Net change in fair value of equity investment designated at FVOCI	-	-	-	154	-	-	154	-	154
Debt investments measured at FVOCI									
- Net fair value loss	-	-	-	(394)	-	-	(394)	(12)	(406)
Other comprehensive (loss)/income for the year	-	-	-	(240)	70,113	-	69,873	450	70,323
Loss for the year	-	-	-	-	-	(237,322)	(237,322)	(1,539)	(238,861)
Total comprehensive (loss)/income for the year	-	-	-	(240)	70,113	(237,322)	(167,449)	(1,089)	(168,538)
Acquisition of NCI	-	-	3	1	(132)	1,104	976	(2,534)	(1,558)
Business combination under common control	-	13,811	-	-	-	-	13,811	50,285	64,096
Total transactions with owners of the Group	-	13,811	3	1	(132)	1,104	14,787	47,751	62,538
At 31 December 2022	2,316,164	13,811	37,772	3,093	456,036	656,653	3,483,529	81,879	3,565,408
	Note 19	Note 19	Note 19	Note 19	Note 19				

The notes on pages 20 to 153 are an integral part of these financial statements.

TA Enterprise Berhad
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Statement of changes in equity for the year ended 31 December 2022

	Note	/-------*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 2021		2,286,928	2,412	294,459	2,583,799
Net change in fair value of equity investment designated at FVOCI		-	67	-	67
Profit for the year		-	-	52,551	52,551
Total comprehensive income for the year		-	67	52,551	52,618
Contributions by and distributions to owners of the Company					
- Issue of ordinary shares		29,236	-	-	29,236
Total transactions with owners of the Company		29,236	-	-	29,236
At 31 December 2021/ 1 January 2022		2,316,164	2,479	347,010	2,665,653
Net change in fair value of equity investment designated at FVOCI		-	154	-	154
Profit for the year		-	-	4,795	4,795
Total comprehensive income for the year		-	154	4,795	4,949
At 31 December 2022		2,316,164	2,633	351,805	2,670,602
		Note 19	Note 19		

The notes on pages 20 to 153 are an integral part of these financial statements.

TA Enterprise Berhad
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Statements of cash flows for the year ended 31 December 2022

	Group		Company	
	2022	**2021**	**2022**	**2021**
	RM'000	**RM'000**	**RM'000**	**RM'000**
Cash flows from operating activities				
(Loss)/Profit before tax	(211,681)	151,540	5,058	52,809
Adjustments for:				
Amortisation of intangible assets	512	556	10	211
Bad debt written off	3,700	50	-	-
Deemed fee income from provision of financial guarantees	-	-	(1,572)	(1,262)
Depreciation	92,396	87,015	1,357	1,322
Net fair value loss/(gain) on fair value through profit or loss ("FVTPL") investment	303,601	(68,757)	-	-
Net loss/(gain) on disposal of:				
- property, plant and equipment	(37)	(134)	52	67
Gross dividend income	(11,467)	(10,746)	(15,098)	(65,036)
Interest expense	50,109	39,381	5,428	5,328
Interest income	(25,633)	(17,566)	(1,153)	(1,481)
Net (reversal of)/allowance for impairment on:				
- investments in subsidiaries	-	-	2,165	2,357
- financial assets	(558)	(8,435)	1,163	(158)
Net gain on disposal/redemption of investments in securities	(4,039)	(9,898)	-	-
Net unrealised loss/(gain) in foreign exchange translation	19,926	8,891	(12)	(7)
Property, plant and equipment written off	31	1,885	-	-
Net reversal of provision for employee benefits	1,746	(72)	-	-
Net share of loss from an associate/joint ventures, net of tax	318	101	-	-
Operating profit/(loss) before changes in working capital	218,924	173,811	(2,602)	(5,850)

Statements of cash flows for the year ended 31 December 2022 (continued)

	Group		Company	
	2022	2021	2022	2021
	RM'000	RM'000	RM'000	RM'000
Cash flows from operating activities (continued)				
Changes in working capital:				
Contract assets	(23,552)	(7,221)	-	-
Contract costs	28,879	(24,835)	-	-
Contract liabilities	2,486	(8,340)	-	-
Inventories	7,672	(13,057)	-	-
Payables	192,115	(44,879)	281	(1,313)
Receivables	(105,841)	40,598	(7,120)	(685)
Cash generated from/(used in) operations	320,683	116,077	(9,441)	(7,848)
Interest received	17,559	15,150	-	-
Interest paid	(2,843)	(2,386)	(487)	(318)
Taxes refunded	-	-	-	2,300
Taxes paid	(52,850)	(52,266)	(379)	(396)
Net cash generated from/(used in) operating activities	282,549	76,575	(10,307)	(6,262)
Cash flows from investing activities				
(Increase)/decrease in pledged deposits for banking facilities	(37)	522	-	-
Dividends received	11,467	10,746	15,098	65,036
Interest received	8,963	4,775	1,004	1,426
Increase in ownership interest in subsidiaries	(1,298)	(32,030)	(1,298)	(32,030)
Subscription of NCRPS issued by a subsidiary	-	-	-	(12,000)
Repayment/(drawdown) of loan from subsidiaries	-	-	(42,483)	65,687
Outflow from deconsolidation of subsidiaries	-	(2,618)	-	-
Proceeds from disposal of:				
- property, plant and equipment	368	1,002	30	35
- derivatives	-	13,706	-	-
- investments in securities	611,785	1,699,116	-	-
Proceeds from redemption of:				
- preference shares	-	-	3,100	-

Statements of cash flows for the year ended 31 December 2022 (continued)

	Group		Company	
	2022	2021	2022	2021
	RM'000	RM'000	RM'000	RM'000
Cash flows from investing activities (continued)				
Acquisition of:				
- property, plant and equipment	(32,771)	(25,640)	(25)	(116)
- intangible assets	(293)	(438)	(4)	(237)
- investment properties	(11,704)	(7,149)	-	-
- investments in securities	(540,046)	(1,671,417)	-	-
- derivatives	(373)	-	-	-
Placement of fixed and call deposits with maturity more than three months	(30,138)	(71)	-	-
Net cash generated from/(used in) investing activities	15,923	(9,496)	(24,578)	87,801
Cash flows from financing activities				
Proceeds from issuance of shares	-	26,858	-	26,858
Drawdown of borrowings	45,112	230,906	52,100	51,200
Repayment of borrowings	(342,046)	(692,562)	(19,000)	(147,720)
Interest paid	(45,357)	(34,486)	(4,568)	(4,830)
Payment of lease liabilities	(1,918)	(1,470)	(1,154)	(1,100)
Net cash (used in)/generated from financing activities	(344,209)	(470,754)	27,378	(75,592)
Net (decrease)/increase in cash and cash equivalents	(45,737)	(403,675)	(7,507)	5,947
Effect of exchange rate fluctuations on cash held	815	(603)	12	7
Cash and cash equivalents at 1 January	468,636	872,914	8,372	2,418
Cash and cash equivalents at 31 December	423,714	468,636	877	8,372

Statements of cash flows for the year ended 31 December 2022 (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:

	Note	Group 2022 RM'000	Group 2021 RM'000	Company 2022 RM'000	Company 2021 RM'000
Cash and bank balances	18	455,576	500,964	877	8,372
Less: Remisiers' monies		(27,385)	(27,888)	-	-
Pledged for bank facilities		(4,477)	(4,440)	-	-
Cash and cash equivalents		423,714	468,636	877	8,372

(ii) Cash outflows for leases as a lessee

	Group 2022 RM'000	Group 2021 RM'000	Company 2022 RM'000	Company 2021 RM'000
Included in net cash from operating activities:				
Payment relating to short-term leases	1,257	1,230	12	12
Payment relating to leases of low value assets	-	-	5	2
Interest paid in relation to lease liabilities	66	86	216	270
Included in net cash from financing activities:				
Payment of lease liabilities	1,918	1,470	1,154	1,100
Total cash outflows for leases	3,241	2,786	1,387	1,384

Statements of cash flows for the year ended 31 December 2022 (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	Due to joint venture RM'000	Total RM'000	Borrowings RM'000	Lease liabilities RM'000	Due to subsidiaries RM'000	Total RM'000
At 1 January 2021	2,318,684	2,316	165	2,321,165	221,190	6,157	557	227,904
Changes from financing activities								
Drawdown of borrowings	230,906	-	-	230,906	51,200	-	-	51,200
Repayment of borrowings	(692,562)	-	-	(692,562)	(147,720)	-	-	(147,720)
Interest paid	(34,486)	-	-	(34,486)	(4,830)	-	-	(4,830)
Payment of lease liabilities	-	(1,470)	-	(1,470)	-	(1,100)	-	(1,100)
Total changes from financing cash flows	(496,142)	(1,470)	-	(497,612)	(101,350)	(1,100)	-	(102,450)
Other changes								
Interest expense	37,510	86	-	37,596	5,010	270	-	5,280
Foreign exchange differences	43,692	-	-	43,692	-	-	-	-
Other changes	-	1,693	(165)	1,528	-	(270)	(416)	(686)
Total liabilities related other changes	81,202	1,779	(165)	82,816	5,010	-	(416)	4,594
At 31 December 2021	1,903,744	2,625	-	1,906,369	124,850	5,057	141	130,048
	Note 20		Note 21		Note 20		Note 21	

Statements of cash flows for the year ended 31 December 2022 (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
At 1 January 2022	1,903,744	2,625	-	1,906,369	124,850	5,057	141	130,048
Changes from financing activities								
Drawdown of borrowings	45,112	-	-	45,112	52,100	-	-	52,100
Repayment of borrowings	(342,046)	-	-	(342,046)	(19,000)	-	-	(19,000)
Interest paid	(45,357)	-	-	(45,357)	(4,438)	-	(130)	(4,568)
Payment of lease liabilities	-	(1,918)	-	(1,918)	-	(1,154)	-	(1,154)
Total changes from financing cash flows	(342,291)	(1,918)	-	(344,209)	28,662	(1,154)	(130)	27,378
Other changes								
Interest expense	48,069	66	-	48,135	4,806	216	135	5,157
Foreign exchange differences	39,146	-	-	39,146	-	-	-	-
Other changes	-	740	-	740	-	(216)	796	580
Total liabilities related other changes	87,215	806	-	88,021	4,806	-	931	5,737
At 31 December 2022	1,648,668	1,513	-	1,650,181	158,318	3,903	942	163,163
	Note 20		Note 21		Note 20		Note 21	

The notes on pages 20 to 153 are an integral part of these financial statements.

Notes to the financial statements

TA Enterprise Berhad is a public 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.

The consolidated financial statements of the Company as at and for the financial year ended 31 December 2022 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 2022 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 31 May 2023.

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 January 2023

- MFRS 17, *Insurance Contracts*
- Amendments to MFRS 17, *Insurance Contracts – Initial application of MFRS 17 and MFRS 9 – Comparative Information*
- Amendments to MFRS 101, *Presentation of Financial Statements – Disclosures of Accounting Policies*
- Amendments to MFRS 108, *Accounting Policies, Changes in Accounting Estimates and Errors – Definition of Accounting Estimates*

1. Basis of preparation (continued)

(a) Statement of compliance (continued)

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

- 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 1 January 2024

- Amendment to MFRS 16*, Leases – Lease Liability in a Sale and Leaseback*
- Amendment to MFRS 101, *Presentation of Financial Statements – Non-current Liabilities with Covenants and Classification of Liabilities as Current or Non-current*

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*

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

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

- from the annual period beginning on 1 January 2024 for the amendments that are effective for annual periods beginning on or after 1 January 2024.

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

(b) Basis of measurement

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

(c) Functional and presentation currency

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

1. Basis of preparation (continued)

(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.

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 7 – Impairment on intangible assets*
- *Note 2(p)(ii) and Note 23.2 – Revenue recognition*
- *Note 2(s) and Note 11 – Valuation on unquoted investments*
- *Preparation of the financial statements on a going concern basis*

As at 31 December 2022, the Company's current liabilities exceeded its current assets by RM156 million. The current liabilities of the Company mainly arose from short-term borrowings.

In the preparation of the financial statements on going concern basis, the Directors have considered the Company's ability to obtain continuing support from its bankers to rollover and refinance its short-term borrowings 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 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) Acquisitions from entities under common control

Business combinations arising from transfers of interests in entities that are under the control of the shareholder that controls the Group are accounted for as if the acquisition had occurred at the date that common control was established. The assets and liabilities acquired are recognised at the carrying amounts recognised previously in the Group controlling shareholder's consolidated financial statements. The components of equity of the acquired entities are added to the same components within Group's equity and any resulting gain or loss is recognised directly in equity.

(v) 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.

(vi) 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.

2. Significant accounting policies (continued)

(a) Basis of consolidation (continued)

(vi) Associates (continued)

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.

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.

(vii) 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.

2. Significant accounting policies (continued)

(a) Basis of consolidation (continued)

(vii) Joint arrangements (continued)

Joint arrangements are classified and accounted for as follows: (continued)

- 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.

(viii) 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.

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.

(ix) 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.

2. Significant accounting policies (continued)

(b) Foreign currency (continued)

(i) Foreign currency transactions (continued)

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.

(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.

2. Significant accounting policies (continued)

(b) Foreign currency (continued)

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

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.

(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.

2. Significant accounting policies (continued)

(c) Financial instruments (continued)

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

Financial assets (continued)

(a) Amortised cost

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

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

(b) Fair value through other comprehensive income

(i) Debt investments

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

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.

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)

(ii) Equity investment

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

(c) Fair value through profit or loss

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

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

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

2. Significant accounting policies (continued)

(c) Financial instruments (continued)

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

Financial liabilities

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

(a) Fair value through profit or loss

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

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

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

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

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

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

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

2. Significant accounting policies (continued)

(c) Financial instruments (continued)

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

Financial liabilities (continued)

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

(b) Amortised cost

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

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

(iii) Regular way purchase or sale of financial assets

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

Trade date accounting refers to:

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

Settlement date accounting refers to:

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

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

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

2. Significant accounting policies (continued)

(c) Financial instruments (continued)

(iv) Financial guarantee contracts

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

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

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

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

(v) Derecognition

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

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

(vi) Offsetting

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

2. Significant accounting policies (continued)

(d) Property, plant and equipment

(i) Recognition and measurement

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

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

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

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

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

(ii) Subsequent costs

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

(iii) Depreciation

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

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

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

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

• Buildings	50 – 58 years / 4%

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.

(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.

2. Significant accounting policies (continued)

(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.

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.

2. Significant accounting policies (continued)

(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.

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.

2. Significant accounting policies (continued)

(l) Impairment (continued)

(i) Financial assets (continued)

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, contract assets, lease receivables, 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 period at the same time.

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

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

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

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

2. Significant accounting policies (continued)

(l) Impairment (continued)

(ii) Other assets (continued)

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.

(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.

2. Significant accounting policies (continued)

(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.

(o) Provisions

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

(p) Revenue and other income

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

2. Significant accounting policies (continued)

(p) Revenue and other income (continued)

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 a point in time or over time.

(i) Hotel operations, room rental and related revenue

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

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

(ii) Sales of properties

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

2. Significant accounting policies (continued)

(p) Revenue and other income (continued)

(ii) Sales of properties (continued)

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.

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.

2. Significant accounting policies (continued)

(p) Revenue and other income (continued)

(ii) Sales of properties (continued)

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.

(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 is 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.

2. Significant accounting policies (continued)

(p) Revenue and other income (continued)

(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 is billed and settled on cash terms.

(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 at a 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 imposed 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.

2. Significant accounting policies (continued)

(p) Revenue and other income (continued)

(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.

(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.

2. Significant accounting policies (continued)

(p) Revenue and other income (continued)

(xv) Management fees

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

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

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

(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 tenants and the tenants receive and consume the electrical energy.

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

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) 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.

(t) 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	Buildings RM'000	Renovations RM'000	Furniture and fittings RM'000	Motor vehicles RM'000	Equipment and computers RM'000	Asset under construction RM'000	Total RM'000
Group									
Cost									
At 1 January 2021		381,748	1,956,084	165,799	58,854	15,531	239,832	6,042	2,823,890
Reclassifications		-	979	36,063	90	-	(33,468)	(3,664)	-
Additions		-	26	1,700	1,563	1,249	5,032	16,070	25,640
Transfer to investment properties	4	-	-	(45)	-	-	-	-	(45)
Transfer to intangible assets	7	-	-	-	-	-	-	(63)	(63)
Write-off		-	(1,098)	-	(98)	-	(1,485)	-	(2,681)
Disposals		-	-	-	(73)	(1,620)	(2,701)	-	(4,394)
Effect of foreign exchange translation		(18,472)	(14,957)	(1,825)	2,924	77	(1,713)	(793)	(34,759)
At 31 December 2021/ 1 January 2022		363,276	1,941,034	201,692	63,260	15,237	205,497	17,592	2,807,588
Reclassifications		-	14,685	(331)	937	-	3,026	(18,317)	-
Adjustments		-	-	(58)	-	(91)	50	-	(99)
Additions		7,524	2,345	2,103	2,828	948	10,133	6,890	32,771
Write-off		-	-	-	(246)	-	(1,785)	-	(2,031)
Disposals		-	-	-	(269)	(662)	(1,630)	-	(2,561)
Effect of foreign exchange translation		2,683	1,934	(1,831)	351	(43)	4,264	124	7,482
At 31 December 2022		373,483	1,959,998	201,575	66,861	15,389	219,555	6,289	2,843,150

3. Property, plant and equipment (continued)

Group	Note	Freehold land RM'000	Buildings RM'000	Renovations RM'000	Furniture and fittings RM'000	Motor vehicles RM'000	Equipment and computers RM'000	Asset under construction RM'000	Total RM'000
Accumulated depreciation and impairment loss									
At 1 January 2021									
Accumulated depreciation		-	378,505	127,707	33,969	9,261	152,112	-	701,554
Accumulated impairment loss		-	230,828	11	13,407	1,133	5,653	588	251,620
		-	609,333	127,718	47,376	10,394	157,765	588	953,174
Reclassifications		-	-	34,068	-	90	(34,158)	-	-
Depreciation for the year		-	38,122	7,819	5,610	996	17,352	-	69,899
Transfer from/(to) investment properties		-	24	(21)	-	-	-	-	3
Write-off		-	(115)	-	(72)	-	(609)	-	(796)
Adjustments		-	-	(4)	-	-	-	-	(4)
Disposals		-	-	-	(73)	(752)	(2,701)	-	(3,526)
Effect of foreign exchange translation		-	(6,724)	(2,074)	2,321	31	(1,411)	(40)	(7,897)
At 31 December 2021									
Accumulated depreciation		-	412,323	167,496	41,010	9,627	130,606	-	761,062
Accumulated impairment loss		-	228,317	10	14,152	1,132	5,632	548	249,791
At 31 December 2021/ 1 January 2022		-	640,640	167,506	55,162	10,759	136,238	548	1,010,853

3. Property, plant and equipment (continued)

Group	Note	Freehold land RM'000	Buildings RM'000	Renovations RM'000	Furniture and fittings RM'000	Motor vehicles RM'000	Equipment and computers RM'000	Asset under construction RM'000	Total RM'000
Accumulated depreciation and impairment loss (continued)									
Adjustments		-	-	-	21	(110)	1	-	(88)
Depreciation for the year		-	40,598	6,836	4,700	894	18,457	-	71,485
Write-off		-	-	-	(215)	-	(1,785)	-	(2,000)
Disposals		-	-	-	(269)	(331)	(1,630)	-	(2,230)
Effect of foreign exchange translation		-	(1,912)	(1,654)	399	(43)	1,879	11	(1,320)
At 31 December 2022									
Accumulated depreciation		-	451,473	172,678	46,010	10,147	147,561	-	827,869
Accumulated impairment loss		-	227,853	10	13,788	1,022	5,599	559	248,831
At 31 December 2022		-	679,326	172,688	59,798	11,169	153,160	559	1,076,700
Carrying amounts									
At 1 January 2021		381,748	1,346,751	38,081	11,478	5,137	82,067	5,454	1,870,716
At 31 December 2021/ 1 January 2022		363,276	1,300,394	34,186	8,098	4,478	69,259	17,044	1,796,735
At 31 December 2022		373,483	1,280,672	28,887	7,061	4,220	66,397	5,730	1,766,450

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 2021	32	70	2,319	870	3,291
Additions	-	-	99	17	116
Disposal	-	-	(293)	-	(293)
At 31 December 2021/ 1 January 2022	32	70	2,125	887	3,114
Adjustments	-	-	-	5	5
Additions	-	-	-	25	25
Disposal	-	-	(251)	(8)	(259)
At 31 December 2022	32	70	1,874	909	2,885
Accumulated depreciation					
At 1 January 2021	23	70	1,017	834	1,944
Depreciation for the year	3	-	98	32	133
Disposal	-	-	(191)	-	(191)
At 31 December 2021/ 1 January 2022	26	70	924	866	1,886
Adjustments	4	-	(2)	3	5
Depreciation for the year	2	-	150	15	167
Disposal	-	-	(169)	(8)	(177)
At 31 December 2022	32	70	903	876	1,881
Carrying amounts					
At 1 January 2021	9	-	1,302	36	1,347
At 31 December 2021/ 1 January 2022	6	-	1,201	21	1,228
At 31 December 2022	-	-	971	33	1,004

3.1 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 2022 RM'000	Group 2021 RM'000
Freehold land	45,188	45,764
Buildings	375,035	377,688
	420,223	423,452

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 2021		254,582	562,066	8,896	825,544
Additions		64	577	6,508	7,149
Borrowing costs capitalised at average 3.08% per annum		-	-	13	13
Adjustment		(2)	(148)	(259)	(409)
Transfer from property, plant and equipment	3	-	45	-	45
Effect of foreign exchange translation		2,365	10,589	-	12,954
At 31 December 2021/ 1 January 2022		257,009	573,129	15,158	845,296
Additions		42	1,165	10,497	11,704
Reclassification		-	25,655	(25,655)	-
Effect of foreign exchange translation		(553)	(2,416)	-	(2,969)
At 31 December 2022		256,498	597,533	-	854,031
Accumulated depreciation and impairment loss					
At 1 January 2021					
Accumulated depreciation		-	262,682	-	262,682
Accumulated impairment loss		-	27,492	-	27,492
		-	290,174	-	290,174
Depreciation for the year		-	13,983	-	13,983
Transfer from property, plant and equipment		-	(3)	-	(3)
Effect of foreign exchange translation		-	6,001	-	6,001
At 31 December 2021/ 1 January 2022					
Accumulated depreciation		-	282,663	-	282,663
Accumulated impairment loss		-	27,492	-	27,492
		-	310,155	-	310,155
Depreciation for the year		-	14,595	-	14,595
Effect of foreign exchange translation		-	(1,670)	-	(1,670)
At 31 December 2022					
Accumulated depreciation		-	295,588	-	295,588
Accumulated impairment loss		-	27,492	-	27,492
		-	323,080	-	323,080

4. Investment properties (continued)

Group	Freehold land RM'000	Buildings RM'000	Capital work in-progress RM'000	Total RM'000
Carrying amounts				
At 1 January 2021	254,582	271,892	8,896	535,370
At 31 December 2021/ 1 January 2022	257,009	262,974	15,158	535,141
At 31 December 2022	256,498	274,453	-	530,951

4.1 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 20 years (2021: 1 to 20 years). Subsequent renewals are negotiable with the lessee and the average renewal periods are 2 years (2021: 2 years).

4.2 Included in buildings are deferred leasing commissions amounting to RM4,030,000 (2021: RM4,539,000) to be amortised over the lease term.

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

	Group 2022 RM'000	Group 2021 RM'000
Lease income	61,181	55,743
Direct operating expenses (exclude depreciation):		
- income generating investment properties	(32,579)	(29,873)
- non-income generating investment properties	(979)	(979)

4.4 The operating lease income to be received are as follows:

	Group 2022 RM'000	Group 2021 RM'000
Less than one year	63,344	57,967
One to two years	58,277	43,637
Two to three years	48,242	38,241
Three to four years	37,915	30,805
Four to five years	23,627	29,423
More than five years	89,949	100,638
Total undiscounted lease income to be received	321,354	300,711

4. Investment properties (continued)

4.5 Fair value information

Fair value of investment properties are categorised as follows:

	Level 3	
	2022	2021
	RM'000	RM'000
Group		
Land and buildings	1,746,451	1,739,253

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 (2021: income approach and sales comparison approach).

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.

4.6 Properties pledged as security

Investment properties of the Group with carrying amount of RM460,435,000 (2021: RM471,729,000) 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 and retail space, motor vehicles and equipment. Information about leases for which the Group or the Company is a lessee is presented below.

Group	Land RM'000	Dormitory, office and retail space RM'000	Motor vehicles RM'000	Equipment RM'000	Total RM'000
At 1 January 2021	347,772	2,076	17	13	349,878
Additions	-	1,750	-	-	1,750
Depreciation for the year	(1,830)	(1,274)	(18)	(11)	(3,133)
Effect of foreign exchange translation	2,332	14	1	-	2,347
At 31 December 2021/1 January 2022	348,274	2,566	-	2	350,842
Additions	-	809	-	-	809
Depreciation for the year	(5,104)	(1,210)	-	(2)	(6,316)
Termination of leases	-	(684)	-	-	(684)
Effect of foreign exchange translation	7,383	(2)	-	-	7,381
At 31 December 2022	350,553	1,479	-	-	352,032

5. Right-of-use assets (continued)

Company	Warehouse RM'000	Office space RM'000	Total RM'000
At 1 January 2021	66	5,962	6,028
Depreciation for the year	(17)	(1,172)	(1,189)
At 31 December 2021/1 January 2022	49	4,790	4,839
Depreciation for the year	(16)	(1,174)	(1,190)
At 31 December 2022	33	3,616	3,649

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

Right-of-use assets	No. of right-of-use assets	Range of remaining term
Land	4	19 – 71 years
Office and retail space	21	<1 – 4 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 2022, the Group has leases which contain extension options of 1 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 RM714,000 (2021: RM660,000).

5.2 Pledged assets

Right-of-use land of the Group with carrying amount of RM342,285,000 (2021: RM335,867,000) 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 2022 RM'000	Group 2021 RM'000
At cost			
Non-current			
Land held for property development	6.1	765,801	649,980
Current			
Properties under construction	6.2	155,428	175,169
Completed properties		39,701	37,540
Land held for resale		6,279	6,279
Food and beverages		1,716	709
Consumables		2,562	2,760
		205,686	222,457
Total inventories		971,487	872,437
Recognised in profit or loss:			
Inventories recognised as cost of inventories		25,120	15,473
Write-down to net realisable value – completed properties		-	693

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

6.1 Land held for property development

Land held for property development with carrying amount of RM221,652,000 (2021: RM218,894,000) 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 with carrying amount of RM41,965,000 (2021: RM32,738,000) 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 2021		100	366,070	9,331	375,501
Additions		-	-	438	438
Transfer from property, plant and equipment	3	-	-	63	63
Effect of foreign exchange translation		-	(6,731)	(106)	(6,837)
At 31 December 2021/ 1 January 2022		100	359,339	9,726	369,165
Additions		-	-	293	293
Effect of foreign exchange translation		-	6,798	(5)	6,793
At 31 December 2022		100	366,137	10,014	376,251
Accumulated amortisation and impairment loss					
At 1 January 2021					
Accumulated amortisation		-	-	7,863	7,863
Accumulated impairment loss		-	69,402	95	69,497
		-	69,402	7,958	77,360
Amortisation for the year		-	-	556	556
Effect of foreign exchange translation		-	(4,982)	(117)	(5,099)
At 31 December 2021/ 1 January 2022					
Accumulated amortisation		-	-	8,302	8,302
Accumulated impairment loss		-	64,420	95	64,515
		-	64,420	8,397	72,817
Amortisation for the year		-	-	512	512
Effect of foreign exchange translation		-	818	(3)	815
At 31 December 2022					
Accumulated amortisation		-	-	8,811	8,811
Accumulated impairment loss		-	65,238	95	65,333
		-	65,238	8,906	74,144
Carrying amounts					
At 1 January 2021		100	296,668	1,373	298,141
At 31 December 2021/1 January 2022		100	294,919	1,329	296,348
At 31 December 2022		100	300,899	1,108	302,107
		Note 7.1	Note 7.3		

7. Intangible assets (continued)

	Software RM'000
Company	
Cost	
At 1 January 2021	1,163
Additions	237
At 31 December 2021/1 January 2022	1,400
Additions	4
At 31 December 2022	1,404
Accumulated amortisation	
At 1 January 2021	936
Amortisation for the year	211
At 31 December 2021/1 January 2022	1,147
Amortisation for the year	10
At 31 December 2022	1,157
Carrying amounts	
At 1 January 2021	227
At 31 December 2021/1 January 2022	253
At 31 December 2022	247

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;

(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. Intangible assets (continued)

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	
	2022	2021
	RM'000	RM'000
Hotel operations		
Westin Melbourne, Australia	159,580	161,836
Paradox Singapore Merchant Court at Clarke Quay, Singapore	141,319	133,083
	300,899	294,919

Significant judgement and assumptions in relation to impairment of goodwill

The assumptions used in performing the impairment test have considered the potential delay in the return to the pre-COVID-19 levels of turnover and profitability. There are inherent uncertainties and significant management judgement involved in forecasting and discounting future cash flows from the hotel operations to recover to pre-COVID-19 levels.

7.3.1 Westin Melbourne, Australia

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

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

a) 5 (2021: 5) years projected cash flows using a pre-tax discount rate of 7.50% (2021: 8.50%) and terminal growth rate of 2.00% (2021: 2.50%).

b) Occupancy rates were estimated to be 80% to 90% (2021: 54% to 90%) for 5 (2021: 5) years.

c) Average room rates and revenue per available room for 5 (2021: 5) years were projected to be AUD335 to AUD374 (2021: AUD280 to AUD324) and AUD268 to AUD337 (2021: AUD152 to AUD292) respectively.

7. Intangible assets (continued)

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

7.3.1 Westin Melbourne, Australia (continued)

A reasonable possible change in the above key assumptions would not result in an impairment loss.

7.3.2 Paradox Singapore Merchant Court at Clarke Quay, Singapore

The recoverable amount of the Paradox Singapore Merchant Court at Clarke Quay was based on its fair value 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 10% (2021: 20%) 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 5% (2021: 8%) has been adjusted in deriving the adjusted fair value for the hotel.

7. Intangible assets (continued)

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

7.3.2 Paradox Singapore Merchant Court at Clarke Quay, Singapore (continued)

A reasonable possible change in the above key assumptions would not result in an impairment loss.

8. Investments in subsidiaries

	Note	Company 2022 RM'000	Company 2021 RM'000
Cost of investment	8.1	2,845,071	2,826,801
Less: Accumulated impairment losses		(66,966)	(64,801)
		2,778,105	2,762,000

8.1 During the year, the Company acquired additional interest in TA Global Berhad ("TAG"), a subsidiary of the Company for a total number of 4,634,305 shares amounting to RM1,298,000.

8.2 Subsidiaries

The details of the subsidiaries are as follows:

Name of entity	Principal place of business	Principal activities	Effective ownership interest (O) and voting interest (V) 2022 %	2021 %
TA Global Berhad	Malaysia	Investment holding	98.94	98.85
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

8. Investments in subsidiaries (continued)

8.2 Subsidiaries (continued)

Name of entity	Principal place of business	Principal activities	Effective ownership interest (O) and voting interest (V) 2022 %	2021 %
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
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

8. Investments in subsidiaries (continued)

8.2 Subsidiaries (continued)

Name of entity	Principal place of business	Principal activities	Effective ownership interest (O) and voting interest (V) 2022 %	2021 %
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	Investments in securities	100	100
Subsidiaries of TA Global Berhad				
TA Properties Sdn. Bhd.	Malaysia	Investment holding, property development and property management services	98.94	98.85
TA Global Development Pty. Ltd.*	Australia	Project management services (deregistered on 10 February 2022)	-	98.85
Raintree Amalgamated Sdn. Bhd.*	Malaysia	Investment holding	98.94	98.85
TA Ascents (M) Sdn. Bhd.*	Malaysia	Investment holding	98.94	98.85

8. Investments in subsidiaries (continued)

8.2 Subsidiaries (continued)

Name of entity	Principal place of business	Principal activities	Effective ownership interest (O) and voting interest (V) 2022 %	2021 %
Subsidiaries of TA Global Berhad (continued)				
Metro Ingenious Sdn. Bhd.*	Malaysia	General trading, investment and property investment	98.94	98.85
Quaywest Ltd.*	Mauritius	Investment holding	98.94	98.85
Quayside Gem Ltd.*	Mauritius	Investment holding	98.94	98.85
Swiss Liberty Sdn. Bhd.*	Malaysia	Investment holding	98.94	98.85
Crystal Ingenious Sdn. Bhd.*	Malaysia	General trading, investment and property development	98.94	98.85
Crystal Caliber Sdn. Bhd.*	Malaysia	Investment holding	98.94	98.85
Grace Plus Enterprises Limited*	Hong Kong	Investment holding	98.94	98.85
Avenue Star Enterprise Limited*	Hong Kong	Investment holding (incorporated on 29 April 2022)	98.94	-
Subsidiaries of TA Properties Sdn. Bhd.				
Cosmic Legion Sdn. Bhd.*	Malaysia	Investment holding	98.94	98.85
TA Binaprestij Sdn. Bhd.*	Malaysia	General construction	98.94	98.85
Wales House Hotel Ltd.*	Australia	Hotel management services	98.94	98.85
Idaman Parkland Sdn. Bhd.*	Malaysia	Property investment and development	98.94	98.85
Wales House Nominees Pty. Ltd.*	Australia	Trustee of Wales House Trust	98.94	98.85

8. Investments in subsidiaries (continued)

8.2 Subsidiaries (continued)

Name of entity	Principal place of business	Principal activities	Effective ownership interest (O) and voting interest (V) 2022 %	2021 %
Subsidiaries of TA Properties Sdn. Bhd. (continued)				
TA Team Stars Sdn. Bhd.*	Malaysia	Property investment and development	98.94	98.85
Menara TA Sdn. Bhd.	Malaysia	Property investment	98.94	98.85
Indo Aman Bina Sdn. Bhd.	Malaysia	Property investment and development	98.94	98.85
Orchard Park Sdn. Bhd.	Malaysia	Property investment and development	98.94	98.85
Astra Dinamik Sdn. Bhd.	Malaysia	Property investment and development	98.94	98.85
TA Gemilang Trading Sdn. Bhd.*	Malaysia	Trading in building materials and investment holding	98.94	98.85
Binaprestij Maju Sdn. Bhd.*	Malaysia	Dormant	98.94	98.85
Ample Equities Sdn. Bhd.*	Malaysia	Property investment and development	98.94	98.85
TA Property Development (Philippines) Inc.*#	The Republic of the Philippines	Dormant	98.94	98.85
Ample Era Sdn. Bhd.*	Malaysia	Property investment and development	98.94	98.85

8. Investments in subsidiaries (continued)

8.2 Subsidiaries (continued)

Name of entity	Principal place of business	Principal activities	Effective ownership interest (O) and voting interest (V) 2022 %	2021 %
Subsidiaries of TA Properties Sdn. Bhd. (continued)				
Star Winners Sdn. Bhd.*	Malaysia	Property investment and development	98.94	98.85
Beta Vector Sdn. Bhd.*	Malaysia	Property investment and development	98.94	98.85
TA Ventures Sdn. Bhd.*	Malaysia	Dormant	98.94	98.85
Factor Synergy Sdn. Bhd.	Malaysia	Property investment and development	98.94	98.85
TA Project Management Sdn. Bhd.*	Malaysia	Dormant	98.94	98.85
TA Property Management Sdn. Bhd.*	Malaysia	Property management	98.94	98.85
Dinar Ehsan Sdn. Bhd.* (Note 8.2.1)	Malaysia	Investment holding	61.84	24.71
TA First Credit Sdn. Bhd.	Malaysia	Money lending, property investment and development	98.94	98.85
Ativo Plaza Sdn. Bhd.*	Malaysia	Property investment and development	98.94	98.85
Pure Factor Sdn. Bhd.*	Malaysia	Property investment and development, hotel management services	98.94	98.85
Subsidiaries of TA Ascents (M) Sdn. Bhd.				
Ascents Hotel Pty. Ltd.*	Australia	Hotel management services	98.94	98.85

8. Investments in subsidiaries (continued)

8.2 Subsidiaries (continued)

Name of entity	Principal place of business	Principal activities	Effective ownership interest (O) and voting interest (V) 2022 %	2021 %
Subsidiaries of TA Ascents (M) Sdn. Bhd. (continued)				
TA Covenant Pty. Ltd.*	Australia	Trustee of Ascents Trust	98.94	98.85
Subsidiary of Quaywest Ltd.				
Paradox Clarke Quay Pte. Ltd. (formerly known as Merchant Court Pte. Ltd.) $*	Singapore	Hotel management services	98.94	98.85
Subsidiary of Swiss Liberty Sdn. Bhd.				
TA Global Kunshan Ltd.*	Cayman Island	Investment holding	98.94	98.85
Subsidiaries of TA Global Kunshan Ltd.				
Shanghai Global Hotel Group Ltd.*	The British Virgin Islands	Investment holding	98.94	98.85
Sino Dragon Asset Ltd.*	The British Virgin Islands	Investment holding	98.94	98.85
Subsidiary of Shanghai Global Hotel Group Ltd.				
Kunshan Mamlaka Hotel Co. Ltd.$*	The People's Republic of China	Hotel management services	98.94	98.85
Subsidiary of Crystal Ingenious Sdn. Bhd.				
TA Little Bay Pty Limited*	Australia	Property development	98.94	98.85

8. Investments in subsidiaries (continued)

8.2 Subsidiaries (continued)

Name of entity	Principal place of business	Principal activities	Effective ownership Interest (O) and voting interest (V) 2022 %	2021 %
Subsidiaries of Crystal Caliber Sdn. Bhd.				
TAG 195 Ltd.*	Cayman Island	Investment holding	98.94	98.85
TAG 194 Ltd.*	Cayman Island	Investment holding	98.94	98.85
Subsidiary of TAG 195 Ltd.				
TA Global (Thailand) Ltd. $*	Thailand	Dormant	(O) 98.94/ (V) 94.04	(O) 98.85/ (V) 93.96
Subsidiary of TA Global (Thailand) Ltd.				
Siam Recovery Holdings Company Ltd. $*	Thailand	Investment holding	98.94	98.85
Subsidiary of Siam Recovery Holdings Company Ltd.				
Siam Resorts Company Ltd. $*	Thailand	Hotel and residential apartment operations	98.94	98.85
Subsidiaries of TAG 194 Ltd.				
TA Global Phuket Ltd.*	The British Virgin Islands	Dormant	98.94	98.85
Able Global Investments Ltd.*	The British Virgin Islands	Dormant	98.94	98.85
Accord Delta Investments Ltd.*	The British Virgin Islands	Dormant	98.94	98.85

8. Investments in subsidiaries (continued)

8.2 Subsidiaries (continued)

Name of entity	Principal place of business	Principal activities	Effective ownership interest (O) and voting interest (V) 2022 %	2021 %
Subsidiaries of TAG 194 Ltd. (continued)				
St. Lukes Holdings Ltd.*	The British Virgin Islands	Dormant	98.94	98.85
Data Choice Investments Ltd.*	The British Virgin Islands	Dormant	98.94	98.85
Ecovision Investments Ltd.*	The British Virgin Islands	Dormant	98.94	98.85
Grand Classic Investment Ltd.*	The British Virgin Islands	Dormant	98.94	98.85
Summit Results Ltd.*	The British Virgin Islands	Dormant	98.94	98.85
Triumph Time Investments Ltd.*	The British Virgin Islands	Dormant	98.94	98.85
Mistletoe Holdings Ltd.*	The British Virgin Islands	Dormant	98.94	98.85
Subsidiary of TA Global Phuket Ltd.				
Siam Resorts Fund $*	Thailand	Closed-end property and loan fund	98.94	98.85
Subsidiary of Factor Synergy Sdn. Bhd.				
Peramah Setia (M) Sdn. Bhd.*	Malaysia	Dormant	98.94	98.85
Subsidiary of Dinar Ehsan Sdn. Bhd.				
Panca Resmi Sdn. Bhd.* (Note 8.2.1)	Malaysia	Investment holding and property development	61.84	24.71

8. Investments in subsidiaries (continued)

8.2 Subsidiaries (continued)

Name of entity	Principal place of business	Principal activities	Effective ownership interest (O) and voting interest (V) 2022 %	2021 %
Subsidiaries of Cosmic Legion Sdn. Bhd.				
Sanjung Padu (M) Sdn. Bhd.	Malaysia	Investment holding	98.94	98.85
Parallel Legion Sdn. Bhd.*	Malaysia	Investment holding	98.94	98.85
ERF Properties Sdn. Bhd.*	Malaysia	Investment holding	98.94	98.85
Subsidiaries of Sanjung Padu (M) Sdn. Bhd.				
Fine Legion Sdn. Bhd.*	Malaysia	Investment holding	98.94	98.85
TA Properties (Canada) Ltd.*	Canada	Dormant	98.94	98.85
Subsidiary of Parallel Legion Sdn. Bhd.				
TA Optimum Investment Limited	The British Virgin Islands	Investments in securities	98.94	98.85
Subsidiaries of ERF Properties Sdn. Bhd.				
No. 205 Cathedral Ventures Ltd.*	Canada	Dormant	98.94	98.85
Maxfine International Limited*	Hong Kong	Investment holding	98.94	98.85
Subsidiaries of Fine Legion Sdn. Bhd.				
TA Canada Holdings Ltd.*	Canada	Dormant	98.94	98.85
1187792 B.C Ltd.*	Canada	Dormant	98.94	98.85
TA Management Ltd.*	Canada	Management services	98.94	98.85

8. Investments in subsidiaries (continued)

8.2 Subsidiaries (continued)

Name of entity	Principal place of business	Principal activities	Effective ownership interest (O) and voting interest (V) 2022 %	2021 %
Subsidiary of Maxfine International Limited				
West Georgia Holdings Inc.*	Canada	Dormant	98.94	98.85
Subsidiary of TA Canada Holdings Ltd.				
TA West Georgia Development Ltd.*	Canada	Property development	98.94	98.85
Subsidiaries of TA Management Ltd.				
TA F&B GP Ltd.*	Canada	Hotel partnership	98.94	98.85
WG Restaurant GP Ltd.*	Canada	Dormant	98.94	98.85
Aava Whistler Hotel GP Ltd.*	Canada	Hotel partnership	98.94	98.85
Subsidiary of TA F&B GP Ltd.				
TA F&B Limited Partnership*	Canada	Hotel management services	98.94	98.85
Subsidiary of WG Restaurant GP Ltd.				
WG Restaurant Limited Partnership*	Canada	Dormant	98.94	98.85
Subsidiary of Aava Whistler Hotel GP Ltd.				
Aava Whistler Hotel Limited Partnership*	Canada	Hotel management services	98.94	98.85

8. Investments in subsidiaries (continued)

8.2 Subsidiaries (continued)

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

Name of Trust	Country of incorporation	Effective ownership interest (O) and voting interest (V) 2022 %	2021 %
ERF Properties Sdn. Bhd. has trust beneficiary interest in:			
Aava (Canada) Trust*	Barbados	98.94	98.85
Raintree Amalgamated Sdn. Bhd. has trust beneficiary interest in:			
Wales House Trust*	Australia	98.94	98.85
TA Ascents (M) Sdn. Bhd. has trust beneficiary interest in:			
Ascents Trust*	Australia	98.94	98.85

* 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.

8.2.1 On 30 June 2022, TA Properties Sdn. Bhd. ("TAP"), a 98.94% owned subsidiary of the Group, had subscribed 1,000,000 units of RM1.00 ordinary shares issued by Dinar Ehsan Sdn. Bhd ("DE"). The acquisition resulted in the shareholding interest increase from 25.00% to 62.50% and consequently, DE and its wholly owned subsidiary, Panca Resmi Sdn. Bhd. ("PR") became subsidiaries of the Group. The acquisition was a business combination under common control and hence, the acquisition was accounted for using book value accounting whereby the difference between consideration paid and the capital of acquiree is reflected in merger reserve.

9. Investment in an associate

	Group 2022 RM'000	2021 RM'000
Investment in shares	-	13,010
Share of post-acquisition reserves	-	2,387
	-	15,397
Group's share of results for the year ended 31 December		
Group's share of loss, net of tax	(68)	(95)

9. Investment in an associate (continued)

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

Details of the Group's associate are as follows:

Name of associate	Country of incorporation	Nature of the relationship	Effective ownership interest (O) and voting interest (V) 2022 %	2021 %
Dinar Ehsan Sdn. Bhd.	Malaysia	Dinar Ehsan has a wholly owned subsidiary, Panca Resmi Sdn. Bhd. which owns a parcel of land which provides strategic opportunity to the property development activities of the Group.	-	25

During the year, the Group acquired an additional 37.5% shareholding in Dinar Ehsan. Thereafter, Dinar Ehsan has became a subsidiary of the Group.

10. Investments in joint ventures

	Group 2022 RM'000	2021 RM'000
Investment in shares	4,773	4,773
Share of post-acquisition reserves	449	701
	5,222	5,474
Group's share of results for the year ended 31 December		
Group's share of loss, net of tax	(250)	(6)

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

10. Investments in joint ventures (continued)

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

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

11. Investments in securities

Group	Note	FVTPL RM'000	FVOCI – Equity instrument designated upon initial recognition RM'000	FVOCI – Debt instrument RM'000	Total RM'000
2022					
Non-current					
Shares		-	3,123	-	3,123
Bonds		-	-	722	722
		-	3,123	722	3,845
Current					
Shares		611,914	-	-	611,914
Structured securities	11.1	87,210	-	-	87,210
Unit trusts		965	-	-	965
		700,089	-	-	700,089
Total investments in securities		700,089	3,123	722	703,934
2021					
Non-current					
Shares		-	2,969	-	2,969
Bonds		-	-	567	567
		-	2,969	567	3,536
Current					
Shares		1,125,685	-	-	1,125,685
Unit trusts		1,179	-	-	1,179
		1,126,864	-	-	1,126,864
Total investments in securities		1,126,864	2,969	567	1,130,400

11. Investments in securities (continued)

Company	Note	FVTPL	FVOCI – Equity instrument designated upon initial recognition	FVOCI – Debt instrument	Total
2022		**RM'000**	**RM'000**	**RM'000**	**RM'000**
Non-current					
Shares		-	3,123	-	3,123
2021					
Non-current					
Shares		-	2,969	-	2,969

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. 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 RM695,590,000 (2021: RM1,122,117,000) 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	
	2022	**2021**	**2022**	**2021**
Group and Company	**RM'000**	**RM'000**	**RM'000**	**RM'000**
Investment in Malaysia Rating Corporation Berhad	3,123	2,969	98	196

There were no disposals or transfers of any cumulative gain or loss within equity relating to this investment during 2022 and 2021.

12. Deferred tax assets/(liabilities)

Recognised deferred tax assets/(liabilities)

Deferred tax assets and liabilities are attributable to the following:

	Assets		Liabilities		Net	
	2022 RM'000	2021 RM'000	2022 RM'000	2021 RM'000	2022 RM'000	2021 RM'000
Group						
Property, plant and equipment	3,110	3,521	(200,539)	(186,755)	(197,429)	(183,234)
Right-of-use assets	-	-	(5,073)	(6,512)	(5,073)	(6,512)
Unutilised tax losses	6,044	10,616	-	-	6,044	10,616
Property development	10,105	10,296	-	-	10,105	10,296
Inventories	-	-	(92)	(92)	(92)	(92)
Lease liabilities	5,330	6,764	-	-	5,330	6,764
Receivables	60	30	-	-	60	30
Contract liabilities	643	738	-	-	643	738
Other items	4,029	3,721	-	-	4,029	3,721
Tax assets/(liabilities)	29,321	35,686	(205,704)	(193,359)	(176,383)	(157,673)
Set off of tax	(9,373)	(7,089)	9,373	7,089	-	-
Net tax assets/ (liabilities)	19,948	28,597	(196,331)	(186,270)	(176,383)	(157,673)

	2022 RM'000	2021 RM'000
Company		
Property, plant and equipment	-	(39)
Right-of-use assets	(876)	(1,161)
Lease liabilities	937	1,214
Net tax assets	61	14

Unrecognised deferred tax assets

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

	Group	
	2022 RM'000	2021 RM'000
Unabsorbed capital allowances	9,680	9,606
Unutilised tax losses	439,807	475,589
Other deductible temporary differences	102,974	102,697
	552,461	587,892

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

Unrecognised deferred tax assets (continued)

Certain unutilised tax losses and all the unabsorbed capital allowances of the subsidiaries are available indefinitely to offset against future taxable profits of the subsidiaries. The unutilised tax losses of RM327,550,000 (2021: RM377,777,000) expire between 2023 to 2042 (2021: 2022 to 2040). There were unutilised tax losses of certain subsidiaries of RM10,505,000 (2021: RM19,651,000) which had expired during the financial year.

Movement in temporary differences during the year

	At 1.1.2021 RM'000	Recognised in profit or loss (Note 28) RM'000	Effect of movement in exchange rates RM'000	At 31.12.2021/ 1.1.2022 RM'000	Recognised in profit or loss (Note 28) RM'000	Business combination under common control RM'000	Effect of movement in exchange rates RM'000	At 31.12.2022 RM'000
Group								
Property, plant and equipment	(188,363)	5,240	(111)	(183,234)	3,111	(17,221)	(85)	(197,429)
Right-of-use assets	(8,097)	1,585	-	(6,512)	1,439	-	-	(5,073)
Unutilised tax losses	7,503	3,366	(253)	10,616	(4,528)	-	(44)	6,044
Property development	2,134	8,162	-	10,296	(191)	-	-	10,105
Inventories	(92)	-	-	(92)	-	-	-	(92)
Lease liabilities	8,260	(1,496)	-	6,764	(1,434)	-	-	5,330
Receivables	898	(868)	-	30	30	-	-	60
Contract liabilities	602	136	-	738	(95)	-	-	643
Other items	3,985	314	(578)	3,721	356	-	(48)	4,029
	(173,170)	16,439	(942)	(157,673)	(1,312)	(17,221)	(177)	(176,383)

13. Receivables

	Note	Group 2022 RM'000	Group 2021 RM'000	Company 2022 RM'000	Company 2021 RM'000
Non-current					
Trade receivables	13.2	1,419	1,717	-	-
Deferred tenant inducements		14,009	17,887	-	-
Finance lease receivables	13.3	5,305	6,096	-	-
Operating lease receivables		12,421	12,646	-	-
Due from subsidiaries	13.4	-	-	43,477	8,638
		33,154	38,346	43,477	8,638
Less: Allowance for impairment		-	-	(95)	(3)
		33,154	38,346	43,382	8,635
Current					
Financial receivables	13.1	70,675	66,300	-	-
Trade receivables	13.2	399,290	439,102	-	-
Deferred tenant inducements		2,370	2,765	-	-
Other receivables		27,170	20,734	610	575
Finance lease receivables	13.3	791	711	-	-
Operating lease receivables		387	545	-	-
Due from subsidiaries and a related company	13.4	-	581	2,263	5,886
Due from a joint venture		27	27	-	-
Due from a deconsolidated subsidiary	13.5	13,430	13,544	-	-
		514,140	544,309	2,873	6,461
Less: Allowance for impairment		(48,155)	(52,401)	-	(12)
		465,985	491,908	2,873	6,449
Total receivables		499,139	530,254	46,255	15,084

13.1 Financial receivables

	Group 2022 RM'000	Group 2021 RM'000
Current		
Loan and advances	7,204	9,382
Loan receivables	63,471	56,918
	70,675	66,300
Less: Allowance for impairment	(18,839)	(20,420)
	51,836	45,880

The Group's financial receivables bear interest ranging from:

	2022	2021
Performing loans	8% - 12%	6% - 12%
Overdue interests	8%	8% - 12%

13. Receivables (continued)

13.2 Trade receivables

		Group	
	Note	2022 RM'000	2021 RM'000
Due from stockbroking clients	13.2.1	319,613	341,189
Due from unit trust funds	13.2.2	11,466	26,582
Amount with derivative clearing house		3,225	2,970
Due from brokers	13.2.3	9,677	38,511
Other trade receivables	13.2.4	30,610	31,567
Stakeholder sum held by solicitors	13.2.5	26,118	-
		400,709	440,819
Less: Allowance for impairment		(14,176)	(15,424)
		386,533	425,395

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.

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% (2021: 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 amount due from unit trust funds relates 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. Receivables (continued)

13.2 Trade receivables (continued)

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
2022			
Financial assets			
Trade receivables			
Due from brokers	99,651	(89,974)	9,677
Financial liabilities			
Trade payables			
Due to brokers	93,065	(89,974)	3,091
2021			
Financial assets			
Trade receivables			
Due from brokers	115,411	(76,900)	38,511
Financial liabilities			
Trade payables			
Due to brokers	88,755	(76,900)	11,855

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.

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. Receivables (continued)

13.2 Trade receivables (continued)

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.

13.2.5 Stakeholders sum held by solicitors are amounts paid by buyers to the Group's solicitors and are collectible by the Group from the solicitors upon the expiry of 8 months and 24 months respectively after the date the Purchaser takes vacant possession in accordance with the sale and purchase agreements. Retention sum are unsecured, interest free and are expected to be collected as follows:

	2022 RM'000	2021 RM'000
Group		
Less than one year	13,059	-
Between one to two years	13,059	-
	26,118	-

13.3 Finance lease receivables

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

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

The lease payments to be received are as follows:

Group	2022 RM'000	2021 RM'000
Less than one year	1,416	1,416
One to two years	1,416	1,416
Two to three years	1,416	1,416
Three to four years	1,416	1,416
Four to five years	1,416	1,416
More than five years	1,180	2,596
Total undiscounted lease payments	8,260	9,676
Unearned interest income	(2,164)	(2,869)
Net investment in lease	6,096	6,807

13. Receivables (continued)

13.3 Finance lease receivables (continued)

Group	2022 RM'000	2021 RM'000
Non-current	5,305	6,096
Current	791	711
Total	6,096	6,807

13.4 Due from subsidiaries and a related company

	Group		Company	
	2022 RM'000	2021 RM'000	2022 RM'000	2021 RM'000
Non-current				
Loan and advances to subsidiaries	-	-	43,477	8,638
Less: Allowance for impairment	-	-	(95)	(3)
	-	-	43,382	8,635
Current				
Loan and advances to subsidiaries	-	-	2,263	5,886
Less: Allowance for impairment	-	-	-	(12)
Due from a related company	-	581	-	-
	-	581	2,263	5,874
	-	581	45,645	14,509

Loans and advances to subsidiaries
Other than an amount of RM45,385,000 (2021: RM12,105,000) which is subject to interest charge of 3.09% to 4.36% (2021: 3.09% to 4.50%) per annum, advances to subsidiaries of the Company are unsecured, interest-free, and repayable on demand.

Due from a related company
Amount due from a related company was interest-free, unsecured and repayable on demand.

13.5 Due from a deconsolidated subsidiary

Amount due from a deconsolidated subsidiary relates to the amount due from TA Hotel Management Limited Partnership ("TAHMLP"). The Group has measured the credit loss allowance on this receivable to be 100% of the outstanding balance amounting to RM13,430,000 (2021: RM13,544,000) due to an Assignment in Bankruptcy made under Section 49(4) of the Bankruptcy and Insolvency Act of Canada for TAHMLP.

14. Contract assets/(contract liabilities)

	Note	Group 2022 RM'000	Group 2021 RM'000	Company 2022 RM'000	Company 2021 RM'000
Contract assets					
Contract assets from sales of properties	14.1	46,940	23,450	-	-
Other contract assets		646	584	-	-
		47,586	24,034	-	-
Less: Allowance for impairment		(214)	(214)	-	-
		47,372	23,820	-	-
Contract liabilities					
Contract liabilities from:					
- sales of properties	14.1	(17,205)	(20,415)	-	-
- hotel operations	14.2	(13,920)	(7,828)	-	-
Other contract liabilities		(2,681)	(3,077)	-	-
Financial guarantees		-	-	(1,083)	-
		(33,806)	(31,320)	(1,083)	-

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 2022 RM'000	Group 2021 RM'000
Contract assets	46,940	23,450
Contract liabilities	(17,205)	(20,415)
	29,735	3,035

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

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

	Group	
	2022 RM'000	2021 RM'000
At 1 January	3,035	(13,725)
Net revenue recognised during the year	200,939	159,823
Net progress billings during the year	(174,239)	(143,063)
At 31 December	29,735	3,035

14.2 Contract liabilities from hotel operations

Reconciliation of contract liabilities movement relating to hotel operations:

	Group	
	2022 RM'000	2021 RM'000
At 1 January	(7,828)	(7,162)
Revenue recognised that was included in the contract liability balance at the beginning of the period	7,968	7,162
Increase in cash received, excluding amounts recognised as revenue during the period	(13,967)	(7,979)
Effect of foreign exchange translation	(93)	151
At 31 December	(13,920)	(7,828)

15. Contract costs

	Note	Group	
		2022 RM'000	2021 RM'000
Cost to fulfil a contract	15.1		
- Land costs		2,567	3,812
- Development costs		-	25,982
Cost to obtain a contract	15.2	9,776	11,428
Total contract costs		12,343	41,222

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 in prior year 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 financial year. The capitalised sales commission fees are expensed to profit or loss over time based on the percentage of completion of the properties sold. The amount amortised during the year was RM2,997,000 (2021: RM4,239,000).

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

Part of the freehold land included in the contract cost 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
2022				
Derivatives held for trading at fair value through profit or loss				
- Geared currency accumulators	16.1	33,715	-	(80)
- Geared currency decumulators	16.1	83,234	-	(140)
- Geared equity accumulators	16.2	6,200	20	(1,798)
		123,149	20	(2,018)
2021				
Derivatives held for trading at fair value through profit or loss				
- Geared currency accumulators	16.1	163,910	110	(835)
- Geared equity accumulators	16.2	93,130	418	(11,790)
- Geared equity decumulators	16.2	7,763	-	(5,396)
		264,803	528	(18,021)

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

16.1 Geared currency accumulators and decumulators

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

16. Derivatives (continued)

16.2 Geared equity accumulators and decumulators

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

16.3 Significant judgements and assumptions arising from determining the fair value of derivatives

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

17. Other investment

	Group	
	2022 RM'000	2021 RM'000
Fixed and call deposits with financial institutions with maturity more than three months	37,956	7,373

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

The average maturity period as at reporting date for the deposits with financial institutions is 9 months (2021: 9 months) and are subject to interest rate of 3.37% (2021: 1.85% to 2.10%) per annum.

18. Cash and bank balances

		Group		Company	
	Note	2022 RM'000	2021 RM'000	2022 RM'000	2021 RM'000
Cash and bank balances	18.1	297,073	374,771	877	8,372
Deposits and placements with financial institutions	18.2	158,503	126,193	-	-
		455,576	500,964	877	8,372
Less: Allowance for impairment		(52)	(118)	-	-
		455,524	500,846	877	8,372

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

(i) Remisiers' monies of approximately RM27,385,000 (2021: RM27,888,000) arising from a stockbroking subsidiary.

18. Cash and bank balances (continued)

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

(ii) An amount of RM409,000 (2021: RM65,410,000) pledged for bank facilities granted to subsidiaries.

(iii) An amount of RM108,691,000 (2021: RM46,842,000) 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 RM18,778,000 equivalent (2021: RM23,728,000 equivalent) for hotel capital replacement purposes.

18.2 Included in the deposits and placements with financial institutions of the Group are:

(i) An amount of RM24,553,000 (2021: RM4,440,000) pledged for bank facilities granted to subsidiaries.

(ii) Reserve fund denominated in AUD totaling RM8,022,000 equivalent (2021: RM10,142,000 equivalent) for hotel capital replacement purposes.

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 2022 are RM310,563,000 (2021: RM325,599,000). 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.

Segregated accounts

		Group	
	Note	**2022 RM’000**	**2021 RM’000**
Receivables	18.3.2.1	81,472	77,217
Payables	18.3.2.2	(268,312)	(224,161)
		(186,840)	(146,944)
Cash and cash equivalents:			
Cash and bank balances		30,761	30,199
Deposits with financial institutions		156,079	116,745
	18.3.2.3	186,840	146,944

18. Cash and bank balances (continued)

18.3 Monies held-in-trust (continued)

18.3.2 Derivative trading operations (continued)

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.

19. Capital and reserves

Share capital

	Group and Company			
	Amount 2022 RM'000	**Number of shares 2022 '000**	**Amount 2021 RM'000**	**Number of shares 2021 '000**
Issued and fully paid shares with no par value classified as equity instruments:				
Ordinary shares				
As at 1 January	2,316,164	2,537,935	2,286,928	2,493,301
Issued during the year	-	-	29,236	44,634
As at 31 December	2,316,164	2,537,935	2,316,164	2,537,935

19.1 Ordinary shares

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

19.2 Merger reserve

Merger reserve arises from common control transaction for which the Group has chosen to apply book value accounting. The difference between purchase consideration and net assets at book value of the acquiree is reflected in merger reserve.

19. Capital and reserves (continued)

19.3 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.

19.4 Fair value reserve

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

19.5 Exchange translation reserve

Exchange translation reserve includes:

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

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

20. Borrowings

	Group		Company	
	2022 RM'000	2021 RM'000	2022 RM'000	2021 RM'000
Non-current				
Secured				
Term loans	457,719	536,977	-	-
Current				
Secured				
Term loans	369,573	314,175	-	-
Revolving credits	193,402	134,381	65,131	43,118
Bridging loan	19,383	14,304	-	-
Bank overdraft	4,505	-	-	-
Other bank borrowings	490,888	730,437	-	-
	1,077,751	1,193,297	65,131	43,118
Unsecured				
Revolving credits	113,198	173,470	93,187	81,732
	1,190,949	1,366,767	158,318	124,850
Total borrowings	1,648,668	1,903,744	158,318	124,850

20. Borrowings (continued)

20.1 Interest rate

Group

Term loans
The term loans of the Group are subject to interest rates ranging from 2.62% to 4.73% (2021: 0.74% to 3.05%) per annum.

Non-current term loans of the Group are repayable over the next 8 years (2021: 9 years).

Revolving credits
The revolving credits are subject to interest rates ranging from 2.72% to 4.68% (2021: 2.66% to 3.32%) per annum.

Bridging loan
The bridging loan of the Group is subject to interest rate of 4.61% (2021: 3.53%) per annum and is repayable by redemption sums from sale of development units.

Bank overdraft
Bank overdraft is subject to interest rate of 6.88% (2021: Nil) per annum.

Other bank borrowings
Other bank borrowings are subject to interest rates ranging from 2.21% to 6.88% (2021: 0.36% to 1.89%) per annum.

Company

Revolving credits
The revolving credits are subject to interest rates ranging from 2.72% to 4.68% (2021: 2.66% to 3.26%) 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 certain subsidiaries;
vi) corporate guarantees by a subsidiary; and
vii) 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.

20. Borrowings (continued)

20.2 Security (continued)

Group (continued)

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

Bank overdraft
Bank overdraft is secured by:
i) investment securities; and
ii) deposits and bank balances.

Other bank borrowings
The other bank borrowings are secured by:
i) land and buildings classified as property, plant and equipment;
ii) land classified as right-of-use assets;
iii) first all-monies charged over the ordinary shares of certain subsidiaries;
iv) investment securities; and
v) deposits and bank balances.

Company

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

20.3 Loan covenant

COVID-19 has affected every sector across the globe, and the hotel industry is among the hardest hit. The recovery to pre-COVID-19 levels could take time as the hospitality sector continues to face diverse challenges including the economic situation and continued geopolitical uncertainty. As a result, certain ratios set by the lenders prior to COVID-19 pandemic was not achievable by certain hotel operations. 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") requirement of a short-term borrowing of RM647,188,000 (2021: RM697,779,000). The bank has on 16 May 2023, waived the requirement for financial year 2022. This loan has been classified as current liabilities at period end.

21. Payables

	Note	Group 2022 RM'000	Group 2021 RM'000	Company 2022 RM'000	Company 2021 RM'000
Current					
Trade					
Trade payables	21.1	53,997	185,037	-	-
Trade accruals	21.2	21,117	958	-	-
		75,114	185,995	-	-
Non-trade					
Other payables		108,267	32,688	73	21
Deposits received		19,188	16,177	-	-
Accruals	21.3	50,514	66,742	386	954
Due to subsidiaries		-	-	942	141
		177,969	115,607	1,401	1,116
Total payables		253,083	301,602	1,401	1,116

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; and

(iv) a unit trust manager subsidiary, relates to commission payable to agents and redemption payable to unit holders.

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 Accruals

Accruals mainly relate to the accruals for dealer incentive amounting to RM32,989,000 (2021: RM37,485,000).

22. Provisions

	Employee benefits RM'000	Development/ construction costs RM'000	Total RM'000
Group			
At 1 January 2021	7,261	8,540	15,801
Provisions included under personnel costs	1,416	-	1,416
Reversal of provision under personnel costs	(1,488)	-	(1,488)
Exchange differences	(184)	-	(184)
At 31 December 2021/1 January 2022	7,005	8,540	15,545
Provisions included under personnel costs	5,399	-	5,399
Provisions included under development/construction costs	-	8,597	8,597
Reversal of provision under personnel costs	(3,653)	-	(3,653)
Exchange differences	(114)	-	(114)
At 31 December 2022	8,637	17,137	25,774
Group			
2022			
Non-current	1,472	14,585	16,057
Current	7,165	2,552	9,717
	8,637	17,137	25,774
2021			
Non-current	1,249	-	1,249
Current	5,756	8,540	14,296
	7,005	8,540	15,545

Employee benefits
Provisions for employee benefits are in respect of annual leave and long service leave in certain subsidiaries 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 and the awarded sum to the contractors at period end.

23. Revenue

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
2022								
Major products and service lines								
Revenue from contracts with customers								
Hotel room rental and related revenue	-	-	-	-	-	330,024	-	330,024
Sales of food and beverage	-	-	-	-	-	72,719	-	72,719
Sales of properties	-	-	-	-	200,938	-	-	200,938
Gross brokerage fee	55,086	-	-	-	-	-	-	55,086
Underwriting commission and placement fees	14,545	-	-	-	-	-	-	14,545
Profit from sale of trust units	22,724	-	-	-	-	-	-	22,724
Manager's fee from unit trust and private mandate clients' funds	77,072	-	-	-	-	-	-	77,072
Maintenance charges recoveries from tenants	-	-	-	26,696	-	-	-	26,696
Sales of electricity	-	-	-	442	-	-	-	442
Others	6,285	606	-	8	-	-	-	6,899
Carried forward (to page 102)	175,712	606	-	27,146	200,938	402,743	-	807,145

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
2022								
Major products and service lines								
Brought forward (from page 101)	175,712	606	-	27,146	200,938	402,743	-	807,145
Other revenue								
Rental income from:								
- properties	-	-	14	61,525	2,540	-	-	64,079
- a Director	-	360	-	-	-	-	-	360
- others	128	1	-	-	-	-	31	160
Service and administration charges	18,677	-	1,141	-	-	-	-	19,818
Interest income of financial assets calculated using the effective interest method that are:								
At amortised cost								
- money lending	-	-	4,209	-	-	-	-	4,209
	18,805	361	5,364	61,525	2,540	-	31	88,626
Total revenue	194,517	967	5,364	88,671	203,478	402,743	31	895,771

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
2022								
Primary geographical markets								
Revenue from contracts with customers								
Malaysia	175,712	606	-	485	200,938	642	-	378,383
Australia	-	-	-	-	-	160,064	-	160,064
Canada	-	-	-	26,661	-	81,682	-	108,343
Singapore	-	-	-	-	-	113,744	-	113,744
China	-	-	-	-	-	26,682	-	26,682
Thailand	-	-	-	-	-	19,929	-	19,929
	175,712	606	-	27,146	200,938	402,743	-	807,145
Other revenue								
Malaysia	18,805	361	5,364	22,178	2,540	-	31	49,279
Canada	-	-	-	39,347	-	-	-	39,347
	18,805	361	5,364	61,525	2,540	-	31	88,626
Total revenue	194,517	967	5,364	88,671	203,478	402,743	31	895,771

23. Revenue (continued)

Group 2021	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
Major products and service lines								
Revenue from contracts with customers								
Hotel room rental and related revenue	-	-	-	-	-	154,828	-	154,828
Sales of food and beverage	-	-	-	-	-	42,328	-	42,328
Sales of properties	-	-	-	-	159,823	-	-	159,823
Gross brokerage fee	98,894	-	-	-	-	-	-	98,894
Underwriting commission and placement fees	17,668	-	-	-	-	-	-	17,668
Profit from sale of trust units	124,918	-	-	-	-	-	-	124,918
Manager's fee from unit trust and private mandate clients' funds	80,951	-	-	-	-	-	-	80,951
Maintenance charges recoveries from tenants	-	-	-	26,854	-	-	-	26,854
Sales of electricity	-	-	-	424	-	-	-	424
Others	5,887	640	635	-	-	-	-	7,162
Carried forward (to page 105)	328,318	640	635	27,278	159,823	197,156	-	713,850

23. Revenue (continued)

Group 2021	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
Major products and service lines								
Brought forward (from page 104)	328,318	640	635	27,278	159,823	197,156	-	713,850
Other revenue								
Rental income from:								
- properties	-	-	-	55,595	1,958	-	-	57,553
- a Director	-	360	-	-	-	-	-	360
- others	181	1	-	-	-	-	28	210
Service and administration charges	18,537	-	-	-	-	-	-	18,537
Interest income of financial assets calculated using the effective interest method that are:								
At amortised cost								
- money lending	-	-	4,157	-	-	-	-	4,157
- others	-	-	55	-	-	-	-	55
	18,718	361	4,212	55,595	1,958	-	28	80,872
Total revenue	347,036	1,001	4,847	82,873	161,781	197,156	28	794,722

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
2021								
Primary geographical markets								
Revenue from contracts with customers								
Malaysia	328,318	640	635	1,292	159,823	179	-	490,887
Australia	-	-	-	-	-	107,734	-	107,734
Canada	-	-	-	25,986	-	16,563	-	42,549
Singapore	-	-	-	-	-	47,999	-	47,999
China	-	-	-	-	-	22,905	-	22,905
Thailand	-	-	-	-	-	1,776	-	1,776
	328,318	640	635	27,278	159,823	197,156	-	713,850
Other revenue								
Malaysia	18,718	361	4,212	18,998	1,958	-	28	44,275
Canada	-	-	-	36,597	-	-	-	36,597
	18,718	361	4,212	55,595	1,958	-	28	80,872
Total revenue	347,036	1,001	4,847	82,873	161,781	197,156	28	794,722

23. Revenue (continued)

	Company 2022 RM'000	Company 2021 RM'000
Major products and service lines		
Revenue from contracts with customers		
Management fees from subsidiaries	5,023	7,251
Other revenue		
Gross dividends from subsidiaries	15,000	64,840
	20,023	72,091

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 2022 RM'000	Group 2021 RM'000
Remaining performance obligations at the reporting date:		
Sales of properties	250,493	384,617

The remaining performance obligations amounting to RM250,493,000 (2021: RM384,617,000) are expected to be recognised over 1 to 2 years (2021: 1 to 2 years). Included in the sale of properties are revenue allocated to the furniture and fittings amounting to RM15,529,000 (2021: RM62,340,000) given to the purchasers when they purchase the property which is expected to be recognised after 1 year (2021: 1 to 2 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 judgements 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. Net (loss)/gain from investments in securities

	Group		Company	
	2022 RM'000	2021 RM'000	2022 RM'000	2021 RM'000
Net fair value (loss)/gain from investments in securities:				
At FVTPL				
- structured securities	(9,400)	2,329	-	-
- bonds	-	924	-	-
- shares	(310,279)	67,220	-	-
- unit trusts	(42)	450	-	-
- derivatives	16,120	(2,166)	-	-
	(303,601)	68,757	-	-
Interest income from investments in securities:				
At FVTPL				
- bonds	-	203	-	-
- structured securities	8,306	3,200	-	-
At FVOCI				
- bonds	-	471	-	-
	8,306	3,874	-	-
Gross dividend income from investments in securities:				
At FVTPL				
- shares	11,369	10,550	-	-
At FVOCI				
- shares	98	196	98	196
	11,467	10,746	98	196

24. Net (loss)/gain from investments in securities (continued)

	Group 2022 RM'000	Group 2021 RM'000	Company 2022 RM'000	Company 2021 RM'000
Gain/(Loss) on disposal/redemption of investments in securities:				
At FVTPL				
- shares	4,039	21,942	-	-
At FVOCI				
- bonds	-	(12,044)	-	-
	4,039	9,898	-	-
	(279,789)	93,275	98	196

25. Directors' remuneration

	Group 2022 RM'000	Group 2021 RM'000	Company 2022 RM'000	Company 2021 RM'000
Directors of the Company				
Executive:				
Salaries and other emoluments	908	2,805	908	2,805
Bonus	127	972	127	972
Benefits-in-kind	55	50	55	50
	1,090	3,827	1,090	3,827
Non-executive:				
Other emoluments	7,248	5,176	-	95
Fees	52	342	52	193
Bonus	1,020	1,605	-	-
Benefits-in-kind	150	64	-	2
	8,470	7,187	52	290
Directors of the subsidiaries				
Executive:				
Salaries and other emoluments	2,466	2,695	-	-
Bonus	770	911	-	-
Fees	9	3	-	-
Benefits-in-kind	93	115	-	-
	3,338	3,724	-	-
Non-executive:				
Salaries and other emoluments	627	356	-	-
Fees	216	212	-	-
	843	568	-	-
Total	13,741	15,306	1,142	4,117
Total excluding benefits-in-kind	13,443	15,077	1,087	4,065

The above Directors' remuneration is excluding legal and consultancy fees paid to firms where certain former Directors (who had resigned in prior year) have interest as disclosed in Note 34.

26. Finance income

	Group		Company	
	2022 RM'000	2021 RM'000	2022 RM'000	2021 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	6,716	5,162	73	129
- amount due from subsidiaries	-	-	1,079	1,351
Other finance income	6,402	4,318	1	1
	13,118	9,480	1,153	1,481

27. Finance costs

	Group		Company	
	2022 RM'000	2021 RM'000	2022 RM'000	2021 RM'000
Interest expense of financial liabilities that are not at fair value through profit or loss:				
- amount due to subsidiaries	-	-	135	1
- bank borrowings	48,069	37,510	4,806	5,010
Interest expense on lease liabilities	66	86	216	270
Other finance costs	1,974	1,798	271	47
	50,109	39,394	5,428	5,328
Recognised in profit or loss	50,109	39,381	5,428	5,328
Interest expense of financial liabilities that are not at fair value through profit or loss capitalised into qualifying assets:				
- investment property	-	13	-	-
	50,109	39,394	5,428	5,328

28. Tax expense

Recognised in profit or loss

	Group 2022 RM'000	Group 2021 RM'000	Company 2022 RM'000	Company 2021 RM'000
Current tax expense				
Current year:				
- Malaysian income tax	29,257	36,007	282	247
- Foreign tax	8,307	25,108	-	-
	37,564	61,115	282	247
Under/(Over) provision in prior years:				
- Malaysian income tax	35	2,211	28	23
- Foreign tax	(11,731)	(90)	-	-
	(11,696)	2,121	28	23
	25,868	63,236	310	270
Deferred tax expense				
Origination and reversal of temporary differences (Note 12)	1,312	(16,439)	(47)	(12)
	1,312	(16,439)	(47)	(12)
Total income tax expense	27,180	46,797	263	258

Reconciliation of tax expense

	Group 2022 RM'000	Group 2021 RM'000	Company 2022 RM'000	Company 2021 RM'000
(Loss)/Profit for the year	(238,861)	104,743	4,795	52,551
Total income tax expense	27,180	46,797	263	258
(Loss)/Profit excluding tax	(211,681)	151,540	5,058	52,809
Income tax calculated using Malaysian tax rate of 24%	(50,803)	36,370	1,214	12,674
Effect of different tax rates in foreign jurisdictions	115	(75,087)	-	-
Effect of tax rates of 3% for foreign source income	(803)	-	-	-
Tax exempt income	(37,852)	(26,849)	(4,001)	(15,929)
Non-deductible expenses	139,242	24,780	3,022	3,490
Effect of liquidation of a subsidiary	-	137,692	-	-
Recognition of previously unrecognised tax losses and capital allowances	(13,861)	(54,826)	-	-
Temporary differences for which no deferred tax asset was recognised	2,838	2,596	-	-
(Over)/Under provision in prior years	(11,696)	2,121	28	23
Total income tax expense	27,180	46,797	263	258

29. (Loss)/Profit for the year

	Note	Group 2022 RM'000	Group 2021 RM'000	Company 2022 RM'000	Company 2021 RM'000
(Loss)/Profit for the year is arrived at after charging/ (crediting):					
Auditors' remunerations					
Audit fees:					
- KPMG PLT		885	831	85	72
- Overseas affiliates of KPMG PLT		516	500	-	-
- Other auditors		1,119	1,003	-	-
Non-audit fees:					
- KPMG PLT		54	54	-	-
- Local affiliates of KPMG PLT		78	54	14	14
- Overseas affiliates of KPMG PLT		-	32	-	-
- Other auditors		213	184	-	-
Material expenses/(income)					
Hotel operation cost (excluding personnel cost)		123,040	52,102	-	-
Remisier's incentive		6,170	15,667	-	-
Personnel expenses (including key management personnel and Directors):	29.1				
- Wages, salaries and others		215,385	176,193	4,925	9,660
- Contribution to defined contribution plan		16,202	13,087	459	788
Expenses arising from leases					
Expenses relating to short-term leases		1,257	1,230	12	12
Expenses relating to leases of low-value assets		-	-	5	2

29.1 The above personnel costs include remuneration paid/payable to Directors of the Group and of the Company (excluding fees and benefits-in-kind that are not classified as personnel costs) that are disclosed in Note 25.

30. Dividends

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

31. Financial instruments

31.1 Categories of financial instruments

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

2022	Carrying amount RM'000	AC RM'000	FVTPL RM'000	FVOCI – EIDUIR RM'000	FVOCI – DI RM'000
Financial assets					
Group					
Investments in securities	703,934	-	700,089	3,123	722
Receivables (excluding prepayments)	491,892	491,892	-	-	-
Derivatives	20	-	20	-	-
Other investment	37,956	37,956	-	-	-
Cash and bank balances	455,524	455,524	-	-	-
	1,689,326	985,372	700,109	3,123	722
Company					
Investments in securities	3,123	-	-	3,123	-
Receivables (excluding prepayments)	46,060	46,060	-	-	-
Cash and bank balances	877	877	-	-	-
	50,060	46,937	-	3,123	-
Financial liabilities					
Group					
Borrowings	(1,648,668)	(1,648,668)	-	-	-
Payables	(253,083)	(253,083)	-	-	-
Derivatives	(2,018)	-	(2,018)	-	-
	(1,903,769)	(1,901,751)	(2,018)	-	-
Company					
Borrowings	(158,318)	(158,318)	-	-	-
Payables	(1,401)	(1,401)	-	-	-
	(159,719)	(159,719)	-	-	-

31. Financial instruments (continued)

31.1 Categories of financial instruments (continued)

2021 Financial assets	Carrying amount RM'000	AC RM'000	FVTPL RM'000	FVOCI – EIDUIR RM'000	FVOCI – DI RM'000
Group					
Investments in securities	1,130,400	-	1,126,864	2,969	567
Receivables (excluding prepayments)	523,127	523,127	-	-	-
Derivatives	528	-	528	-	-
Other investment	7,373	7,373	-	-	-
Cash and bank balances	500,846	500,846	-	-	-
	2,162,274	1,031,346	1,127,392	2,969	567
Company					
Investments in securities	2,969	-	-	2,969	-
Receivables (excluding prepayments)	14,963	14,963	-	-	-
Cash and bank balances	8,372	8,372	-	-	-
	26,304	23,335	-	2,969	-
Financial liabilities					
Group					
Borrowings	(1,903,744)	(1,903,744)	-	-	-
Payables	(301,602)	(301,602)	-	-	-
Derivatives	(18,021)	-	(18,021)	-	-
	(2,223,367)	(2,205,346)	(18,021)	-	-
Company					
Borrowings	(124,850)	(124,850)	-	-	-
Payables	(1,116)	(1,116)	-	-	-
	(125,966)	(125,966)	-	-	-

31. Financial instruments (continued)

31.2 Net gains and losses arising from financial instruments

	Group		Company	
	2022 RM'000	2021 RM'000	2022 RM'000	2021 RM'000
Net (losses)/gains on:				
Financial assets at fair value through profit or loss	(279,887)	104,652	-	-
Debt instruments at fair value through other comprehensive income:				
- recognised in profit or loss	-	(2,653)	-	-
- recognised in other comprehensive income	(406)	676	-	-
- reclassified from other comprehensive income to profit or loss	-	(1,289)	-	-
	(406)	(3,266)	-	-
Equity instruments designated at fair value through other comprehensive income:				
- recognised in profit or loss	98	196	98	196
- recognised in other comprehensive income	154	67	154	67
	252	263	252	263
Financial assets at amortised cost	(29,232)	14,232	1,084	1,647
Financial liabilities at amortised cost	(37,870)	(38,579)	(5,211)	(5,058)
	(347,143)	77,302	(3,875)	(3,148)

31.3 Financial risk management

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

- Credit risk
- Liquidity risk
- Market risk

31. Financial instruments (continued)

31.4 Credit risk

Credit risk is the risk of a financial loss if a customer or counterparty to a financial instrument fails to meet its contractual obligations. The Group's exposure to credit risk arises principally from 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 banks for credit facilities granted to subsidiaries. There are no significant changes as compared to prior periods.

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

Risk management objectives, policies and processes for managing the risk

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

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

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

Exposure to credit risk, credit quality and collateral

The credit risk of certain financial assets of the Group is mitigated by collaterals held against the financial assets. All trade receivables, contract assets, finance lease receivables and financial receivables are subject to impairment review at the end of the reporting period. The collateral mitigates credit risk and would reduce the extent of impairment allowance for the assets subject to impairment review. There has not been any significant changes in the quality of the collateral held for the financial assets.

31. Financial instruments (continued)

31.4 Credit risk (continued)

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

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

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, finance lease receivables and financial receivables as at the end of the reporting period by country and business segment (net of impairment losses) are as follows:

	Group			
	2022		2021	
	RM'000	% of total	RM'000	% of total
By country				
Malaysia	469,333	96	490,092	98
Singapore	6,805	1	5,707	1
Australia	6,769	1	2,748	<1
Canada	4,597	1	2,378	<1
Thailand	2,716	<1	175	<1
Other countries	1,617	<1	802	<1
	491,837	100	501,902	100

	Group			
	2022		2021	
	RM'000	% of total	RM'000	% of total
By business segment				
Broking and financial services	334,042	68	399,746	80
Credit and lending	50,879	10	44,953	9
Hotel operations	19,234	4	9,585	2
Property investment	10,496	2	10,774	2
Investment holding	1,013	<1	1,159	<1
Property development	75,385	15	35,283	7
Others	788	<1	402	<1
	491,837	100	501,902	100

31. Financial instruments (continued)

31.4 Credit risk (continued)

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

Concentration of credit risk (continued)

(i) Trade receivables and contract assets

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

(ii) Finance lease receivables

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

(iii) Financial receivables

The 5 (2021: 5) largest financial receivables, which contributed 84% (2021: 97%) of the net financial receivables, representing the Group's significant concentration of credit risks, are summarised as follows:

Group	**Gross carrying amount RM'000**	**Loss allowance RM'000**	**Net balance RM'000**
2022			
Five largest financial receivables	53,415	(9,986)	43,429
Others	17,260	(8,853)	8,407
	70,675	(18,839)	51,836
2021			
Five largest financial receivables	52,453	(8,835)	43,618
Others	13,847	(11,585)	2,262
	66,300	(20,420)	45,880

Recognition and measurement of impairment loss

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

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

31. Financial instruments (continued)

31.4 Credit risk (continued)

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

Recognition and measurement of impairment loss (continued)

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

The Group assessed the trade receivables and contract assets to not have any significant credit risk as trade receivables from tenants are subjected to security deposits and the sale of development properties are made to property purchasers with end financing facilities from reputable end-financiers, and the ownership and rights to the properties remain with the Group in the event of default.

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.

The following table provides information about the exposure to credit risk and ECLs for trade receivables, contract assets and finance lease receivables which are grouped together as they are expected to have similar risk nature.

31. Financial instruments (continued)

31.4 Credit risk (continued)

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

Recognition and measurement of impairment loss (continued)

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

	Gross carrying amount RM'000	Loss allowance RM'000	Net balance RM'000
Group			
2022			
Stakeholder sum	26,118	-	26,118
Not past due	405,552	(32)	405,520
Past due 1 – 30 days	4,636	(105)	4,531
Past due 31 – 60 days	2,065	(71)	1,994
Past due 61 – 90 days	485	(14)	471
Past due more than 90 days	639	(190)	449
	439,495	(412)	439,083
Credit impaired			
Individually impaired	14,896	(13,978)	918
	454,391	(14,390)	440,001
Trade receivables	400,709	(14,176)	386,533
Contract assets	47,586	(214)	47,372
Finance lease receivables	6,096	-	6,096
	454,391	(14,390)	440,001
Collaterised trade receivables			
- where no loss allowance recognised	214,302	-	214,302
- where loss allowance recognised	9,745	(8,973)	772
	224,047	(8,973)	215,074

31. Financial instruments (continued)

31.4 Credit risk (continued)

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

Recognition and measurement of impairment loss (continued)

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

	Gross carrying amount RM'000	Loss allowance RM'000	Net balance RM'000
Group			
2021			
Not past due	447,954	(26)	447,928
Past due 1 – 30 days	3,076	(36)	3,040
Past due 31 – 60 days	1,465	(11)	1,454
Past due 61 – 90 days	986	(1)	985
Past due more than 90 days	934	(356)	578
	454,415	(430)	453,985
Credit impaired			
Individually impaired	17,245	(15,208)	2,037
	471,660	(15,638)	456,022
Trade receivables	440,819	(15,424)	425,395
Contract assets	24,034	(214)	23,820
Finance lease receivables	6,807	-	6,807
	471,660	(15,638)	456,022
Collaterised trade receivables			
- where no loss allowance recognised	225,037	-	225,037
- where loss allowance recognised	9,717	(8,590)	1,127
	234,754	(8,590)	226,164

Trade receivables which are credit impaired amounting to RM14,896,000 (2021: RM17,245,000) are partially collaterised in the form of remisiers' deposits, cash, shares and security deposits. Impairment loss has been provided to the extent of the collateral value of RM772,000 (2021: RM1,127,000).

31. Financial instruments (continued)

31.4 Credit risk (continued)

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

Recognition and measurement of impairment loss (continued)

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

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.

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

Group	Lifetime ECL RM'000	Credit impaired RM'000	Total RM'000
Balance at 1 January 2021	356	14,318	14,674
Impairment loss recognised	82	1,828	1,910
Impairment loss reversed	(7)	(785)	(792)
Exchange difference	(1)	(153)	(154)
Balance at 31 December 2021/ 1 January 2022	430	15,208	15,638
Impairment loss recognised	26	2,541	2,567
Impairment loss reversed	(43)	(3,772)	(3,815)
Amount written off	-	(12)	(12)
Exchange difference	(1)	13	12
Balance at 31 December 2022	412	13,978	14,390

(ii) Financial receivables

The Group measures ECL of financial receivables individually. These financial receivables are impaired up to collaterised values. Financial receivables are considered credit impaired if they are past due 90 days and are unlikely to repay loans in full, loan rollover due to difficulty to repay on maturity, or it is becoming probable that receivable counterparty will enter bankruptcy.

31. Financial instruments (continued)

31.4 Credit risk (continued)

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

Recognition and measurement of impairment loss (continued)

(ii) Financial receivables (continued)

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

Group	Gross carrying amount RM'000	Loss allowance RM'000	Net balance RM'000
2022			
Not past due	46,943	-	46,943
Past due 1 – 30 days	90	-	90
	47,033	-	47,033
Credit impaired			
Individually impaired	23,642	(18,839)	4,803
	23,642	(18,839)	4,803
	70,675	(18,839)	51,836
Collaterised financial receivables			
- where no loss allowance recognised	47,033	-	47,033
- where loss allowance recognised	23,642	(18,839)	4,803
	70,675	(18,839)	51,836
Group			
2021			
Not past due	42,820	-	42,820
	42,820	-	42,820
Credit impaired			
Individually impaired	23,480	(20,420)	3,060
	23,480	(20,420)	3,060
	66,300	(20,420)	45,880
Collaterised financial receivables			
- where no loss allowance recognised	42,820	-	42,820
- where loss allowance recognised	23,480	(20,420)	3,060
	66,300	(20,420)	45,880

31. Financial instruments (continued)

31.4 Credit risk (continued)

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

Recognition and measurement of impairment loss (continued)

(ii) Financial receivables (continued)

Financial receivables which are credit impaired amounting to RM23,642,000 (2021: RM23,480,000) are partially secured by collaterals. Impairment loss has been provided to the extent of the collateral value of RM4,803,000 (2021: RM3,060,000).

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

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

Group	Credit impaired 2022 RM'000	2021 RM'000
Balance at 1 January	20,420	51,150
Amount written off	(2,378)	(30,513)
Impairment loss recognised	916	1,863
Impairment loss reversed	(119)	(2,080)
Balance at 31 December	18,839	20,420

31.4.2 Inter-company loans and advances

Risk management objectives, policies and processes for managing the risk

The Company provides unsecured loans and 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 enhancements.

31. Financial instruments (continued)

31.4 Credit risk (continued)

31.4.2 Inter-company loans and advances (continued)

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

Generally, the Company considers loans and advances to subsidiaries are 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.

Recognition and measurement of impairment loss

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**	**Loss allowance RM'000**	**Net balance RM'000**
2022			
Low credit risk	45,740	(95)	45,645
2021			
Low credit risk	14,524	(15)	14,509

31. Financial instruments (continued)

31.4 Credit risk (continued)

31.4.2 Inter-company loans and advances (continued)

Recognition and measurement of impairment loss (continued)

The movements in the allowance for impairment in respect of subsidiaries' loans and advances during the year are shown below:

Company	**12-month ECL RM'000**	**Credit impaired RM'000**	**Total RM'000**
Balance at 1 January 2021	157	16	173
Impairment loss recognised	12	-	12
Impairment loss reversed	(154)	(16)	(170)
Balance at 31 December 2021/ 1 January 2022	15	-	15
Impairment loss recognised	83	-	83
Impairment loss reversed	(3)	-	(3)
Balance at 31 December 2022	95	-	95

31.4.3 Financial guarantees

Risk management objectives, policies and processes for managing the risk

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

Exposure to credit risk, credit quality and collateral

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

	Company 2022 RM'000	**Company 2021 RM'000**
Corporate guarantees issued to:		
- financial institutions for credit facilities granted to its subsidiaries	144,710	91,379

31. Financial instruments (continued)

31.4 Credit risk (continued)

31.4.3 Financial guarantees (continued)

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 shareholders' fund.

The Company determines the probability of default of the guaranteed loans individually using internal information available.

The movement in the allowance for impairment in respect of financial guarantees is as follows:

Company	**12-month ECL RM'000**
Balance at 1 January 2022	-
Net remeasurement of loss allowance	1,083
Balance at 31 December 2022	1,083

31.4.4 Cash, bank balances and deposits

Exposure to credit risk, credit quality and collateral

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

Recognition and measurement of impairment loss

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

31. Financial instruments (continued)

31.4 Credit risk (continued)

31.4.4 Cash, bank balances and deposits (continued)

Recognition and measurement of impairment loss (continued)

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

Group	12-month ECL RM'000
Balance at 1 January 2021	688
Impairment loss recognised	117
Impairment loss reversed	(689)
Exchange difference	2
Balance at 31 December 2021/1 January 2022	118
Impairment loss recognised	50
Impairment loss reversed	(137)
Exchange difference	21
Balance at 31 December 2022	52

31.4.5 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.

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.

31. Financial instruments (continued)

31.4 Credit risk (continued)

31.4.5 Other receivables (continued)

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 amount due from a deconsolidated subsidiary relates to the amount due from TA Hotel Management Limited Partnership ("TAHMLP"). The Group has measured the credit loss allowance on this receivable to be 100% of the outstanding balance due to an Assignment in Bankruptcy made under Section 49(4) of the Bankruptcy and Insolvency Act of Canada on TAHMLP.

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 2021	159	16,117	16,276
Amount written off	-	(50)	(50)
Impairment loss reversed	(58)	-	(58)
Exchange difference	-	389	389
Balance at 31 December 2021/ 1 January 2022	101	16,456	16,557
Amount written off	-	(1,310)	(1,310)
Impairment loss reversed	(20)	-	(20)
Exchange difference	-	(87)	(87)
Balance at 31 December 2022	81	15,059	15,140

31. Financial instruments (continued)

31.5 Liquidity risk

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

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

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

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

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

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

31. Financial instruments (continued)

31.5 Liquidity risk (continued)

Maturity analysis

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

Group	**Carrying amount RM'000**	**Contractual interest rate/ discount rate**	**Contractual cash flows RM'000**	**Under 1 year RM'000**	**1 - 2 years RM'000**	**2 - 5 years RM'000**	**More than 5 years RM'000**
2022							
Non-derivative financial liabilities							
Borrowings	1,648,668	2.21% - 6.88%	1,766,801	1,251,726	134,485	62,142	318,448
Lease liabilities	1,513	2.56% - 4.13%	1,630	921	581	128	-
Payables	253,083	-	253,083	242,755	8,672	1,461	195
	1,903,264		2,021,514	1,495,402	143,738	63,731	318,643
Derivative financial liabilities							
Geared currency accumulators	80	-	80	80	-	-	-
Geared currency decumulators	140	-	140	140	-	-	-
Geared equity accumulators	1,798	-	1,798	1,798	-	-	-
	2,018		2,018	2,018	-	-	-

31. Financial instruments (continued)

31.5 Liquidity risk (continued)

Maturity analysis (continued)

Group	Carrying amount RM'000	Contractual interest rate/ discount rate	Contractual cash flows RM'000	Under 1 year RM'000	1 - 2 years RM'000	2 - 5 years RM'000	More than 5 years RM'000
2021							
Non-derivative financial liabilities							
Borrowings	1,903,744	0.36% - 3.53%	2,009,156	1,401,751	59,793	204,998	342,614
Lease liabilities	2,625	2.81% - 5.42%	2,748	1,407	984	357	-
Payables	301,602	-	301,602	293,599	8,003	-	-
	2,207,971		2,313,506	1,696,757	68,780	205,355	342,614
Derivative financial liabilities							
Geared currency accumulators	835	-	835	835	-	-	-
Geared equity accumulators	11,790	-	11,790	11,790	-	-	-
Geared equity decumulators	5,396	-	5,396	5,396	-	-	-
	18,021		18,021	18,021	-	-	-

31. Financial instruments (continued)

31.5 Liquidity risk (continued)

Maturity analysis (continued)

Company	Carrying amount RM'000	Contractual interest rate/ discount rate	Contractual cash flows RM'000	Under 1 year RM'000	1 - 2 years RM'000	2 - 5 years RM'000	More than 5 years RM'000
2022							
Financial liabilities							
Borrowings	158,318	3.81% - 4.68%	165,187	165,187	-	-	-
Lease liabilities	3,903	4.77% - 4.93%	4,204	1,370	1,370	1,464	-
Payables	1,401	0% - 4.36%	1,442	1,442	-	-	-
Financial guarantees*	1,083	-	144,710	144,710	-	-	-
	164,705		315,543	312,709	1,370	1,464	-
2021							
Financial liabilities							
Borrowings	124,850	2.66% - 3.26%	128,517	128,517	-	-	-
Lease liabilities	5,057	4.77% - 4.93%	5,574	1,370	1,370	2,834	-
Payables	1,116	0% - 3.11%	1,120	1,120	-	-	-
Financial guarantees*	-	-	91,379	91,379	-	-	-
	131,023		226,590	222,386	1,370	2,834	-

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

31. Financial instruments (continued)

31.6 Market risk

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

31.6.1 Currency risk

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

Risk management objectives, policies and processes for managing the risk

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

31. Financial instruments (continued)

31.6 Market risk (continued)

31.6.1 Currency risk (continued)

Exposure to foreign currency risk

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

	Denominating currencies									
Group	**MYR RM'000**	**USD RM'000**	**AUD RM'000**	**CAD RM'000**	**HKD RM'000**	**SGD RM'000**	**EUR RM'000**	**THB RM'000**	**Others RM'000**	**Total RM'000**
2022										
Balances recognised in the statement of financial position										
Cash, bank balances and deposits	335	2,799	25,123	7,403	1,093	878	211	26	5,162	43,030
Investments in securities	-	-	92	-	4,808	-	59,793	-	5,138	69,831
Other receivables	4	227	-	-	-	-	-	-	2	233
Borrowings	-	-	-	(54,863)	(5,023)	(319,870)	(11,274)	-	-	(391,030)
Trade payables	-	(2,729)	(39)	-	-	(32)	(2)	-	(59)	(2,861)
Other payables	(80)	(386)	(21)	(18)	(2)	-	(328)	-	-	(835)
Intra-group balances	(1,078)	(32,402)	233,503	1,153,007	452	1,144,138	-	506,074	(424)	3,003,270
Net exposure	(819)	(32,491)	258,658	1,105,529	1,328	825,114	48,400	506,100	9,819	2,721,638

31. Financial instruments (continued)

31.6 Market risk (continued)

31.6.1 Currency risk (continued)

Group 2021	MYR RM'000	USD RM'000	AUD RM'000	CAD RM'000	HKD RM'000	SGD RM'000	EUR RM'000	THB RM'000	Others RM'000	Total RM'000
	Denominating currencies									
Balances recognised in the statement of financial position										
Cash, bank balances and deposits	605	3,489	28,806	12,283	9,052	1,870	5,752	25	628	62,510
Investments in securities	-	-	381	-	-	60,307	159,868	-	9,823	230,379
Other receivables	1	37	-	-	-	-	-	-	-	38
Borrowings	-	-	(684)	(91,332)	(59,552)	(352,255)	(99,032)	-	(7,720)	(610,575)
Trade payables	-	(3,897)	(132)	-	-	(153)	-	-	(138)	(4,320)
Other payables	(28)	(108)	(18)	(107)	(41)	(6)	(8)	-	(6)	(322)
Intra-group balances	(38)	(24,083)	237,038	1,037,410	-	1,089,434	-	498,132	527	2,838,420
Net exposure	540	(24,562)	265,391	958,254	(50,541)	799,197	66,580	498,157	3,114	2,516,130

31. Financial instruments (continued)

31.6 Market risk (continued)

31.6.1 Currency risk (continued)

Currency risk sensitivity analysis

A 10% (2021: 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 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	
Group	**2022 RM'000**	**2021 RM'000**	**2022 RM'000**	**2021 RM'000**
MYR	62	(41)	62	(41)
USD	2,469	1,867	19	1,867
AUD	(19,658)	(20,170)	(19,658)	(20,170)
CAD	(84,020)	(72,827)	(53,709)	(54,120)
HKD	(101)	3,841	(101)	3,841
SGD	(62,709)	(60,739)	24,096	37,322
EUR	(3,678)	(5,060)	(3,678)	(5,060)
THB	(38,464)	(37,860)	(493)	(1,197)
Others	(746)	(237)	(746)	(237)

A 10% (2021:10%) weakening of the respective functional currencies against the above currencies at the end of the reporting period would have had equal but opposite effect on the above currencies to the amounts shown above, on the basis that all other variables remained constant.

31.6.2 Interest rate risk

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

31. Financial instruments (continued)

31.6 Market risk (continued)

31.6.2 Interest rate risk (continued)

Risk management objectives, policies and processes for managing the risk

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.

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 are as follows:

	Group		**Company**	
	2022 RM'000	**2021 RM'000**	**2022 RM'000**	**2021 RM'000**
Fixed rate instruments				
Investments in securities:				
- Bonds	722	567	-	-
Financial receivables	70,675	66,300	-	-
Finance lease receivables	6,096	6,807	-	-
Fixed deposits placed with financial institutions	196,459	133,566	-	-
Borrowings	(356,477)	(370,725)	-	-
Lease liabilities	(1,513)	(2,625)	(3,903)	(5,057)
	(84,038)	(166,110)	(3,903)	(5,057)
Floating rate instruments				
Due from subsidiaries	-	-	45,385	12,105
Borrowings	(1,292,191)	(1,533,019)	(158,318)	(124,850)
	(1,292,191)	(1,533,019)	(112,933)	(112,745)

31. Financial instruments (continued)

31.6 Market risk (continued)

31.6.2 Interest rate risk (continued)

Interest rate risk sensitivity analysis

Fair value sensitivity analysis for fixed rate instruments

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

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

	Equity	
Group	**100 bp increase RM'000**	**100 bp decrease RM'000**
2022		
Fixed rate instruments		
Investments in securities		
- Bonds	13	27
2021		
Fixed rate instruments		
Investments in securities		
- Bonds	131	144

31. Financial instruments (continued)

31.6 Market risk (continued)

31.6.2 Interest rate risk (continued)

Interest rate risk sensitivity analysis (continued)

Cash flow sensitivity analysis for variable rate instruments

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

	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**
2022				
Floating rate instruments	(10,941)	10,941	(10,941)	10,941
2021				
Floating rate instruments	(13,318)	13,318	(13,318)	13,318
Company				
2022				
Floating rate instruments	(858)	858	(858)	858
2021				
Floating rate instruments	(857)	857	(857)	857

31.6.3 Other price risk

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

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.

31. Financial instruments (continued)

31.6 Market risk (continued)

31.6.3 Other price risk (continued)

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	
	2022 RM'000	2021 RM'000	2022 RM'000	2021 RM'000
Group				
- FTSE Bursa Malaysia KLCI	278	301	278	301
- Dow Jones	53,834	90,100	53,834	90,100
- Hang Seng	520	22	520	22
- Strait Times Index	-	6,037	-	6,037
- S&P/ASX 200 Index	15	10	15	10
- SIX Swiss Exchange	463	-	463	-
- Euro Stoxx 50	5,979	15,987	5,979	15,987

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.

Equity price risk sensitivity analysis for structured securities are not presented as management believed that the changing in the equity price would not significantly impact the equity and profit or loss while other unobservable input remain constant.

31.7 Fair value information

The carrying amounts of cash and bank balances, short-term receivables, payables and short-term borrowings approximate their fair values due to the relatively short-term nature of these financial instruments.

31. Financial instruments (continued)

31.7 Fair value information (continued)

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

	Fair value of financial instruments carried at fair value				Fair value of financial instruments not carried at fair value				Total fair value	Carrying amount
Group	**Level 1**	**Level 2**	**Level 3**	**Total**	**Level 1**	**Level 2**	**Level 3**	**Total**		
2022	**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	611,914	-	-	611,914	-	-	-	-	611,914	611,914
Structured securities	-	87,210	-	87,210	-	-	-	-	87,210	87,210
Unit trust	-	965	-	965	-	-	-	-	965	965
Geared equity accumulators	-	20	-	20	-	-	-	-	20	20
	611,914	88,195	-	700,109	-	-	-	-	700,109	700,109
At FVOCI										
Shares	-	-	3,123	3,123	-	-	-	-	3,123	3,123
Bonds	-	722	-	722	-	-	-	-	722	722
	-	722	3,123	3,845	-	-	-	-	3,845	3,845
At amortised cost										
Finance lease receivables										
- Non-current	-	-	-	-	-	-	6,497	6,497	6,497	5,305
	611,914	88,917	3,123	703,954	-	-	6,497	6,497	710,451	709,259

31. Financial instruments (continued)

31.7 Fair value information (continued)

Group 2022	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 liabilities										
At FVTPL										
Geared currency accumulators	-	(80)	-	(80)	-	-	-	-	(80)	(80)
Geared currency decumulators	-	(140)	-	(140)	-	-	-	-	(140)	(140)
Geared equity accumulators	-	(1,798)	-	(1,798)	-	-	-	-	(1,798)	(1,798)
	-	(2,018)	-	(2,018)	-	-	-	-	(2,018)	(2,018)
At amortised cost										
Borrowings - Non-current	-	-	-	-	-	-	(387,116)	(387,116)	(387,116)	(457,719)
	-	(2,018)	-	(2,018)	-	-	(387,116)	(387,116)	(389,134)	(459,737)

31. Financial instruments (continued)

31.7 Fair value information (continued)

Group 2021	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	1,125,685	-	-	1,125,685	-	-	-	-	1,125,685	1,125,685
Unit trust	-	1,179	-	1,179	-	-	-	-	1,179	1,179
Geared currency accumulators	-	110	-	110	-	-	-	-	110	110
Geared equity accumulators	-	418	-	418	-	-	-	-	418	418
	1,125,685	1,707	-	1,127,392	-	-	-	-	1,127,392	1,127,392
At FVOCI										
Shares	-	-	2,969	2,969	-	-	-	-	2,969	2,969
Bonds	-	567	-	567	-	-	-	-	567	567
	-	567	2,969	3,536	-	-	-	-	3,536	3,536
At amortised cost										
Finance lease receivables										
- Non-current	-	-	-	-	-	-	7,999	7,999	7,999	6,096
	1,125,685	2,274	2,969	1,130,928	-	-	7,999	7,999	1,138,927	1,137,024

31. Financial instruments (continued)

31.7 Fair value information (continued)

Group 2021	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 liabilities										
At FVTPL										
Geared currency accumulators	-	(835)	-	(835)	-	-	-	-	(835)	(835)
Geared equity accumulators	-	(11,790)	-	(11,790)	-	-	-	-	(11,790)	(11,790)
Geared equity decumulators	-	(5,396)	-	(5,396)	-	-	-	-	(5,396)	(5,396)
	-	(18,021)	-	(18,021)	-	-	-	-	(18,021)	(18,021)
At amortised cost										
Borrowings - Non-current	-	-	-	-	-	-	(520,566)	(520,566)	(520,566)	(536,977)
	-	(18,021)	-	(18,021)	-	-	(520,566)	(520,566)	(538,587)	(554,998)

31. Financial instruments (continued)

31.7 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		
2022	**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	-	-	3,123	3,123	-	-	-	-	3,123	3,123
At amortised cost										
Due from subsidiaries										
- Non-current	-	-	-	-	-	-	43,382	43,382	43,382	43,382
	-	-	3,123	3,123	-	-	43,382	43,382	46,505	46,505
2021										
Financial assets										
At FVOCI										
Shares	-	-	2,969	2,969	-	-	-	-	2,969	2,969
At amortised cost										
Due from subsidiaries										
- Non-current	-	-	-	-	-	-	8,635	8,635	8,635	8,635
	-	-	2,969	2,969	-	-	8,635	8,635	11,604	11,604

31. Financial instruments (continued)

31.7 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.

Structured securities
The fair value of structured securities is estimated by considering inter-relationship between volatility and correlation in discounted cash flows and option pricing by financial institutions.

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.

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 (2021: no transfer in either directions).

31. Financial instruments (continued)

31.7 Fair value information (continued)

Level 3 fair values

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

	Group and Company 2022 RM'000	2021 RM'000
Shares		
At 1 January	2,969	2,902
Fair value gain recognised in other comprehensive income	154	67
At 31 December	3,123	2,969

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.

31.7.1 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.

31. Financial instruments (continued)

31.7 Fair value information (continued)

31.7.2 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.
Finance lease receivables	Discounted cash flows using a rate based on the current market rate of borrowing of the respective Group entities at the reporting date.

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

Treasury team regularly monitors the fair value of the instruments by obtaining expert advice from the issuer banks.

32. Capital management

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

The gearing ratios were as follows:

		Group		Company	
	Note	2022 RM'000	2021 RM'000	2022 RM'000	2021 RM'000
Borrowings	20	1,648,668	1,903,744	158,318	124,850
Lease liabilities		1,513	2,625	3,903	5,057
Total debts		1,650,181	1,906,369	162,221	129,907
Equity attributable to equity holders of the Company		3,483,529	3,636,191	2,670,602	2,665,653
Gearing ratio (times)		0.47	0.52	0.06	0.05

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

33. Commitments

	Group 2022 RM'000	Group 2021 RM'000
Capital expenditure commitments		
Plant and equipment		
Contracted but not provided for	6,364	12,588
Investment properties		
Contracted but not provided for	10	2,012
	6,374	14,600

34. 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. 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.

34. Related parties (continued)

Significant related party transactions (continued)

	Group 2022 RM'000	Group 2021 RM'000	Company 2022 RM'000	Company 2021 RM'000
A. Subsidiaries				
Gross dividend income	-	-	15,000	64,840
Management fee income	-	-	5,023	7,251
Interest income	-	-	1,079	1,351
Interest expense	-	-	(135)	(1)
Management fee expenses	-	-	(1,269)	(1,163)
Rental of office premises paid	-	-	(1,368)	(1,365)
Rental of warehouse paid	-	-	(19)	(19)
Parking fee paid	-	-	(61)	(100)
Advisory fee paid	-	-	-	(74)
Purchase of motor vehicle	-	-	-	(28)
B. Key management personnel				
Directors				
Rental income for a property let to:				
- Christopher Koh Swee Kiat, a former Director of the Company has interest	-	90	-	-
- Datuk Tiah Thee Kian, a Director of the Company	360	360	-	-
Utilities fee income:				
- Christopher Koh Swee Kiat, a former Director of the Company has interest	-	13	-	-
Legal fees paid to a firm where:				
- Christopher Koh Swee Kiat, a former Director of the Company has interest	-	(298)	-	-
- Datuk Leong Kam Weng, a former Director of the Company has interest	-	(79)	-	-
- Ngiam Kee Tong, a former Director of the Company has interest	-	(56)	-	-
Management fees and performance fees of private mandate received from Datin Tan Kuay Fong, a Director of the Company	15	18	-	-
Brokerage income received from				
- Datuk Tiah Thee Kian, a Director of the Company	-	39	-	-

34. Related parties (continued)

Significant related party transactions (continued)

Compensation of key management personnel

The remuneration of the Directors are disclosed in Note 25. The remuneration of other key management personnel during the financial year are as follows:

	Group		Company	
	2022 RM'000	2021 RM'000	2022 RM'000	2021 RM'000
Other key management personnel				
Short-term employee benefits, fees, commission and gratuity	5,663	5,352	-	464
Post-employment benefits: Defined contribution plan	587	568	-	50
	6,250	5,920	-	514

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 2022, certain Directors of the Group and a key management personnel have units in the unit trust funds managed by a subsidiary as follows:

- 15,000 units (2021: 15,000 units) in TA Global Absolute Growth Fund MYR Hedged Class, representing less than 0.01% (2021: less than 0.01%) of units in circulation;

- 0 units (2021: 20,012 units) in TA Global Absolute ESG Alpha Fund MYR Hedged Class, representing 0.00% (2021: less than 0.01%) of units in circulation;

- 262,398 units (2021: 247,226 units) in TA Dana Optimix, representing 0.23% (2021: 0.25%) of units in circulation;

- 25,804 units (2021: 29,712 units) in TA Islamic CashPLUS Fund, representing 0.29% (2021: 0.08%) of units in circulation;

- 5,453,635 units (2021: 5,064,514 units) in TA Asia Pacific REITs Income Fund, representing 33.37% (2021: 35.61%) of units in circulation;

- 0 units (2021: 21,014 units) in TA Global Technology Fund MYR Hedged Class, representing 0.00% (2021: 0.01%) of units in circulation;

- 33,000 units (2021: 33,000 units) in TA Asia Absolute Alpha Fund MYR Hedged Class, representing less than 0.01% (2021: less than 0.01%) of units in circulation;

34. Related parties (continued)

Other significant related party transactions (continued)

- 38,497 units in TA Global Technology Fund MYR Class, representing less than 0.01% of units in circulation;
- 44,180 units in TA Asia Absolute Alpha Fund MYR Class, representing 0.01% of units in circulation;
- 26,455 units in TA Global Absolute ESG Alpha Fund MYR Class, representing 0.02% of units in circulation.

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 153 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 2022 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: 31 May 2023

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 153 are, to the best of my knowledge and belief, correct and I make this solemn declaration conscientiously believing the declaration to be true, and by virtue of the Statutory Declarations Act, 1960.

Subscribed and solemnly declared by the abovenamed Lee Lin Chyuan, NRIC: 841108-04-5013 at Kuala Lumpur in the Federal Territory on 31 May 2023.

………………………………..
Lee Lin Chyuan

Before me:

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(LLP0010081-LCA & AF 0758)
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INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF TA 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 2022 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 153.

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 2022, 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 Directors' 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 Directors' 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 Directors' Report and, in doing so, consider whether the Directors' 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 Directors' 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.

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.

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

- 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

Chong Dee Shiang
Approval Number: 02782/09/2024 J
Chartered Accountant

Petaling Jaya

Date: 31 May 2023