



ANNUAL REPORT 2021



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Run the QR Code Reader app and point your camera at the QR Code.

The online version of Mulpha International Bhd.'s Annual Report 2021 is available on the website. Go to <https://www.mulpha.com.my> or scan the QR Code with your smartphone.

48TH ANNUAL GENERAL MEETING

MULPHA INTERNATIONAL BHD

DAY/DATE: Thursday, 9 June 2022

TIME: 2.30 p.m.

BROADCAST VENUE:

Bale Club, Multi-Purpose Hall
No. 1, Jalan Polo, Leisure Farm
81560 Gelang Patah
Johor Darul Takzim, Malaysia

01

About Us

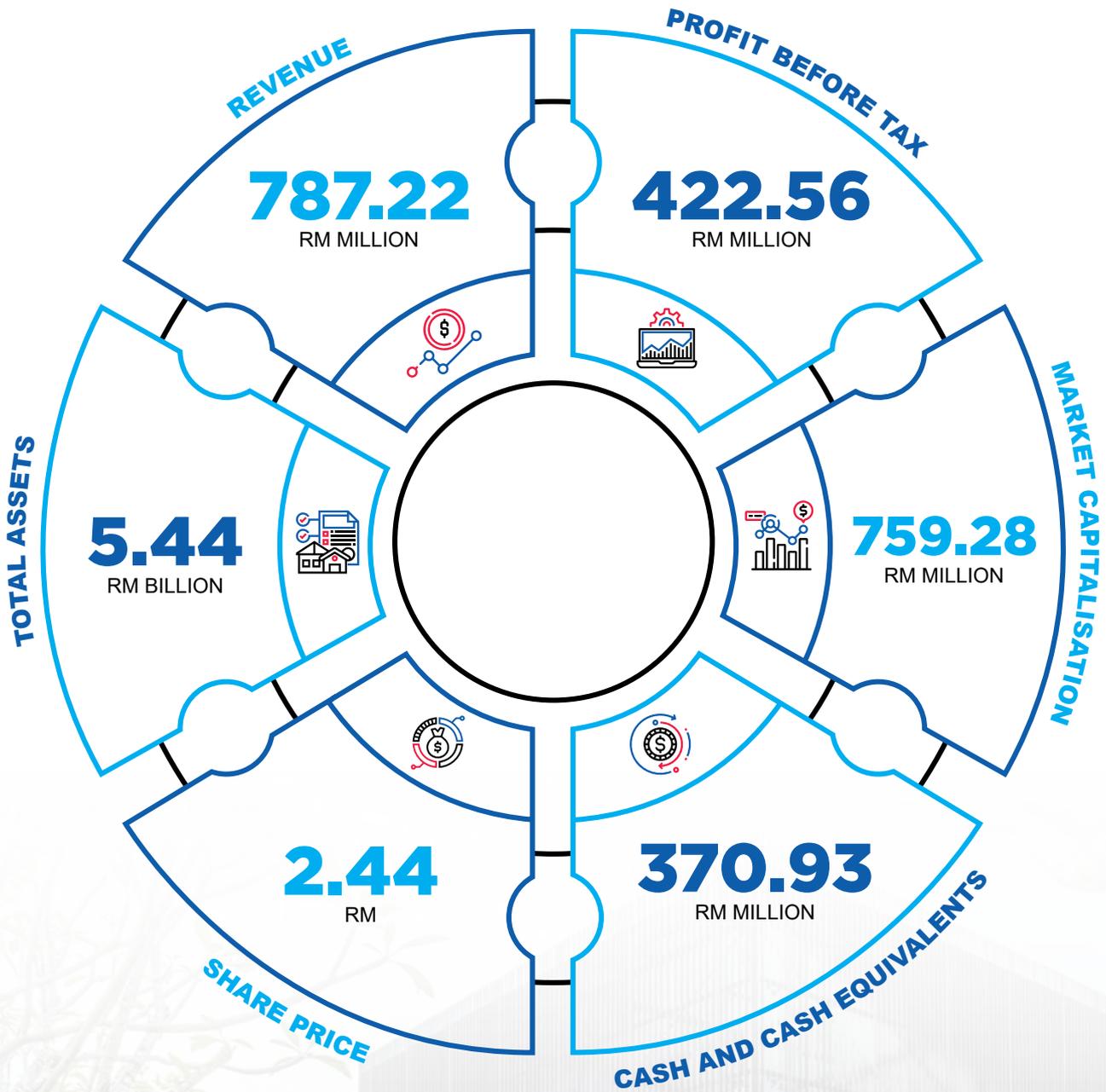


LEISURE FARM RESORT, JOHOR

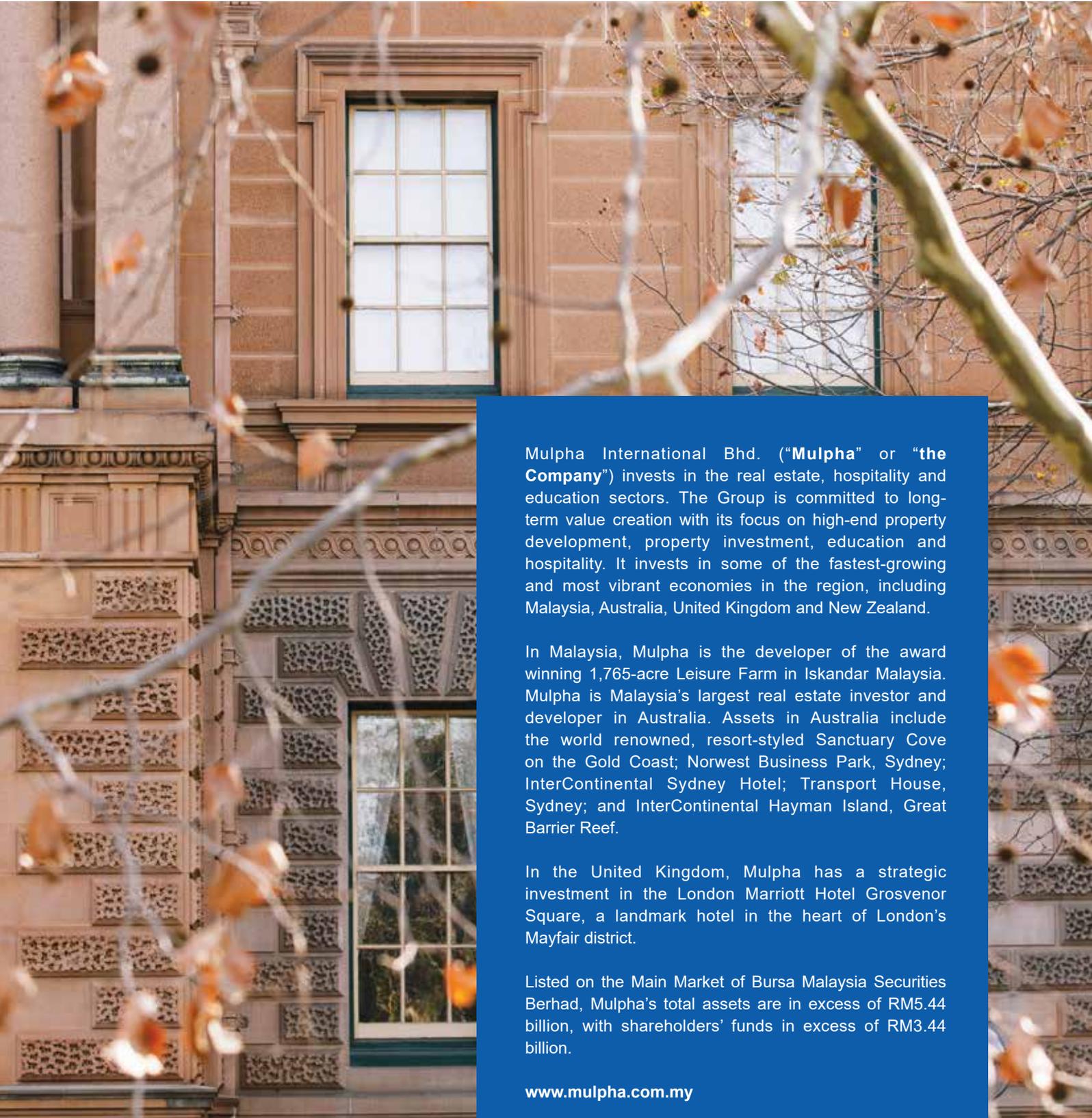
Immerse yourself in nature at Leisure Farm Resort, one of Mulpha's flagship developments in Johor, Malaysia. Being a stone's throw away from Singapore, Leisure Farm Resort has become one of Johor's desired addresses. Carefully landscaped trees and waterways boasting over 50 acres of community spaces for you to create your intentional lifestyle.



At A Glance



Corporate Profile



Mulpha International Bhd. (“**Mulpha**” or “**the Company**”) invests in the real estate, hospitality and education sectors. The Group is committed to long-term value creation with its focus on high-end property development, property investment, education and hospitality. It invests in some of the fastest-growing and most vibrant economies in the region, including Malaysia, Australia, United Kingdom and New Zealand.

In Malaysia, Mulpha is the developer of the award winning 1,765-acre Leisure Farm in Iskandar Malaysia. Mulpha is Malaysia’s largest real estate investor and developer in Australia. Assets in Australia include the world renowned, resort-styled Sanctuary Cove on the Gold Coast; Norwest Business Park, Sydney; InterContinental Sydney Hotel; Transport House, Sydney; and InterContinental Hayman Island, Great Barrier Reef.

In the United Kingdom, Mulpha has a strategic investment in the London Marriott Hotel Grosvenor Square, a landmark hotel in the heart of London’s Mayfair district.

Listed on the Main Market of Bursa Malaysia Securities Berhad, Mulpha’s total assets are in excess of RM5.44 billion, with shareholders’ funds in excess of RM3.44 billion.

www.mulpha.com.my

Corporate Information

BOARD OF DIRECTORS

Lee Seng Huang

Non-Independent Executive Chairman

Lee Eng Leong

Non-Independent Executive Director

Chew Hoy Ping

Senior Independent Non-Executive Director

Loong Caesar

Independent Non-Executive Director

Geoffrey Earl Grady

Independent Non-Executive Director

AUDIT AND RISK MANAGEMENT COMMITTEE

Chew Hoy Ping (*Chairman*)

Loong Caesar

Geoffrey Earl Grady

NOMINATION COMMITTEE

Loong Caesar (*Chairman*)

Chew Hoy Ping

Geoffrey Earl Grady

REMUNERATION COMMITTEE

Geoffrey Earl Grady (*Chairman*)

Chew Hoy Ping

Loong Caesar

COMPANY SECRETARIES

Lee Eng Leong (*MIA 7313*)

(SSM PC No. 201908003732)

Lee Suan Choo (*MAICSA 7017562*)

(SSM PC No. 202008003634)

REGISTERED OFFICE

D'Rimbunan

No. 8, Jalan Peranginan

Leisure Farm

81560 Gelang Patah

Johor Darul Takzim

Malaysia

Tel No : (607) 556 3003

Fax No : (607) 556 3160

SHARE REGISTRAR

Boardroom Share Registrars Sdn. Bhd.

Registration No. 199601006647 (378993-D)

11th Floor, Menara Symphony

No. 5, Jalan Prof. Khoo Kay Kim

Seksyen 13, 46200 Petaling Jaya

Selangor Darul Ehsan, Malaysia

Tel No : (603) 7890 4700

Fax No : (603) 7890 4670

Helpdesk Email : BSR.Helpdesk@boardroomlimited.com

AUDITORS

KPMG PLT

Chartered Accountants

PRINCIPAL BANKERS

Alliance Bank Malaysia Berhad

AmBank (M) Berhad

CIMB Bank Berhad

Industrial and Commercial Bank of China Limited

OCBC Bank

United Overseas Bank Limited

Westpac Banking Corporation

STOCK EXCHANGE LISTING

Main Market of Bursa Malaysia Securities Berhad

Stock Name : MULPHA

Stock Code : 3905

WEBSITE ADDRESS

www.mulpha.com.my

INVESTOR RELATIONS

Email : irmulpha@mulpha.com.my

Tel No : (603) 7718 6368 / (603) 7718 6266



HAYMAN ESTATES, HAYMAN ISLAND

Designed by the late Kerry Hill and nestled in the hillside of Hayman Island, Hayman Estates is an exquisite collection of private residences with full access to the services and facilities offered by InterContinental Hayman Island Resort.

02

Leadership



Profile of Board of Directors



LEE SENG HUANG

Non-Independent Executive Chairman

Male • Malaysian • Aged 47

Mr Lee was educated at the University of Sydney in Australia and has wide ranging financial services and real estate investment experience in the Asian region.

Mr Lee is the Executive Chairman of Mulpha International Bhd. (“**the Company**”) (a Malaysian listed conglomerate with operations in Malaysia, Australia, United Kingdom and New Zealand), as well as the Chairman of Mulpha Australia Limited, a wholly-owned subsidiary of the Company. He was previously the Non-Executive Chairman (resigned in November 2019) of Aveo Group Limited (“**AVEO**”), a company which was listed on the Australian Securities Exchange until it was privatised and delisted in December 2019. Mr Lee is also the Group Executive Chairman of Sun Hung Kai & Co. Limited, a leading alternative investment company listed on the Hong Kong Stock Exchange.

Mr Lee was appointed to the Board as Executive Chairman on 15 December 2003.

Mr Lee has no directorships in other listed issuers or non-listed public companies in Malaysia.



LEE ENG LEONG

Non-Independent Executive Director

Male • Malaysian • Aged 54

Mr Lee is a member of the Malaysian Institute of Accountants and Malaysian Institute of Certified Public Accountants. He attained his INSEAD Global Executive Master of Business Administration (MBA) in 2018.

Mr Lee was formerly the Group Chief Financial Officer of Alliance Bank Malaysia Berhad from 4 January 2010 to 2 October 2012. Prior to joining Alliance Bank Malaysia Berhad, he was the Chief Financial Officer for Microsoft, a major global company where he oversaw their finance operations covering the Asia region. For over 20 years, he has held various leadership roles in management positions within both local companies and multi-national companies in Asia. Prior to Mr Lee’s appointment as Executive Director of the Company, he was the Group Chief Financial Officer since 3 October 2012.

Mr Lee was appointed to the Board as Executive Director on 3 July 2017.

Mr Lee’s directorships in other listed issuers in Malaysia are Mudajaya Group Berhad and Thriven Global Berhad. His directorship in non-listed public company in Malaysia is Mudajaya Corporation Berhad.

Profile of Board of Directors



CHEW HOY PING

Senior Independent Non-Executive Director

Male • Malaysian • Aged 64

Mr Chew is a member of the Malaysian Institute of Accountants and Malaysian Institute of Certified Public Accountants.

Mr Chew had a professional career with PricewaterhouseCoopers (“**PwC**”) starting in 1976 and spanning 30 years, including 15 years as a partner of the firm. Whilst at PwC, he was engaged in a diverse range of professional work encompassing auditing, corporate finance and business recovery services. He held leadership roles in PwC in various capacities including the chair of its financial advisory services for the Asia Pacific region, as well as in risk, governance and management functions. Mr Chew also had work secondment experiences with PwC Houston, Texas (1982-1984) and with Bank Negara Malaysia (1986-1988).

Mr Chew was appointed to the Board on 16 May 2007 and he also serves as Chairman of the Audit and Risk Management Committee as well as a member of the Nomination Committee and Remuneration Committee. Mr Chew was redesignated as Senior Independent Non-Executive Director of the Company on 7 June 2018. In his capacity as the Chairman of the Audit and Risk Management Committee, he also has a role as a Director of Mulpha Australia Limited, a wholly-owned subsidiary of the Company.

Mr Chew is currently an Independent Non-Executive Director of Carlsberg Brewery Malaysia Berhad and Mudajaya Group Berhad where he is the Chair of their respective Audit Committees. He also sits on the Board of GE-Shen Corporation Berhad where he is a member of its Audit Committee. He has no directorships in non-listed public companies in Malaysia.

LOONG CAESAR

Independent Non-Executive Director

Male • Malaysian • Aged 62

Mr Loong was trained at Raffles Institution, Singapore, the London School of Economics and Political Science (LSE) and Gonville and Caius College, Cambridge University. He was admitted as a Barrister of the Middle Temple, London in 1983 and as an Advocate and Solicitor of the High Court of Malaya in 1985. In 1994, he was admitted as an Advocate and Solicitor of the Supreme Court of Singapore.

Mr Loong is a Senior Advocate and Solicitor practising at Raslan Loong, Shen & Eow, a medium sized law firm that handles corporate, commercial, banking, finance and property work, amongst others. He is a corporate and commercial lawyer with extensive experience in all areas of corporate and commercial law including mergers and acquisitions, investment funds, capital markets, securities, listings, public offerings, corporate banking, structured finance, power and corporate restructuring. He is a Director and Exco member of the Malaysia-Australia Business Council (MABC), and was a former Director and Exco member of the EU-Malaysia Chamber of Commerce and Industry.

Mr Loong was appointed to the Board on 13 July 2011 and he also serves as Chairman of the Nomination Committee as well as a member of the Audit and Risk Management Committee, and Remuneration Committee.

Mr Loong has no directorships in other listed issuers in Malaysia. His directorships in non-listed public companies in Malaysia are Edunity Foundation, Yayasan KCT and Badan Warisan Malaysia.



Profile of Board of Directors

GEOFFREY EARL GRADY

Independent Non-Executive Director

Male • Australian • Aged 62



Mr Grady graduated from Queensland University with degrees in Commerce and Law (Hons) and is a Chartered Accountant. He was admitted to practice as a solicitor of the Supreme Court of Queensland.

Mr Grady is the Chief Executive Officer (“CEO”) of Easycare Technology, an Australian assisted-living technology platform. Previously, he was the Executive Director and CEO of AVEO, one of Australia’s largest retirement and aged care operators and its most innovative and expansive operator, from July 2013 to November 2019. In November 2019, AVEO was sold to Brookfield Property Group for AUD2 billion introducing large institutional capital into the sector for the first time. From 2009, he was AVEO’s Chief Operating Officer and on becoming its CEO, he transformed AVEO from being an integrated property developer to a dedicated retirement and aged care operation. Before joining AVEO, Mr Grady was the CEO of the Mulpha Sanctuary Cove Group of companies following the sale of the resort to the Mulpha Australia Limited Group in 2002. Prior to this, he was a partner in the corporate recovery practice at KPMG Brisbane.

Mr Grady was appointed to the Board as an Independent Non-Executive Director on 1 April 2020. He also serves as Chairman of the Remuneration Committee as well as a member of the Audit and Risk Management Committee, and Nomination Committee.

Mr Grady has no directorships in other listed issuers or non-listed public companies in Malaysia.

NOTES:

1. Family Relationship with Director and/or Major Shareholder

Mr Lee Seng Huang, the Executive Chairman and major shareholder of the Company, is the son of Mr Lee Ming Tee, who is a major shareholder of the Company.

Save as disclosed above, none of the other Directors has any family relationship with any director and/or major shareholder of the Company.

2. Conflict of Interest

None of the Directors has any conflict of interest with the Company.

3. Conviction for Offences

None of the Directors has any conviction for offences within the past 5 years (other than traffic offences, if any). There were no public sanctions and/or penalties imposed on the Directors by the relevant regulatory bodies during the financial year.

4. Attendance of Board Meetings

The attendance of the Directors at Board Meetings held during the financial year ended 31 December 2021 is disclosed in the Corporate Governance Overview Statement.

Profile of Key Senior Management

GREGORY DAVID SHAW

Chief Executive Officer

Male • Australian • Aged 62

Mr Shaw graduated with a Bachelor of Commerce Degree from University of Queensland, Australia.

Mr Shaw was previously the Chief Executive Officer of 3 public listed companies in Australia namely Koala Corporation Australia from 1990 to 1998, Port Douglas Reef Resorts from 1998 to 2002 and Ardent Leisure Group from 2002 to 2015. He was appointed as Chief Executive Officer of Mulpha Australia Limited, a wholly-owned subsidiary of the Company in 2015.

Mr Shaw was appointed as Chief Executive Officer of the Company on 2 December 2016.

Mr Shaw has no directorships in any listed issuers or non-listed public companies in Malaysia.

LIM SAY KIEN

Head of Finance

Female • Malaysian • Aged 54

Madam Lim holds a Master of Business Administration from University of Strathclyde Graduate School of Business, Scotland and a Bachelor of Commerce (double major in Accounting & Finance) from University of New South Wales, Australia. She is a fellow member of the Certified Practising Accountants (CPA) Australia and a member of the Malaysian Institute of Accountants.

Madam Lim joined Mulpha in December 2008. She has over 25 years of working experience and has held various finance leadership roles in managing investment, property development, hospitality and leisure and gaming operation. In her capacity, she is overall responsible for all corporate and financial matters of Mulpha Group including strategic and financial planning, financial reporting and operations, corporate finance, treasury, tax and various corporate functions. Prior to joining Mulpha, she was with Magnum Corporation Berhad, a Malaysian public listed company from 1995 to 2008 where she managed all aspects of treasury and financial management for Magnum group.

Madam Lim was appointed as Head of Finance of the Company on 3 July 2017.

Madam Lim has no directorships in any listed issuers or non-listed public companies in Malaysia.

NOTES:

1. **Family Relationship with Director and/or Major Shareholder**
None of the key senior management has any family relationship with any director and/or major shareholder of the Company.
2. **Conflict of Interest**
None of the key senior management has any conflict of interest with the Company.
3. **Conviction for Offences**
None of the key senior management has any conviction for offences within the past 5 years (other than traffic offences, if any). There were no public sanctions and/or penalties imposed on the key senior management by the relevant regulatory bodies during the financial year.
4. **Shareholdings in the Company or its subsidiaries**
None of the key senior management has any shareholding in the Company or its subsidiaries during the financial year.

03

Our Performance



NORWEST QUARTER, SYDNEY

Norwest Quarter (formerly known as The Greens, Norwest City) comprises a series of 9 high-rise towers, ranging from 8 to 26 storeys, housing a total of 864 residential apartments. Designed with sustainability in mind, Norwest Quarter is intended to be carbon neutral by incorporating state-of-the-art technology throughout the design and development process.



Awards & Achievements 2021

BIMBADGEN HUNTER VALLEY

- 2022 Halliday Wine Companion Ratings (announced in August 2021)
 - 5 Star Winery
 - 92 Points – 2015 Blanc de Blancs
 - 92 Points – 2019 Palmers Lane Shiraz
 - 92 Points – 2019 McDonalds Road Shiraz
 - 91 Points – 2019 Semillon
 - 90 Points – 2018 Chardonnay
 - 88 Points – 2020 Palmers Lane Semillon
 - 87 Points – 2020 Vermentino
- Launch of Freshwater Spirits, Makers Gin
- Launch of La Luna Wines

INTERCONTINENTAL HAYMAN ISLAND RESORT

- Resort of the Year 2021, Hotel Management Awards
- Winner, 5 Star Luxury Accommodation, Queensland Tourism Awards
- Best Scenic Environment Hotel in Oceania, Haute Grande Global Hotel Awards 2021
- Best of Queensland Experience 2021
- Finalist, 5 Star Luxury Accommodation, Australian Tourism Awards

INTERCONTINENTAL SYDNEY

- Finalist, Hotel & Accommodation Excellence, Hotel Management Awards
- Winner Australia's Leading Hotel Suite, Presidential Opera Suite, World Travel Awards 2021

INTERCONTINENTAL SANCTUARY COVE

- Wine List of the Year 2021 Awards – Two Glasses
- Top 10 Resort in Holiday with Kids 'Best Family Resorts'
- Highly Commended for Best Gold Coast Wedding Venue, Wedding Planner 2021 – Gold Coast Weddings

MULPHA DEVELOPMENTS

- Finalist, Excellence in Residential Subdivision, Essentia Townhomes

SANCTUARY COVE

- Platinum Golf Anchor, Sanctuary Cove Marina, Marine Industries Association
- Level 3 accreditation for an International Clean and Fish Friendly Marina, Marine Industry Association
- Finalist, Sanctuary Cove Marina, 2021 Club Marine Marina of the Year Awards



Financial Calendar

ANNOUNCEMENT OF QUARTERLY RESULTS

25 AUG 2021

Announcement of the unaudited consolidated results for the 2nd quarter ended **30 June 2021**

31 MAY 2021

Announcement of the unaudited consolidated results for the 1st quarter ended **31 March 2021**

29 NOV 2021

Announcement of the unaudited consolidated results for the 3rd quarter ended **30 September 2021**

25 FEB 2022

Announcement of the unaudited consolidated results for the 4th quarter and financial year ended **31 December 2021**

ANNUAL REPORT & ANNUAL GENERAL MEETING

29 APR 2022

Notice of 48th Annual General Meeting and issuance of Annual Report 2021

9 JUNE 2022

48th Annual General Meeting

Group's 5-Year Financial Highlights

	2021 RM'000	2020 RM'000	2019 RM'000	2018 RM'000	2017 RM'000
ASSETS					
Non-current assets	3,969,013	3,757,338	3,393,188	4,362,739	4,377,789
Current assets	1,474,543	1,609,231	1,912,188	1,540,998 **	1,484,774
Total assets	5,443,556	5,366,569	5,305,376	5,903,737	5,862,563
EQUITY AND LIABILITIES					
Capital and Reserves					
Share Capital	2,036,698	2,036,698	2,037,459	2,037,459	2,037,459
Reserves	1,406,943	938,325	832,252	1,179,881 **	1,234,798 **
Equity attributable to owners of the Company	3,443,641	2,975,023	2,869,711	3,217,340	3,272,257
Non-controlling interests	26,298	22,761	20,898	(81)	(120)
Total equity	3,469,939	2,997,784	2,890,609	3,217,259	3,272,137
Liabilities					
Non-current liabilities	1,263,330	605,995	798,602	1,590,813 **	1,380,944 **
Current liabilities	710,287	1,762,790	1,616,165	1,095,665 **	1,209,482 **
Total liabilities	1,973,617	2,368,785	2,414,767	2,686,478	2,590,426
Total equity and liabilities	5,443,556	5,366,569	5,305,376	5,903,737	5,862,563
GROUP RESULTS					
Profit/(Loss) before tax	422,559	(78,878)	(214,857)	308,614	452,215
Tax benefit/(expense)	10,871	21,749	3,739	(72,885)	(127,711)**
Profit/(Loss) after tax	433,430	(57,129)	(211,118)	235,729	324,504
Non-controlling interests	(535)	(1,237)	(757)	(30)	126
Net Profit/(Loss) attributable to owners of the Company	432,895	(58,366)	(211,875)	235,699	324,630
SELECTED RATIOS					
Earnings/(Loss) per share (Sen)	136.99	(18.27)	(66.32)	73.78	101.61
Net assets per share (RM)	11.07	9.31	8.98	10.07	10.24
SHARE PERFORMANCE					
Year high (RM) *	2.56	1.88	2.65	2.62	3.05
Year low (RM) *	1.23	1.17	1.62	1.63	2.09
Year close (RM) *	2.44	1.34	1.89	1.75	2.59
Trading volume ('000) *	61,850	21,971	23,330	19,690	61,880
Market capitalisation as at 31 December (RM'000) *	759,275	428,085	604,080	559,333	827,418

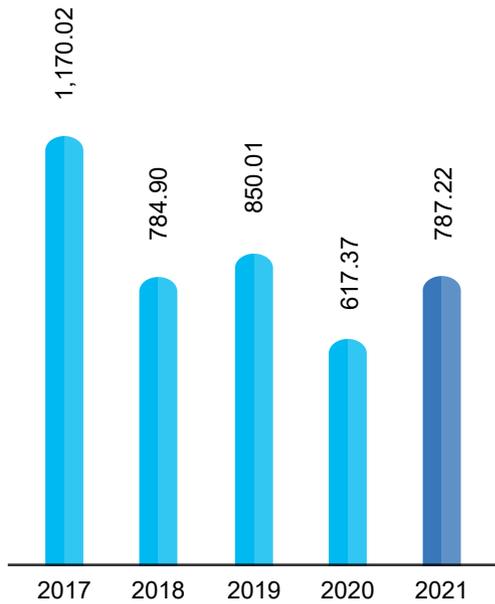
** Comparatives for 2017 and 2018 have been restated to reflect the reversal of prior years' income tax benefit relating to the recognition of losses as a deferred tax asset which exceeded the actual losses available for recognition.

* Source: Bloomberg

Group's 5-Year Financial Highlights

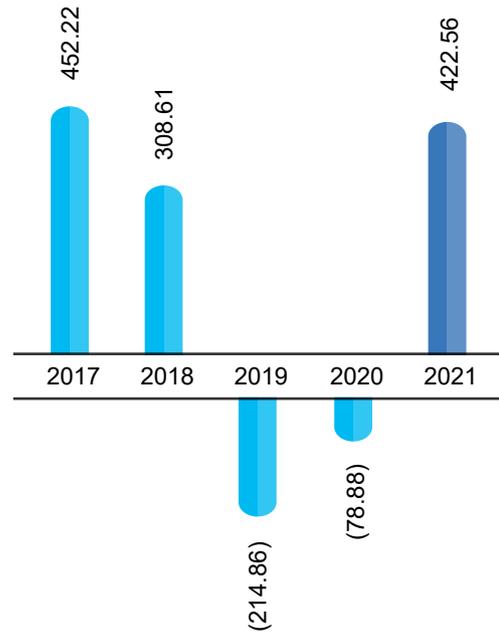
REVENUE

RM Million



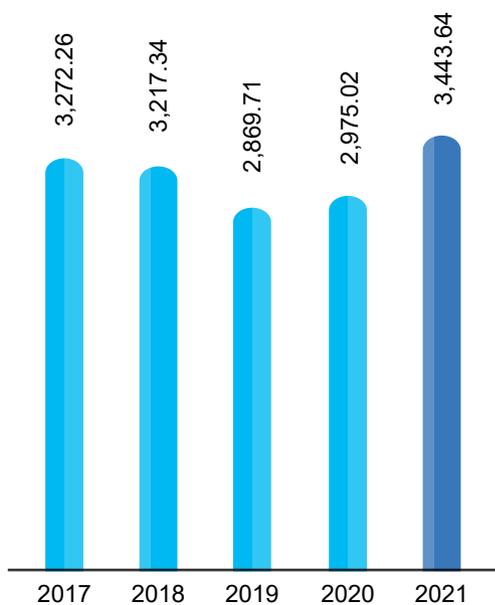
PROFIT/(LOSS) BEFORE TAX

RM Million



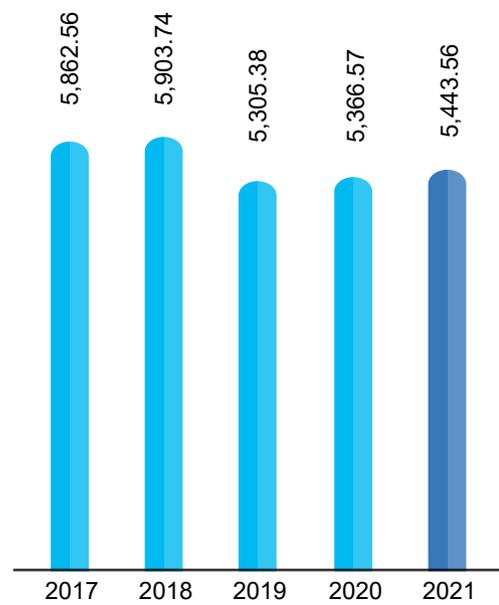
SHAREHOLDERS' FUNDS

RM Million



TOTAL ASSETS

RM Million



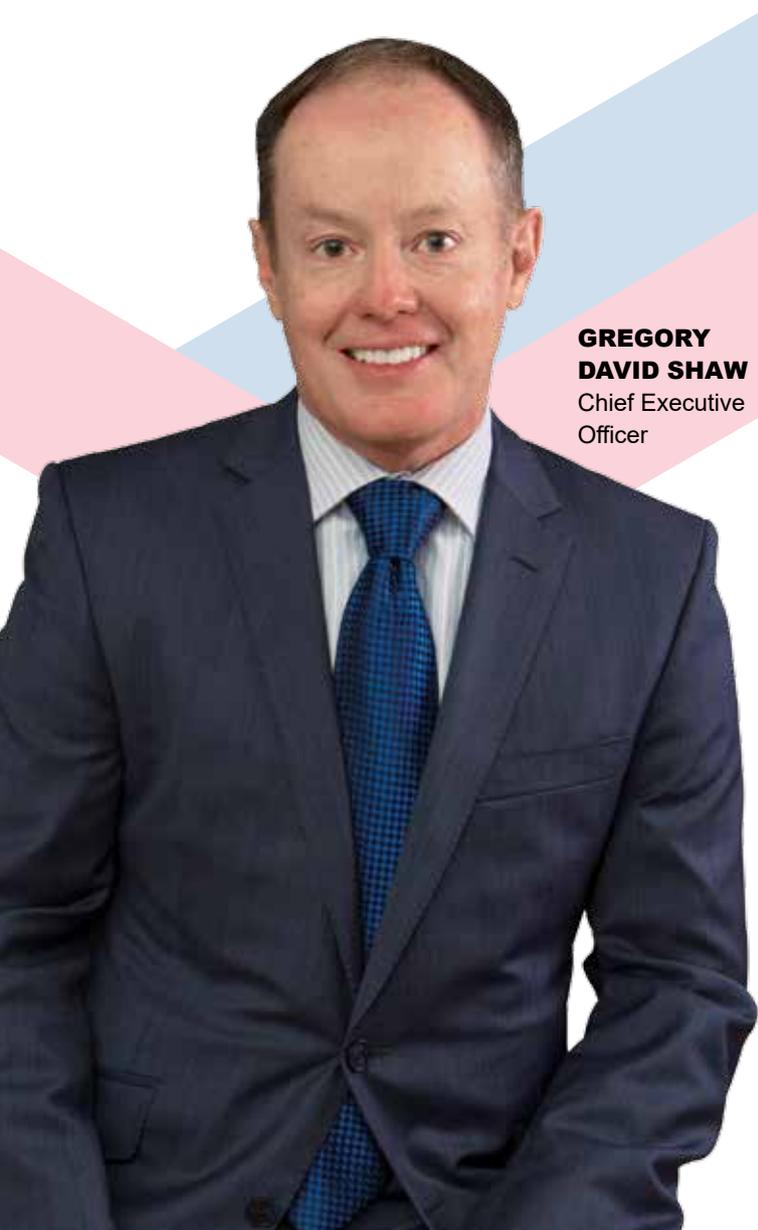
Management Discussion & Analysis



Total Revenue
RM787.22
million



Cash And Cash Equivalents
RM370.93
million



GREGORY DAVID SHAW
Chief Executive Officer

OVERVIEW OF THE GROUP'S BUSINESS AND OPERATIONS

Mulpha International Bhd. (“**Mulpha**” or “**the Group**”) reported a 28% increase in revenue year on year from RM617.37 million to RM787.22 million on the back of another year disrupted by the global pandemic.

The Group recorded a profit after tax of RM433.43 million of which RM421.05 million is attributed to the disposal of Education Perfect Group Limited (“**Education Perfect**”). This contrasts with the loss after tax of RM57.13 million recorded in financial year (“**FY**”) 2020.

This transaction, which completed on 30 September 2021, represents a joint exit by Mulpha and Five V Capital to global hedge fund Kohlberg Kravis Roberts & Co. L.P. (KKR). This divestment was initiated at a strategic time when the demand for education technology surged throughout the pandemic. The Group realised a significant gain on sale. As disclosed to Bursa, proceeds from the sale of Education Perfect were applied primarily to reduce borrowings and overall gearing of the company.

The spike of COVID-19 cases in New South Wales and Victoria in late June 2021, and the resulting state border closures heavily impacted the performance of the hospitality segment, particularly at InterContinental Hayman Island. The full refurbishment of InterContinental Sydney is progressing on schedule with expected completion in early 3rd quarter of 2022 (“**3Q 2022**”). This is timely with the Australian Government’s announcement that international travellers are welcome again effective from 21 February 2022. This positive catalyst for the hospitality and tourism economy is expected to see a gradual recovery to pre-pandemic levels of tourism for markets apart from China, one of Australia’s largest inbound markets which remains closed for outbound travel. Our flagship hotel asset in Sydney’s Circular Quay will be well positioned to receive this demand.

Excluding the one-off gain from Education Perfect, the Group’s recovery was mainly driven by the property development segment where historically low interest rates in Australia and buoyant domestic investment saw an upswing in property prices and increased demand for land and residential properties. Release of new projects including the Bond, Menangle, Norwest Quarter (formerly the Greens) and Harbour One at Sanctuary Cove is set to boost the performance of the property segment over the medium term.

Management Discussion & Analysis



The Mulpha team has progressed several growth initiatives specifically in the long-term development pipeline for the key Norwest and Sanctuary Cove developments. As further detailed in the Sustainability Statement, Norwest Quarter is intended to be carbon neutral by incorporating state of the art technology throughout the design and development process. Several enhancements to our various assets such as the construction of cabins at Bimbadgen Estate, The Hotel School Hayman Island, and the rooftop function venue and wine bar at Transport House, are expected to add permanent value. This is supported by prudent cash management and cash realised from divestments in the past.

REVIEW OF OPERATING ACTIVITIES

Mulpha is present in Sydney, Melbourne, Brisbane, London, Auckland, Kuala Lumpur and Johor Bahru. Our assets are segmented based on the following business categories: (i) Hospitality; (ii) Property Development; (iii) Property Investment; (iv) Principal Investments (v) Education; and (vi) Financial Services.

HOSPITALITY

As with FY2020, FY2021 was significantly impacted by COVID-19 with a series of closures, lockdowns and border restrictions between States of Australia impacting our portfolio at various stages throughout the year. There were periods of relatively normalized trading at both InterContinental Hayman Island and InterContinental Sanctuary Cove, and during these periods the hotels performed well. Despite the disruptions we have continued to take the opportunity to ensure all our hospitality operations are prepared for more normalized demand that we expect to see for the balance of 2022.

InterContinental Sydney Hotel

InterContinental Sydney is the Group's flagship hotel, overlooking the Sydney Harbour, Opera House, Harbour Bridge, Royal Botanic Gardens and Circular Quay.

The InterContinental Sydney commenced a AUD100.00 million refurbishment in early 2021 which will ensure it maintains its position as one of Sydney's premium luxury hotel properties in the CBD. The refurbishment is being led by leading architecture firm Woods Bagot and includes all guest rooms, suites, all hotel public spaces including the signature rooftop club lounge which has previously been awarded the World's Leading Executive Club Lounge by the World Travel Awards in 2017 & 2018. Works are due for completion in early 3Q 2022. Due to Covid restrictions impacting Sydney, the hotel was closed from June 2021 to November 2021 to focus on refurbishment works.

While trading at Sydney CBD hotels has been severely impacted throughout the pandemic, occupancies have started to improve with a gradual return of corporate travel. We anticipate that the corporate market sector will continue to build for the balance of 2022, with domestic leisure markets expected to show stronger growth in the short term. International travel is also expected to gradually build over 2022 and 2023 should pandemic conditions continue to ease.

InterContinental Hayman Island Resort

Located on Hayman Island, one of Australia's most iconic private islands in the Whitsundays, InterContinental Hayman Island Resort was recognized as Queensland's Best 5 Star Luxury Accommodation, as well as Winner of the 2021 Excellence Award for Best Scenic Environment Hotel in Oceania, and Australian Hotel Management's Resort of the Year for 2021 (having won this award also in 2020).

Being a destination resort, state border closures materially disrupted operations as visitors from southern states were prohibited from entering Queensland. The hotel has, however, maintained strong Average Daily Room rates in line with comparable luxury island resorts worldwide. Being the only true, luxury island resort in the Whitsunday region in Queensland's Great Barrier Reef Marine Park, InterContinental Hayman Island Resort is looking forward to a strong year of domestic travel in Australia as well as the return of international tourists in the latter part of 2022.

Management Discussion & Analysis

The Group is enhancing Hayman Island with the construction of 12 beachfront pavilions. This higher end, adult-only resort product is due for completion in 2nd quarter of 2022 (“**2Q 2022**”). The Hotel School Hayman Island also opened its doors in 2021 and provides a unique offering to work, study, and gain an immersive on-island training experience.

InterContinental Sanctuary Cove Resort

InterContinental Sanctuary Cove Resort is located approximately 60 kilometers from Brisbane airport and placed at the heart of our prestigious Sanctuary Cove development. Despite the disruptions of 2021, the 254-room resort was buoyed by the achievement of record high room rates through the year as guests enjoyed the recently upgraded 5 star accommodation and facilities.

The hotel is looking forward to the return of corporate group business which has been the traditional market segment for the hotel and which has been largely absent in 2020 and 2021. This combined with the strong leisure travel business, a solid pipeline of wedding bookings and the return of international tourists should see 2022 as a successful year for the Resort.

London Marriott Hotel Grosvenor Square

The London Marriott Hotel Grosvenor Square is located in Mayfair, one of the most sought after locations in London and is home to Gordon Ramsay’s restaurant, the Lucky Cat.

Hotels in London were generally shut down during first and second quarters of FY2021 due to the Delta variant. The hotel reopened in late May 2021 with business slowly improving as the government relaxed many of the controls that had been put in place. In late 4th quarter of 2021 (“**4Q 2021**”), the Omicron variant started to impact the United Kingdom but unlike previous waves, the hotel was not forced to close, however, market conditions did deteriorate specifically in banqueting and conferencing.

As the UK government solidifies its ‘Living with Covid’ plan, we look forward to the positive impacts on the British economy, supply chain and international tourism.

Nesuto Stadium Apartment Hotel, Auckland New Zealand (“Nesuto Stadium”)

Nesuto Stadium leveraged its increased saleable room inventory of 244 rooms during 2021 by housing larger long staying groups, which has proven to be a source of sustainable income during the COVID-19 pandemic.

The hotel benefited from a strong film crew base in the

first half of the year, supporting the asset’s performance post the refurbishment and throughout the various lockdowns. Following the film crew departure in 3Q 2021, the Nesuto Stadium was awarded a long stay government contract, taking on the entire hotel, which will be in place until end of 2Q 2022 in full or partial capacity. After one of the World’s most stringent and extended lockdowns, it is pleasing that the New Zealand Government has recently announced re-opening of its borders from April 2022.

Bimbadgen Estate, Hunter Valley Australia

With another year challenged by the pandemic and wine export restrictions, Bimbadgen has performed well in its food and beverage and wedding venues.

Despite disruptions, the property still hosted over 80 successful weddings navigating around covid restrictions. With no further restrictions, the weddings team are prepared for a record year in 2022. Enhancements to the estate are underway with the construction of 60 cabins to provide accommodation to wedding guests. This boutique resort is expected to achieve strong occupancies on opening through wedding patronage and by taking advantage of a general shortage of quality tourist accommodation in the Hunter Valley.



PROPERTY DEVELOPMENT

The Group’s property development segment performed well with both the Sydney and South-East Queensland property markets performing above expectations in FY 2021. House and land prices saw growth of 20% - 25% however apartment growth has been relatively subdued at closer to 10%. Auction clearance rates remain steady at approximately 80% indicating a structural under supply in Mulpha’s key markets.

Management Discussion & Analysis

Driven by the unique circumstances of COVID-19, the Gold Coast property market experienced very strong demand being a premier lifestyle destination. Despite the lack of international purchasers and investors, 2021 achieved record prices from largely local buyers recognising the unique Sanctuary Cove lifestyle and facilities.

MALAYSIA

Leisure Farm Resort, Johor Bahru

Established in 1991, Leisure Farm is an award-winning township development covering 1,765 acres of strategically located freehold land. Its close proximity to the Malaysia-Singapore Second Link and connectivity to an extensive network of highways provide easy access to Singapore and Johor Bahru.

Leisure Farm's unique features include a wide range of well-designed estates and residences within gated communities, supported by quality amenities. Leisure Farm is also seen as an attractive lifestyle option for families with children attending the quality educational facilities including Marlborough College, Raffles American School, and Education City within an easy drive from the development.

The Leisure Farm product is targeted at the luxury market purchaser looking to benefit from the maturity of the development, a secure gated community and its convenient access to the second-link highway with connectivity to Singapore.

2021 saw a vast improvement in sales compared to 2020 on the back of renewed demand from domestic purchasers (including Malaysians and expatriates). As the development has surpassed 30 years of age, our time tested management approach allows new buyers to buy and move in with confidence and retain the intrinsic value of their investment in the long term.

AUSTRALIA

Mulpha Norwest, Sydney

Mulpha Norwest is a diverse portfolio of property assets strategically located in the growth north-west corridor of Sydney. The Group's award-winning Norwest Business Park is an integrated commercial and residential estate comprising Watermark and Haven apartments, Bella Vista Waters and Edgewater land subdivisions. Outside of Norwest the Group's other projects include Essentia



Land and Townhouses at Bella Vista, Mulgoa Rise land estate in the foothills of the Blue Mountains and a strategic partnership in Mt Taurus, Menangle.

During the year, very strong demand for land saw the final land lots sold at Mulgoa Rise and we have also recently sold out of Haven apartments at Norwest. Essentia townhomes have also experienced strong sales and steady price growth throughout 2021. New projects being Norwest Quarter Apartments (formerly The Greens), and The Bond Commercial Office Suites have been received well by the market and will underpin revenue for 2022 and 2023.



Management Discussion & Analysis



Sanctuary Cove, Queensland

Situated on the Gold Coast of Queensland, Sanctuary Cove is one of Australia's premier golfing, lifestyle, and marina resort community. It provides a self-contained residential environment with its own shopping and dining precinct, entertainment facilities and 24-hour land and water security.

The Australian property market experienced boom conditions with Mulpha Sanctuary Cove achieving record prices and high volumes of vacant land sales. Despite an almost total absence of international buyers, domestic buyers stepped up with strong sales volumes and price increases recorded in 2021.

Following the expansion of the marina, Mulpha Sanctuary Cove launched Harbour One, a new complex of Marine Village Apartments & Townhouses. Construction is scheduled to commence in 2022. Strong early sales have been generated from local buyers and we anticipate increased interest from Melbourne and Sydney buyers.

The Sanctuary Cove International Boat Show returned in 2021 with a record 60,000 people in attendance. The bullish economic conditions facilitated record sales of luxury cars and boats. Mulpha Sanctuary Cove's reputation for professional management was recognized in late 2021 with the Australian Boating Industry Association appointing Mulpha to operate its other major Boat Shows around Australia, the first of these being the Sydney International Boat Show in July 2022.

PROPERTY INVESTMENT

Our investment portfolio of commercial and retail properties comprises Norwest City and Transport House in Sydney, Sanctuary Cove Marine Village and Marina, Brimbank Shopping Centre, and Enacon, a car wash and parking operator.

The property investment division delivered consistent earnings as each property faced its own unique challenges throughout the year. Sanctuary Cove Village has been impacted the least with most tenants reporting strong growth in revenues similar to pre-COVID levels. Specifically, food and beverage tenancies are benefiting from greater expenditure by local residents.

The expanded marina is trading near full occupancy and has attracted a premium level of vessels with Sanctuary Cove now recognised as a superyacht destination on the Gold Coast.

At Norwest City, tenant turnovers have been more impacted as most office staff in the immediate vicinity have been working from home. While the centre remains at 97% occupancy a number of tenants that have reliant heavily on office workers have experienced material declines in revenue and profits. The Group has supported these tenants in line with Government guidelines. Similar trends have been experienced at Brimbank Shopping Centre in Melbourne.

Enacon parking was also impacted heavily throughout 2021 as the Government recommended working from home for extended periods. This reduced travel to the Sydney CBD and parking requirements.

PRINCIPAL INVESTMENTS

Mulpha is directing its global private equity and venture capital activities through Mulpha Principal Investments. This division leverages Mulpha's unique combination of operational experience, management expertise and investment track-record across a range of asset classes, industries and business lifecycles to those opportunities where it can make a strategic difference, as well as being a source of capital.

Mulpha looks to take a "hands-on", supportive and commercial approach to create sustainable value for all stakeholders. This is achieved through leveraging its internal capabilities, strategic foresight, financial acumen and extensive domestic and international network of potential customers, suppliers and channel partners.

Notable transactions completed in 2021 included Our Innovation Fund II and Signal Group.

Management Discussion & Analysis

Our Innovation Fund II

In March 2021 Mulpha committed AUD5 million to Our Innovation Fund II, the second fund of Our Innovation Fund (OIF). OIF is an Australian based venture capital firm that invests in innovative high growth businesses, led by a team of proven business builders with a long track record of backing leading entrepreneurs.

In addition to being the first corporate partner of OIF, Mulpha has representation on OIF's Investment Committee and co-investment access to opportunities in hospitality, tourism, education, real estate and construction, being those sectors where Mulpha can bring its expertise and network to the portfolio companies.

Signal Group

In November 2021 Mulpha acquired 100% Signal Group one of Australia's leading manufacturers, importers and distributors of premium name badges, identification, branded promotional merchandise, and customised products.

Based on the Gold Coast near Mulpha's Sanctuary Cove, Signal Group has alignment across Mulpha's various operations in the hotel, hospitality, real estate, events and aged care industries. In time there may be opportunity for bolt-on acquisitions to assist with organic growth in this business.

EDUCATION

The Hotel School Sydney, Melbourne, Brisbane & Hayman Island

2021 saw The Hotel School enrolment numbers reach a historical low. This was mainly driven by (i) the continued closure of Australian borders to international students; (ii) the high number of graduates amongst continuing students who were not replaced by new ones; and (iii) loss of existing domestic students due to staff shortages in Australia resulting in students opting for full time work instead of study.

Pleasingly the Government now permits students to enter the country and we have started to see greater levels of new enrolments. It will however take some years for student numbers to rebuild to historic levels. Our newest campus on Hayman Island is experiencing strong growth from domestic students seeking a unique work, live and study experience. Other new initiatives include the launch of the Associate degree of International Hotel and Tourism Management.



FINANCIAL SERVICES

Mulpha Finance Group

Pindari Capital relocated into the Mulpha Australia head office in June 2020 following its prior acquisition in March 2019. The Funds Management acquisition provided the group with a diverse platform of investment opportunities and growth avenues in the Australian market. The business has a specialised team managing Significant Investor Visa (SIV) compliant wholesale funds. The business has expanded its referral network to focus on further growth of this business stream in FY2021.

The business will continue to look to expand its investor client base across both Pindari Capital and Pindari Private Wealth, through the creation of new investment funds and strategic partnerships in FY2022.

Mulpha Finance acts as an underwriter of real estate backed debt providing direct exposure to quality real estate investment and development opportunities in a secured, typically first mortgage debt position. These positions are diversified across a range of opportunities in key capital city market exposures.

SUSTAINABILITY REPORTING

Mulpha's aspiration to deliver long-term value creation is centred on a strong sustainability focus. Sustainability is driven by a triple bottom-line comprising Environment, Social and Governance ("ESG") matters that is supported by a comprehensive ESG framework.

As a responsible corporate citizen, Mulpha's business strategies continue to be both financial and ESG driven with considerations and objectives for both embedded into the Group's business model.

Further details on our approach to sustainability and value creation is given in the Sustainability Statement of this annual report.

Management Discussion & Analysis

SIGNIFICANT EVENTS

Education Perfect

Founded in New Zealand in 2007, Education Perfect is a complete digital toolkit for teaching and learning, designed to elevate the role of teachers and parents, and make learning more personalised and effective for students in primary and secondary schools (K-12).

In 2017, Mulpha took a 40% strategic stake in Education Perfect for NZD16 million through an acquisition of existing shares from its founders, as well as providing growth capital to the business. Mulpha worked closely with Education Perfect's management team and supported Education Perfect's strategy of pursuing market share growth across Australasia and entering international markets.

Over the investment period, Education Perfect expanded beyond its core Australian and New Zealand markets and into 50 countries. By mid 2021, Education Perfect was being used by over 3,000 schools, 50,000 teachers and 1 million students.

Following a competitive sale process with strong international interest, Mulpha divested its interest to Kohlberg Kravis Roberts & Co. L.P. (KKR), with net proceeds of NZD156 million. This transaction was completed on 30 September 2021.

DISCUSSION AND ANALYSIS OF THE FINANCIAL RESULTS AND FINANCIAL CONDITION OF THE GROUP

The Group's financial results and financial condition are delivered in the following tables that present the Group's Profit and Loss Analysis, Financial Position Analysis and Cash Flow Analysis

PROFIT AND LOSS ANALYSIS

	2021	2020	Change	
	RM'000	RM'000	RM'000	%
Revenue	787,217	617,374	169,843	28%
Profit from operations	463,376	12,761	450,615	>100%
Profit/(Loss) before interest and tax	487,243	(9,786)	497,029	>100%
Profit/(Loss) before tax	422,559	(78,878)	501,437	>100%
Profit/(Loss) after tax	433,430	(57,129)	490,559	>100%
Profit/(Loss) attributable to Owners of the Company	432,895	(58,366)	491,261	>100%

Revenue by Business Segment

	2021	2020	% Change
	RM'000	RM'000	
Property	435,482	345,607	26%
Hospitality	305,636	203,860	50%
Investment & other activities	46,099	67,907	(32%)
TOTAL	787,217	617,374	28%

Management Discussion & Analysis

Profit/(Loss) Before Tax by Business Segment

	2021 RM'000	2020 RM'000	% Change
Property	211,237	78,960	>100%
Hospitality	(95,709)	(51,277)	>(87%)
Investment & other activities	347,848	(14,922)	>100%
<i>Results from operating activities</i>	463,376	12,761	>100%
Finance Cost	(64,684)	(69,092)	6%
<i>Profit/(Loss) after interest before tax</i>	398,692	(56,331)	>100%
Share of results of association and joint ventures	23,867	(22,547)	>100%
TOTAL	422,559	(78,878)	>100%

In FY2021, Mulpha's revenue increased by RM169.84 million mainly attributed to the better performance of hospitality and property segment. The Group recorded a significant higher pre-tax profit by RM422.56 million mainly due to the one-off gain on disposal of an associate, Education Perfect, an online education New Zealand company amounting to RM421.05 million.

Property Segment Results

Property segment outperformed in FY2021 with increase in revenue by RM89.88 million and pre-tax profit by RM132.78 million was mainly due to higher settlements from Sanctuary Cove development in Australia backed by robust demands from buyers that outpaced the volume of new listing coming onto the Australian market and Australian historically low interest rates. Leisure Farm development in Malaysia also seen higher settlements reflected by the higher interest from the domestic Malaysian market.

Property investment segment was impacted by COVID-19 restrictions. Retail shopping centres at Marine Village, Norwest City and Brimbank were all impacted by closures and reduced foot traffic. Demand for commercial office space in the Sydney's Central Business District ("CBD"), including Transport House, was limited due to a large part of the workforce continuing to work remotely. This also adversely affected Enacon Parking which operates multiple carparks in Sydney's CBD. Despite the decrease in revenue, the higher pre-tax profit was attributed by the fair value gain of investment properties in Australia.

Hospitality Segment

The hospitality segment was still impacted by COVID-19 disruption with the continued closure of international borders. However, hospitality segment reported higher revenue by 50% mainly derived from InterContinental Hayman Island and InterContinental Sanctuary Cove where the Hotels remained open throughout the year and were backed by strong domestic leisure demand when part of the Australian state borders were reopened in the 1st half of the year. Despite the better performance, higher pre-tax loss of RM44.43 million was due to significant fixed assets written off amounting to RM71.15 million in relation to InterContinental Sydney major refurbishment and the hotel is expected to reopen in early 3Q 2022.

Investment and Other Activities Segment

The investment and other activities segment recorded a pre-tax profit of RM347.85 million compared to a loss of RM14.92 million for 2020. The increase in pre-tax profit was mainly attributed to the one-off gain on disposal of Education Perfect as mentioned above. This is offset by the underperformance of finance and funds management services due to stiff competition in the debt market. Lower international student enrolments in Mulpha Education Group were impacted by the continued closure of international borders.

Management Discussion & Analysis

FINANCIAL POSITION ANALYSIS

	2021	2020
Total Assets	RM'000	RM'000
Property, plant and equipment	1,494,013	1,123,445
Investments in associates	100,663	119,043
Inventories	1,379,219	1,409,476
Investment properties	928,902	1,199,693
Investment securities	643,927	736,984
Cash and cash equivalents	370,927	296,566
Others	525,905	481,362
Total Assets	5,443,556	5,366,569

The Group's assets increased by 1% to RM5.44 billion as at 31 December 2021 mainly attributable to the increase in property, plant and equipment ("PPE"), trade and other receivables, cash and cash equivalents and partially offset by decreases in investment properties, investment in securities and assets classified as held for sale.

The increase of PPE was mainly due to the accounting reclassification of a commercial office building in Sydney namely Transport House from investment property to PPE amounting to RM313.93 million. The reclassification was due to the Group now occupying a significant area of the property for its own administrative use, thereby requiring the re-classifications for financial reporting purposes. In addition, the ongoing refurbishment of InterContinental Sydney further increased the PPE carrying amount. The increase in trade and other receivables was mainly due to new loans amounting to RM113.33 million eventuate in the last quarter of the year. The increase in cash and cash equivalent is as explained below (see Cash Flow Analysis).

The decrease in investment properties is as explained above as well as the sale of asset held for sale, Lexington Drive warehouse that was completed in February 2021. The decrease in investment in securities was mainly due to redemption of Series 1 USD40million 7% Notes during the year and offset by fair value gain in Group's 15.5% effective interest in Hydra RL TopCo Pty. Ltd. which indirectly owns all the stapled securities in AVEO Group.

	2021	2020
Total Liabilities	RM'000	RM'000
Loans and borrowings	1,615,449	1,975,173
Others	358,168	393,612
Total	1,973,617	2,368,785

Management Discussion & Analysis

The Group's total liabilities decreased by 17% to RM1.97 billion as at 31 December 2021, mainly attributable to repayment of loan and borrowings and tax liabilities paid during the year.

	2021 RM'000	2020 RM'000
Total Equity		
Share capital	2,036,698	2,036,698
Treasury shares	(17,586)	-
Reserves	181,378	127,417
Retained earnings	1,243,151	810,908
Total equity attributable to the owners of the Company	3,443,641	2,975,023
Non-controlling interests	26,298	22,761
Total	3,469,939	2,997,784

The Group's total equity increased by 16% to RM3.47 billion as at 31 December 2021 mainly attributable to the profit recognised for the period amounting to RM433.43 million and increase in foreign exchange reserves arising from the translation gain of foreign subsidiaries.

CASH FLOW ANALYSIS

	2021 RM'000	2020 RM'000	% Change
Net cash (used in)/from operating activities	(88,824)	198,274	>(100%)
Net cash from/(used in) investing activities	525,313	(160,153)	>100%
Net cash used in financing activities	(352,173)	(108,120)	>(100%)
Net increase/(decrease) in cash and cash equivalents	84,316	(69,999)	>100%
Effect of exchange rate fluctuations on cash held	(3,378)	11,049	>(100%)
Cash and cash equivalents* at 1 January	259,360	318,310	(19%)
Cash and cash equivalents* at 31 December	340,298	259,360	31%

*represents cash and deposits with licensed banks net of overdraft and cash and deposits pledged.

The Group's cash position remained strong at RM340.30 million with an increase of 31% in FY2021 despite the continued impact of COVID-19 pandemic and the surge of in Omicron variant cases. FY2021 had higher utilisation of funds for operating activities for the settlement of withholding tax and working capital purposes. Net cash generated from investing activities was significantly higher mainly due to proceeds received from the disposal of an associate, Education Perfect as well as partial redemption of TopCo Class B1 Loan notes, offset by the refurbishment of hotel assets namely InterContinental Sydney. Higher cash utilisation for financing activities was mainly on the repayment of revolving credit facilities and bonds with the surplus funds generated from investing activities. The Group's improved liquidity had the gearing ratio decreased from 39% to 29% in 2021.

Management Discussion & Analysis

ANTICIPATED OR KNOWN RISKS

The Group remains vigilant of its risk factors, which comprise business, corporate, financial and industry risks. The Group maintains a Risk Register, which is updated on a regular basis and adopts a triple defence mechanism towards managing and mitigating its risks.

The Board of Directors has oversight on risks through its Audit and Risk Management Committee and appropriate measures have been put in place towards identifying and addressing risks at all levels of the Group, including at divisional level as well as operational levels.

Following are the Group's primary risk factors and mitigation measures. Further information on risk management including the Group's risk framework, systems and processes are detailed in the Statement of Risk Management and Internal Control of this annual report.

GENERAL RISKS:

RISK FACTOR (S)	MITIGATION MEASURES
<p>Internal and External Factors</p> <p>Internal factors include operational risks, while external factors include political, economic, social, environmental, legal, demographics, intercultural, and ethical aspects. Geopolitical risks including terrorism threats, changes in immigration policies such as induced by Brexit and others.</p> <p>These risks translate into local and global economic conditions that affect inflation, foreign currency exchange rates, tightening of borrowings rules of financial institutions, reduced consumer buying power, unavailability and increasing prices of resources and materials, including utilities.</p>	<p>The Group continues to operate based on its dynamic business plans, which takes into account the respective market conditions and sentiments in both Australia, Malaysia, United Kingdom, and New Zealand.</p> <p>Business and operational strategies are developed specifically to the unique local conditions of each geographical location such as buying power, market demand, demographics, currency fluctuations and other variables.</p> <p>Internally, the Group continues to undertake detailed SWOT analysis to continuously bolster its competencies and capabilities as well as develop appropriate measures to address emerging threats.</p> <p>Scenario planning is also undertaken regularly to ensure the Group is well prepared to deal with various types of risks.</p>
<p>Environmental Factors</p> <p>Climate change and other environment-related risks can cause or contribute to extreme weather conditions such as typhoons, cyclones, flooding, and El Nino and La Nina effects.</p> <p>These can lead to delays and late delivery, or even damage and destruction to properties, incurring additional resources and costs for mitigating measures.</p> <p>Extreme weather conditions that could affect shoreline resorts as well as those in sensitive weather zones.</p>	<p>The Group's property development team always considers environmental developments that may potentially disrupt business operations.</p> <p>Group assets are also covered by comprehensive insurance protection.</p> <p>As a responsible corporate citizen, the Group continues to operate in an environmentally sustainable manner to reduce its contribution to climate change, global warming and other issues.</p> <p>Details of our sustainability related measures are given in the Sustainability Statement of this annual report.</p>

Management Discussion & Analysis

PROPERTY SEGMENT

RISK FACTOR (S)	MITIGATION MEASURES
<p>Geographical Market Risks: Johor, Malaysia</p>	<p>Mulpha has adopted various strategic measures to continue driving interests and sales during the softening of the Johor property market.</p> <p>This includes target demographic diversification, attractive ownership packages as well as community building withing Leisure Farm Resort to stimulate buyer interest.</p> <p>We continue to emphasise the strong selling points and overall value proposition of the product such as its strategic location, the ample greenery afforded to buyers and its close proximity to Singapore.</p>
<p>Geographical Market Risks: Australia</p>	<p>We are cognisant of operating conditions and changes in the Australian regulatory environment. These are supported by the Audit and Risk Management Committee.</p> <p>Our Australia projects are strategically located and cater to a wide range of buyer segments. We are not dependent on any particular buyer segment, with multiple revenue streams generated from a wide range of projects at various stages of maturity. We offer a wide range of products at different price levels.</p> <p>Some of our projects are targeted at affluent, foreign buyers who generally have a high buying propensity, irrespective of local market conditions.</p> <p>We also draw confidence from the inherent strength of our projects such as Norwest, which benefits from having two metro stations, is well located and is highly regarded as the new up and coming location for urban development in Sydney.</p>

Management Discussion & Analysis

HOSPITALITY SEGMENT

RISK FACTOR (S)	MITIGATION MEASURES
Seasonal occupancy due to local and international tourism demands;	<p>We continue to actively market our hotels, to customers both locally and abroad and offer a wide range of promotions and incentive packages during off-demand periods. In particular, the business segment is tapped to hold events during such times.</p> <p>We also continue to explore non-traditional markets who would be inclined to travel abroad during off-peak periods.</p> <p>Efforts are also being made to synergise our hospitality portfolio with our other assets in the group such as the addition of the Vera Wang licence, Bimbadgen vineyard wines and venue to make complete offerings to the wedding market segment.</p> <p>Technology is becoming more prominent in our business model towards generating more direct bookings (that offer higher earnings margins compared to third party sites) as well as the use of social media to directly reach out to potential customers.</p>
Operational risks affecting quality, health safety and security;	<p>Regular audits and joint inspections with local authorities are conducted at all premises towards ensuring the health, safety and security (“HSS”) of all stakeholders.</p> <p>We abide by all state and federal laws in the countries, which we operate. This includes organising fire and evacuation drills, where needed, ensuring all assets are equipped with safety equipment and relevant personnel have been given training. SOPs have been drawn up for various HSS situations.</p> <p>We continue to work closely with all authorities to ensure regulatory compliance.</p>
Value chain risks such as sustainable procurement for products, packaging and supplies such as toiletries, food & beverage, and also energy, water and waste management.	<p>The Group’s hospitality operations continues to develop a sustainable supply chain ensuring that all vendors meet environmental and social standards as required by law and the Group’s own procurement policies. The Group continues to work with suppliers, vendors and business partners towards continuously reducing its environmental footprint.</p> <p>For example, Norwest Quarter (formerly known as the Greens) has been designed with carbon-zero initiatives across all parts of the value chain. Further details are captured in the Sustainability Statement.</p>
Staff / service related risks such as poor customer service rendered, which can impact sales and business performance.	<p>Training and development as well as acculturation of values and service standards are a regular part of the overall approach to staff training and development.</p> <p>Frontline staff in particular are constantly provided training, not just at their induction, but also throughout their career with the Group’s hospitality assets. Our hospitality assets are integrated with our Hotel School education portfolio which provides natural synergies and opportunities such as the newly opened Hotel Schol Hayman Island. Remuneration and rewards for staff are tied to performance, towards motivating staff to continue delivering exemplary customer experience at all times.</p>

Management Discussion & Analysis

Property Investment & Others

RISK FACTOR (S)	MITIGATION MEASURES
<p>Uneven lease expiries, late or defaulted lease payments, renewal of leases at less favourable terms, non-renewal of leases, early termination of leases and the inability to secure new tenants.</p>	<p>The Group performs independent assessment of all feasibilities and return calculations on every project undertaken to reduce the investment risks. In this regard, continuous monitoring, review and analysis of current investments is an on-going process. Stakeholder concerns such as our tenants are also factored in when assessing viability of potential investments and in continuing or divesting out of existing investments.</p> <p>Fund allocations for our investments are provided for possible injection into undertaking of mitigating measures to safeguard our investments.</p>

Financing and Foreign Exchange Risk

RISK FACTOR (S)	MITIGATION MEASURES
<p>Mulpha's operations and investments, being located globally, uses Malaysian Ringgit and foreign currencies, especially Australian Dollars, New Zealand Dollars, US Dollars, and British Pounds, for transactions and interest-bearing borrowings.</p> <p>The dynamic global economic conditions, influenced by geopolitics, significant events, changes in public policy, and other uncertainties can be aspects that lead to high risk in terms of fluctuations in interest rates as well as in foreign exchange rates, particularly when transacted back to Malaysian Ringgit. Such fluctuations could impact the earnings of the Group, which are stated in Ringgit Malaysia.</p>	<p>In view of such risks the Group constantly monitors all its borrowings, looking for possible refinancing opportunities in order to reduce the costs associated with such borrowings.</p> <p>There is also active treasury monitoring of foreign currency exchange rates and any local or global conditions that are likely to impact the interest and exchange rates of borrowings.</p>

Management Discussion & Analysis

GROUP OUTLOOK AND PROSPECTS

Despite another economic year embattled by COVID-19, the Group has actively restructured and expanded our operations in 2021 to ensure we are well placed to deliver further growth in 2022 and beyond.

At a strategic level, the Group has completed two significant divestments including the AVEO transaction in September 2019 for approximately AUD125 million and Education Perfect in September 2021 for a cash consideration of NZD156 million. These transactions have enabled the Group to materially reduce debt and strengthen our balance sheet in a time of unprecedented uncertainty.

The Australian Government's re-opening of international borders effective 21 February 2022 is the first strong sign of an endemic trading environment and the progressive recovery of international travel where travellers learn how to manage their own risks. This is welcomed as the InterContinental Sydney is set to complete its full refurbishment by early 3Q 2022. As 2022 progresses, we are optimistic that the London Marriott Grosvenor Square and Nesuto Auckland will also return to pre-pandemic levels of trading.

Despite buoyant demand for real estate in 2021, the development and construction industry is now facing significant challenges in relation to cost increases driven by lack of materials and labour together with increases in transport, supply chain logistics and shipping expenses. These influences have seen the recent failure of a number of major builders in the Australian market. We anticipate that construction cost increases will continue

to impact the market for some time to come and are likely to combine with a cooling of real estate demand should interest rates rise as predicted by market analysts.

Leisure Farm Resort project in Iskandar Malaysia continues to experience lower sales volumes and increased competition. That being said, Leisure Farm has performed relatively well in the larger built product segment as cost of construction increases make existing product more attractive. The Group anticipates that tough market conditions will continue for some years as a result of significant over-supply in the Johor region.

The completion of the Education Perfect Sale has further enabled the Group to strengthen our balance sheet and be in a position to pursue growth opportunities as they arise. The strong real estate market over the past two years has resulted in significant competition for new assets. We anticipate that market conditions are likely to soften in the coming year which typically provides greater opportunity for strategic acquisitions.

As a Group, we have continued to strengthen our management team over 2021 and are now well placed to take advantage of market opportunities in key sectors where we have specialised expertise.

GREGORY DAVID SHAW

Chief Executive Officer

7 April 2022





RESIDENSI BAYOU, LEISURE FARM

The latest addition to Leisure Farm's series of Waterfront Lifestyle Homes. Residensi Bayou is a three-storey residence that takes eco-living concepts to a higher plateau with state-of-the-art quality and design. Contemporary waterfronts Semi-D, Super Links as well as Garden Link homes located in 8.7 acres of serene natural living.



**Our Commitment to
Good Governance**

Corporate Governance

Overview Statement

The Board of Directors (“**the Board**”) of Mulpha (or “**the Company**”) is pleased to provide an overview of the Company’s corporate governance practices during the financial year ended 31 December 2021 with reference to the 3 key Principles as set out in the updated Malaysian Code on Corporate Governance 2021 (“**MCCG 2021**”) namely (a) Board leadership and effectiveness; (b) Effective audit and risk management; and (c) Integrity in corporate reporting and meaningful relationship with stakeholders. The Company’s application of each Practice set out in MCCG 2021 during the financial year 2021 is disclosed in the Company’s Corporate Governance Report (“**CG Report**”) which is available on the Company’s website at www.mulpha.com.my as well as via the Company’s announcement made to Bursa Malaysia Securities Berhad (“**Bursa Securities**”).

The Board remains committed to high standards of corporate governance driven by the ultimate objective of protecting and enhancing shareholder value and the financial performance of the Company and its subsidiaries (“**the Group**”).

The Board recognises that maintaining good corporate governance is critical to business integrity and performance, and key to delivering shareholder value. The Board continuously evaluates and adapts existing corporate governance practices in line with other known best practices and developments in the corporate sector.

PRINCIPLE A: BOARD LEADERSHIP AND EFFECTIVENESS

I. BOARD RESPONSIBILITIES

The Board has general oversight of management of the Group. The Board provides direction to Management on the Group’s strategy and overall policies for long-term value creation for all stakeholders including shareholders and employees. It endeavours to do this by taking into account the interests of all stakeholders in its decisions.

The Board is not directly involved in the day-to-day management of the Group but implements and monitors adequate guidelines and policies to ensure that Management acts in the best interest of the Group and its stakeholders, and observes and conforms to proper ethical, regulatory and legal requirements. In doing so, the Board has set limits of authority and boundaries for the actions that may be taken by Management and matters that it considers sufficiently material for its deliberation and approval.

In the interest of business efficacy, the Board may delegate authority to achieve the corporate objectives of the Group to the Executive Chairman, Executive Director and Chief Executive Officer (“**CEO**”). The Executive Chairman, Executive Director and CEO remain accountable to the Board for all actions taken by them pursuant to any such authority as well as for their performance in accordance with their contracts of service. Notwithstanding, the Board reserves the authority to consider and make decisions on any matter that it deems of significance to stakeholders and the Group. Furthermore, the Board may establish Key Performance Indicators (KPIs) for Management to ensure that they meet performance and delivery targets for the Group and will provide incentives for performance, and link remuneration and benefits to performance.

The role of the Independent Directors is to take into account the interest of all shareholders and adopt an independent and objective stand on all matters before the Board. Independent Directors must vocalise their views on all matters and act in the best interest of the Group as a whole.

The Board has established an Audit and Risk Management Committee (“**ARMC**”), a Nomination Committee and a Remuneration Committee to assist the Board with specific matters within their respective terms of reference. The terms of reference of these Board Committees have been approved by the Board but are continuously evaluated to ensure that they are adequate and relevant. Although specific powers are delegated to the Board Committees, the Board keeps itself abreast through the reports from the respective Chairmen of the Board Committees and the minutes of the Board Committee meetings. The ultimate responsibility for decision-making, however, lies with the Board.

Corporate Governance Overview Statement

Separation of Positions of the Chairman and CEO

There is a clear division of responsibilities between the Executive Chairman and the CEO to ensure that there is a balance of power and authority such that neither individual has unfettered power over decision-making.

The Executive Chairman is primarily responsible for the vision and strategic direction of the Group as well as leadership of the Board. The Executive Chairman moderates and guides all meetings, and encourages active participation and contribution from all members of the Board. He engages directly with the CEO to monitor performance and oversees the implementation of strategies.

The CEO is responsible for the day-to-day management of the Group's operations and businesses as well as implementation of the Board's policies and decisions.

The Executive Chairman is not a member of any Board Committee in compliance with Practice 1.4 of the MCGG 2021.

Company Secretaries

The Board is supported by suitably qualified Company Secretaries who manage and direct the flow of information to the Board and its Committees. They are responsible for developing and maintaining the processes that enable the Board to fulfil its roles, ensuring compliance with the Company's Constitution and the relevant guidelines, regulatory and statutory requirements, and advising the Board on all governance matters.

The Board is regularly updated and advised by the Company Secretaries on new statutory and regulatory requirements, and the implications on the Group and the Directors in relation to their duties and responsibilities. The Company Secretaries also oversee the adherence to Board policies and procedures.

Board Meetings and Access to Information and Advice

Each Director has full and unrestricted access to all information pertaining to the Group's business affairs, whether as a full Board or in their individual capacity, to enable them to discharge their duties.

The Board meets quarterly to review financial, operational and business performances, with additional meetings convened when necessary. The Board endeavours to deliberate on all important and material matters at physical/virtual meetings, however where urgent and unforeseen matters require a decision of the Board and a physical meeting is not possible, the available Directors endeavour to arrive at a consensus by conferring via telephone or other electronic means. The Board may make routine or administrative decisions via circular resolutions. In all cases, the Board decides after receiving the information it requires for an informed decision.

All Directors are provided with an agenda and a set of agenda papers at least 5 business days prior to the Board and Committee meetings to enable the Directors to review and consider the items to be deliberated at the meetings. The Directors may seek advice from Management, or request further explanation, information or updates, where necessary. Additionally, the Board may receive further updates, reports and information to ensure that it is apprised of the latest key business, financial and operational matters.

During the financial year 2021, in addition to routine matters, the Board reviewed and deliberated on the following areas:

- Impact of the COVID-19 pandemic on the Group's business, in particular during the Movement Control Orders and international borders closure, and the actions taken by Management to mitigate such impact.
- Measures taken to optimise costs under the cost rationalisation exercise.
- Enhancement of the COVID-19 standard operating procedures for the office premises and operation sites.
- Enhancement of the digital platform to engage with prospective customers and to expedite sales conversion amid the COVID-19 pandemic.
- Gap analysis on the updated MCGG 2021 issued by the Securities Commission Malaysia.

Corporate Governance

Overview Statement

Board Charter

The Board is guided by the Board Charter which sets out amongst others, the roles and responsibilities of the Board, Board Committees, individual Directors and Management in upholding good corporate governance standards and practices. The Board Charter also covers the composition of the Board; division of responsibilities between the Chairman and Executive Director/CEO; procedures for convening Board meetings; Directors' remuneration and training; financial reporting; investor relations; and shareholder communication. The Board Charter is accessible in Mulpha's website at www.mulpha.com.my.

Corporate Code of Conduct

The Board has a formalised Corporate Code of Conduct ("**the Code**") which reflects Mulpha's vision and core values of integrity, respect, trust and openness. The Code provides clear direction on the conduct of business, workplace behaviour, relations with stakeholders and the wider community. It also includes guidance on disclosure of conflict of interests; maintaining confidentiality and disclosure of information; compliance with relevant laws and regulations; and the duty to report where there is a breach of the Code, amongst others. The Code is made available on Mulpha's website at www.mulpha.com.my.

Conflict of Interest Policy

The Board also has a formalised Conflict of Interest Policy which sets out the process and procedures for employees to disclose any conflict of interest situation, and contains a Conflict of Interest Declaration Form to be used for the declaration of conflict of interest by employees in the event the employee is given a responsibility or assignment which may lead to a real or potential conflict of interest.

The Conflict of Interest Policy was revised in year 2020 to cover broader conflicts involving employees as well as transactions entered into by the entities under the Group. The disclosure procedure and process have also been clearly defined to provide guidance to employees in making a disclosure of any actual or potential conflict of interest. The revised Conflict of Interest Policy was approved by the Board on 28 August 2020.

Whistleblowing Policy

Mulpha has in place a Whistleblowing Policy to provide an avenue and mechanism to all employees and stakeholders of the Group to report concerns in strict confidence, about any suspected wrongdoing, inappropriate behaviour or misconduct relating to fraud, corrupt practices and/or other forms of inappropriate or unethical behaviour. Reports can be made anonymously without fear of retaliation or repercussions and will be treated confidentially. There is a process in place to independently investigate all reports received to ensure the appropriate follow-up actions are taken.

The Whistleblowing Policy was revised in year 2020 to streamline certain definitions to be consistent with the Conflict of Interest Policy. The whistleblowing reporting, communication channels and investigation process have also been clearly defined. The revised Whistleblowing Policy which was approved by the Board on 28 August 2020, is published on Mulpha's website at www.mulpha.com.my.

Anti-Bribery and Corruption Policies

In compliance with the new Section 17A of the Malaysian Anti-Corruption Commission (Amendment) Act 2018 and guided by the principles under the Guidelines for Adequate Procedures and Paragraph 15.29 of the Main Market Listing Requirements of Bursa Securities in relation to anti-bribery, the Board has on 28 August 2020, approved the new Anti-Bribery and Corruption Policy, and the Gift and Entertainment Policy.

The Anti-Bribery and Corruption Policy and the Gift and Entertainment Policy set out the procedures and measures implemented by Mulpha to prevent the occurrence of corruption in connection with its business and to ensure compliance with anti-corruption laws in the countries in which the Group operates. These policies serve as control measures to address and manage the risks of fraud, bribery, corruption, misconduct and unethical practices for the benefit of long-term success of the Company.

The Anti-Bribery and Corruption Policy is published on Mulpha's website at www.mulpha.com.my.

Corporate Governance Overview Statement

Sustainability

The Board together with Management are responsible for the governance of sustainability in the Company, including setting the Company's sustainability strategies, priorities and targets. The Management team, led by the CEO is continuously enhancing the sustainability management framework and processes to ensure effective implementation and execution of the environmental, social and governance (ESG) initiatives.

Whilst the pandemic has, and will continue to impact the Group's businesses, Mulpha's commitment to sustainability remains strong. To ensure the long-term expectations of stakeholders are met, Mulpha continues to monitor its sustainability priorities, including taking the necessary actions to minimise the environmental impact.

II. BOARD COMPOSITION

The Board currently has 5 members, comprising the Executive Chairman, Executive Director and 3 Independent Non-Executive Directors. A majority of the Board members consists of Independent Non-Executive Directors, who account for more than half of the members and this allows for more effective oversight of management.

The Board has an appropriate mix of relevant skills, knowledge and experience in the areas of business, accounting, finance, law, real estate investment and property development, of which are skill sets relevant to the Group. A brief profile of each Director is set out under the Profile of Board of Directors section of this Annual Report.

The Board is satisfied that the current composition of Directors provides the appropriate size and balance of expertise, skills and core competencies among the Directors, which are necessary to lead the Group effectively. The Independent Directors provide independent judgement, objectivity, and check and balance on the Board.

Nomination Committee

The Nomination Committee comprises all Independent Non-Executive Directors. In conformity with MCCG 2021, the Nomination Committee is chaired by an Independent Non-Executive Director, Mr Loong Caesar.

The Nomination Committee has written terms of reference dealing with its authority, duties and responsibilities, which is accessible in Mulpha's website at www.mulpha.com.my.

The activities of the Nomination Committee during the financial year are summarised as follows:-

- (a) Reviewed the evaluation results of the Board and Board Committees, and independence assessment of the Independent Directors.
- (b) Reviewed the results of the Director's Self & Peer Evaluation and mix of skills, competencies and experience of Directors.
- (c) Reviewed the term of office, competency and performance of the ARMC and its members.
- (d) Reviewed the evaluation results of the performance and contribution of the CEO.
- (e) Reviewed and recommended the re-election of Directors and the retention of 2 Independent Directors who have served on the Board for a cumulative term of 9 years and above.
- (f) Reviewed the training programmes attended by the Directors and assessed the training needs of Directors.

The Nomination Committee reports its proceedings and recommendations to the Board for its consideration and approval.

Corporate Governance

Overview Statement

Appointment of New Directors to the Board

The Nomination Committee is responsible to ensure that the procedures for appointing new Directors are transparent and rigorous, and that appointments are based on merit. In evaluating the suitability of individuals for Board membership, the Nomination Committee ensures that the Board comprises individuals with the necessary background, skills, knowledge, experience and personal characteristics to complement the existing Board and meet its future needs.

A proposed candidate is first considered by the Nomination Committee which takes into account, among others, the skills and experience of the candidate, before making a recommendation to the Board for approval. A formal procedure and process has been established for the nomination and appointment of new Directors. The process includes conducting an interview or engagement session with the shortlisted candidate, if necessary.

Diversity of gender, ethnicity and age within the Board is also important, and this includes appropriate mix of skills, experience and competencies which are relevant to enhance the Board's composition. The Board recognises that the evolution of this mix is a long-term process that is deliberated each time a vacancy arises to ensure a balanced and diverse Board composition is maintained.

The Board does not have a specific policy on gender diversity but the Nomination Committee is mindful of its responsibilities to conduct all Board appointment processes in a manner that promotes gender diversity pursuant to the recommendation stated in MCCG 2021. The Nomination Committee will endeavour to consider both suitable male and women candidates, and candidates of all ethnicities in the recruitment exercise, when the need arises.

Tenure of Independent Directors and Annual Assessment of Independence

The Board acknowledges the importance of Independent Directors who are tasked with ensuring that there is a proper check and balance on the Board as they are able to provide unbiased and independent views in Board deliberations and decision-making of the Board, taking into account the interests of the Group and the minority shareholders.

In its annual assessment, the Nomination Committee reviewed the independence of Independent Directors. Based on the assessment, the Board is of the opinion that the Independent Directors consistently provided independent and objective judgement in all Board and Board Committee deliberations, and is satisfied with the level of independence demonstrated by the Independent Directors and their ability to act in the best interest of the Company.

Re-election of Directors

The Company's Constitution provides that one-third of the Directors for the time being, or if their number is not 3 or a multiple of 3, then the number nearest to one-third, shall retire from office at each Annual General Meeting ("AGM"). Each Director shall retire once at least in each 3 years but shall be eligible for re-election. The Directors to retire in each year are those who have been longest in office since their last election or appointment. As for Directors who are appointed by the Board, they are subject to re-election at the next AGM following their appointment.

The performance of those Directors who are subject to re-election at the AGM will be subject to assessment conducted by the Nomination Committee, whereupon the Committee's recommendations are made to the Board on the proposed re-election of the Directors concerned for shareholders' approval at the AGM. The re-election of each Director is voted as a separate resolution during the AGM.

Corporate Governance Overview Statement

Annual Evaluation of Directors

The Board annually evaluates its performance and governance processes with the aim of improving individual Director's contributions, and effectiveness of the Board and its Committees.

During the financial year, a Board evaluation exercise was carried out to assess the performance and effectiveness of the Board, Board Committees and the contribution of each Director based on a set of pre-determined criteria.

The Nomination Committee reviewed the overall results of the evaluations conducted and subsequently tabled the same to the Board and highlighted those areas which required further and continuous improvement.

Time Commitment

During the financial year, the level of time commitment given by the Directors was satisfactory, which was evidenced by the attendance record of the Directors at the Board and Board Committees' meetings held.

To facilitate the Directors' time planning, a schedule of meetings comprising the dates of Board and Board Committees' meetings and AGM, would be prepared and circulated to them at the end of every year.

A total of 7 Board meetings were held during the financial year ended 31 December 2021 and the record of attendance of the Directors is as follows:-

Name of Directors	Number of Meetings Attended	Percentage of Attendance (%)
Lee Seng Huang	7/7	100
Lee Eng Leong	7/7	100
Chew Hoy Ping	7/7	100
Loong Caesar	7/7	100
Geoffrey Earl Grady	7/7	100

All the Directors have complied with the minimum requirement of at least 50% on attendance of Board meetings during the financial year as stipulated in the Main Market Listing Requirements of Bursa Securities.

In compliance with Paragraph 15.06 of the Main Market Listing Requirements of Bursa Securities, the Directors of the Company hold not more than 5 directorships in public listed companies. This enables them to discharge their duties effectively by ensuring that their commitment, resources and time are focused on the affairs of the Group.

Directors' Training, Development and Induction

The Board acknowledges that continuous education is vital to gain insight into the state of economy, technological advances, regulatory updates and management strategies to enhance the skills and knowledge in discharging its responsibilities.

All the Directors, apart from attending the Mandatory Accreditation Programme as required by Bursa Securities, have also attended other training programmes organised by the relevant regulatory authorities or professional bodies to broaden their knowledge and to keep abreast with the relevant changes in laws, regulations and the business environment. The Directors are mindful that they should continue to update their skills and knowledge to sustain their active participation in Board deliberations and maximise their effectiveness during their tenure.

The Directors have ongoing access to continuing education programmes as they are kept informed of relevant training programmes by the Company Secretary. The records of all training programmes attended by the Directors are maintained by the Company Secretary.

Corporate Governance

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Annually, the Board (through the Nomination Committee) reviewed the training programmes attended by the Directors and assessed the training needs of its members to assist them in the discharge of their duties as Directors. Details of the training programmes/conferences/workshops/seminars/webinars attended by the Directors during the financial year ended 31 December 2021 are as follows:-

Name of Directors	Training Programmes Attended	Organiser	Date
Lee Seng Huang	Regulatory Enforcement Trends for Listed Company Directors	Davis Polk & Wardwell, Hong Kong	26 May 2021
Lee Eng Leong	1) Audit Committee Conference 2021	Malaysian Institute of Accountants	15 & 16 March 2021
	2) Corporate Directors' Summit 2021: Governance 4.0 Transforming Business, Transforming Board	Malaysian Alliance of Corporate Directors	17 August 2021
	3) Business Foresight Forum 2021: Transformative Innovation Reshaping Business Realities in Extraordinary Times	Securities Industry Development Corporation	22 & 23 September 2021
	4) Related Party Transactions – Why Do They Matter?	Malaysian Institute of Corporate Governance	13 & 14 October 2021
	5) KPMG Asia Pacific Board Leadership & Assurance Summit 2021	KPMG	16-18 November 2021
	6) Audit Oversight Board – Conversation with Audit Committees	Securities Commission	6 December 2021
Chew Hoy Ping	1) Malaysian Code of Corporate Governance: A Caring Blueprint for a Better Corporate Malaysia	Malaysian Institute of Accountants	6 & 7 January 2021
	2) New Era for Transfer Pricing – Top 10 Questions Answered	Malaysian Institute of Accountants	4 February 2021
	3) Audit Committee Conference 2021	Malaysian Institute of Accountants	15 & 16 March 2021
	4) Environmental, Social and Governance: What Matters to You	Tricor	26 March 2021
	5) Risk Management Conference 2021	Malaysian Institute of Accountants	21 & 22 April 2021
	6) Board & Audit Committee Priorities 2021	KPMG	7 May 2021
	7) Doubling Down on Corporate Governance Watch 2020 & MCCG 2021 Update	KPMG	4 June 2021
	8) Corporate Fraud – Looking Beyond the Boardroom	Rosli Dahlan Saravana Partnership	11 June 2021

Corporate Governance Overview Statement

Name of Directors	Training Programmes Attended	Organiser	Date
Chew Hoy Ping (cont'd)	9) Corporate Board Leadership Symposium 2021: Enhancing Governance & Ethics Towards Future Sustainability	Malaysian Institute of Accountants & Malaysian Alliance of Corporate Directors	22 & 23 June 2021
	10) APAC Launch – Primer on Climate Change: Directors Duties & Disclosure Obligations	Climate Governance Malaysia	30 June 2021
	11) The Net Zero Journey: What Board Members Need to Know – Part 1: Policy, Science-Based Targets & Circular Economy Thinking as Enablers	Climate Governance Malaysia	13 July 2021
	12) The New Reality of Cyber Hygiene	KPMG	21 July 2021
	13) The Net Zero Journey: What Board Members Need to Know – Part 2: Decision Making in Strategy & Operations	Climate Governance Malaysia	9 September 2021
	14) Related Party Transactions – Why Do They Matter?	Malaysian Institute of Corporate Governance	13 & 14 October 2021
	15) Conduct of Directors & Common Breaches of Listing Requirements	Malaysian Institute of Accountants	26 October 2021
	16) PwC Malaysia's Budget 2022	PricewaterhouseCoopers	15 November 2021
	17) Audit Oversight Board – Conversation with Audit Committees	Securities Commission	6 December 2021
Loong Caesar	Corporate Directors' Summit 2021: Governance 4.0 Transforming Business, Transforming Board	Malaysian Alliance of Corporate Directors	17 August 2021
Geoffrey Earl Grady	1) The New Reality of Cyber Hygiene	KPMG	21 July 2021
	2) 2021 MFRS Updates	KPMG	24 November 2021

III. REMUNERATION

Remuneration Policies and Procedures

The objective of Mulpha's remuneration policies is to attract and retain Directors and key senior management of high calibre needed to run the Company successfully. The remuneration of the Executive Directors is structured on the basis of linking rewards to corporate and individual performance. For Non-Executive Directors, the level of remuneration reflects their experience, expertise and level of responsibilities undertaken by the Non-Executive Directors concerned.

Market survey data on the remuneration practices of comparable companies is taken into consideration in determining the remuneration packages for the Directors and key senior management.

Corporate Governance

Overview Statement

Remuneration Committee

The role of the Remuneration Committee is to assist the Board in overseeing the remuneration policies of the Group. The Remuneration Committee consists of all Independent Non-Executive Directors.

The Remuneration Committee has written terms of reference which deals with its authority, duties and responsibilities, and are available on Mulpha's website at www.mulpha.com.my. The Remuneration Committee is authorised to commission independent advice for the purpose of discharging its duties and responsibilities.

During the financial year, the Remuneration Committee evaluated the Executive Chairman and Executive Director against the set performance criteria, and reviewed and recommended their compensation packages for the Board's approval, with the Directors concerned abstaining from deliberation and voting on the same. The Remuneration Committee also reviewed the compensation package and performance incentives of the key senior management and recommended the same for the Board's approval.

The Board collectively determined the remuneration for the Non-Executive Directors based on the recommendation from the Remuneration Committee. Each of the Non-Executive Directors abstained from deliberating and voting in respect to his individual remuneration. Directors' fees and benefits payable to the Non-Executive Directors are subject to the approval of shareholders at the AGM.

Details of Directors' Remuneration

Details of remunerations of the Directors of Mulpha (received/receivable from the Company and on a group basis respectively) for the financial year ended 31 December 2021 are as follows:-

Name of Directors	Directors' Fees RM'000	Salaries RM'000	Bonuses RM'000	Defined Contribution Plan RM'000	Fixed Allowances RM'000	Meeting Attendance Allowances RM'000	Estimated Monetary Value of Benefits -in-kind RM'000	Total RM'000
Executive Director								
Lee Seng Huang	-	688	14,842	1,864	-	-	6	17,400
Non-Executive Directors								
Chew Hoy Ping	100	-	-	-	50	45	-	195
Loong Caesar	90	-	-	-	15	45	-	150
Geoffrey Earl Grady	90	-	-	-	15	45	-	150
Received from the Company	280	688	14,842	1,864	80	135	6	17,895
Executive Directors								
Lee Seng Huang	-	943	152	9	-	-	-	1,104
Lee Eng Leong	-	726	-	88	-	-	4	818
Received from a subsidiary	-	1,669	152	97	-	-	4	1,922
Total Group	280	2,357	14,994	1,961	80	135	10	19,817

Corporate Governance Overview Statement

PRINCIPLE B: EFFECTIVE AUDIT AND RISK MANAGEMENT

I. ARMC

The Board is assisted by the ARMC in governing its oversight of the Group's financial reporting, the quality and integrity of its financial reporting as well as its overall risk management. The quarterly results and audited financial statements are reviewed by the ARMC and the external auditors (for audited financial statements) and approved by the Board before being released to Bursa Securities.

The ARMC comprises 3 members, all of whom are Independent Non-Executive Directors. The ARMC is chaired by Mr Chew Hoy Ping, the Senior Independent Non-Executive Director, who is not the Chairman of the Board. All members of the ARMC are financially literate and well-equipped with relevant knowledge and experience to effectively discharge their duties and responsibilities as members of the ARMC. They also have sufficient understanding of the Company's businesses.

In 2021, the ARMC members had attended training programmes to keep themselves abreast of the latest developments in accounting/auditing standards, regulatory requirements and corporate governance.

The ARMC Report as set out in this Annual Report, provides the details of the ARMC's activities which among others, include the annual assessment on the suitability, objectivity and independence of the external auditors.

II. RISK MANAGEMENT AND INTERNAL CONTROL FRAMEWORK

Sound Framework to Manage Risks

The Board has the ultimate responsibility of approving the risk management framework and policy as well as overseeing the Group's risk management and internal control framework.

Mulpha has in place an ongoing process for identifying, evaluating and managing significant risks that may affect the achievement of the business objectives of the Group. The Board through oversight of the Risk Management Committee (a Management-level Committee) and reports received from this Committee, makes high level assessments of the key risks inherent in the Group and proposes or endorses mitigating measures for any identified risks, including business disruption risks and investment risks.

The Statement on Risk Management and Internal Control as set out in this Annual Report, provides an overview of the state of internal controls and risk management within the Group.

Internal Audit and Risk Management Functions

The Board has the ultimate responsibility for the Group's system of internal controls which includes the establishment of an appropriate control environment and framework, and the review of its effectiveness, adequacy and integrity. A sound system of internal controls is designed to manage rather than eliminate the risk of failure to achieve business objectives and can only provide reasonable rather than absolute assurance against material misstatement, loss or fraud.

The Board has established procedures to review the key financial, operational and compliance controls. These procedures, which are subject to regular review, provide an ongoing process for identifying, evaluating and managing the significant risks faced by the Group.

The Group has an established internal audit and risk management functions performed in-house by the Internal Audit & Risk Management Department ("IARMD"), which reports directly to the ARMC. The main role of the IARMD is to undertake regular reviews of the Group's systems of internal control, risk management and governance so as to provide assurance to the ARMC that the internal control system is sound, adequate and operating effectively in all material respects.

The ARMC Report as set out in this Annual Report, outlines the details of the activities of the internal audit function.

Corporate Governance

Overview Statement

Directors' Responsibilities Statement in respect of the Audited Financial Statements

The Directors are required by the Companies Act 2016 to prepare financial statements which are in accordance with applicable approved accounting standards and give a true and fair view of the financial position of the Company and the Group at the end of the financial year, as well as of the financial performance and cash flows of the Company and the Group for the financial year.

In preparing the financial statements, the Directors have:

- (a) ensured that the financial statements are in accordance with the provisions of the Companies Act 2016, the applicable financial reporting standards and the Main Market Listing Requirements of Bursa Securities;
- (b) adopted the appropriate accounting policies and applied them consistently; and
- (c) made judgements and estimates that are prudent and reasonable.

The Directors are responsible for ensuring that proper accounting records are kept which disclose with reasonable accuracy, the financial position of the Company and the Group which enable them to ensure that the financial statements comply with the relevant statutory requirements.

PRINCIPLE C: INTEGRITY IN CORPORATE REPORTING AND MEANINGFUL RELATIONSHIP WITH STAKEHOLDERS

I. ENGAGEMENT WITH STAKEHOLDERS

Periodic and Continuous Disclosure

The Board acknowledges the need for shareholders and other stakeholders to be informed of all material matters affecting the business and performance of the Company. Announcements to Bursa Securities are made on developments or events significantly affecting the Group. Financial results are released on a quarterly basis to provide shareholders and other stakeholders with a regular overview of the Group's performance. All announcements made by the Company to Bursa Securities are also available to shareholders and the market on the Investor Relations section of Mulpha's website.

The Company also arranges press interviews and briefings, and releases press announcements to provide information on the Group's business activities, performance and major developments, as and when necessary.

Company Website

The Company's website, www.mulpha.com.my provides detailed information on the Group's businesses and latest development. The website has a dedicated section on investor relations and corporate governance which contains announcements to Bursa Securities, quarterly financial results, annual reports and stock information, among others.

Corporate Governance Overview Statement

Shareholders and Investors Queries

Whilst the Company aims to provide sufficient information to shareholders and investors about Mulpha and its activities, it also recognises that shareholders and investors may have specific queries and require additional information.

To ensure that shareholders and investors can obtain all relevant information about the Group, they are encouraged to direct their queries to:

Investor Relations
Mulpha International Bhd
PH2, Menara Mudajaya
No. 12A, Jalan PJU 7/3
Mutiara Damansara
47810 Petaling Jaya
Selangor Darul Ehsan
Tel No: (603) 7718 6368 / (603) 7718 6266
Email : irmulpha@mulpha.com.my

II. CONDUCT OF GENERAL MEETINGS

Encourage Shareholder Participation at General Meetings

General meetings represent the principal forum for dialogue and interaction with shareholders. The Board fully recognises the rights of shareholders and encourages them to exercise their rights at the AGM.

The Company conducted a fully virtual AGM on 3 June 2021 in line with the announcement by the Prime Minister's Department on 28 May 2021 in relation to the implementation of a 'total lockdown' for 14 days beginning from 1 June 2021 where general meetings must be conducted fully virtual. The AGM was conducted through live streaming and online remote voting via Remote Participation and Voting ("**RPV**") facilities. The Notice of AGM with sufficient information of businesses to be dealt with thereat, together with the Proxy Form, Administrative Guide for AGM and Request Form (for printed copy of Annual Report and/or Share Buy-Back Statement), were sent to shareholders more than 28 days ahead of the meeting date. The Notice of AGM was published in one national newspaper to provide for wider dissemination of such notice to encourage shareholder participation. In addition, the Notice of AGM, Proxy Form, Administrative Guide and Request Form were posted on the websites of Mulpha and Bursa Securities.

Each item of special business included in the Notice of AGM was accompanied by an explanatory statement for the proposed resolution to facilitate better understanding and evaluation of issues involved.

The minutes of the AGM (including the questions raised at the AGM and the answers thereto) were made available on Mulpha's website.

Corporate Governance

Overview Statement

Effective Communication and Proactive Engagements with Shareholders

At the general meetings, shareholders have direct access to the Board and senior management, and they are encouraged to participate in the questions and answers session. To further encourage engagement between the Directors and shareholders, shareholders were also invited to submit questions before the AGM to Boardroom Smart Investor Portal in relation to the agenda items of the AGM.

At the said AGM, the CEO presented an overview of the Group's performance and strategies. During the AGM, shareholders and proxies were encouraged to pose their questions using the message icon via the RPV facilities and the questions posed by shareholders were made visible to all meeting participants. The Chairman, Executive Director and CEO responded to all the questions raised by the shareholders and proxies. In addition, the external auditors, KPMG PLT were in attendance remotely via video conferencing to answer questions on the audited financial statements.

Electronic Poll Voting

All the Company's shareholders are entitled to appoint proxy/proxies or corporate representatives to vote on their behalf in their absence at general meetings.

To strengthen transparency and efficiency in the voting process, the Company adopted electronic poll voting at the AGM in accordance with Paragraph 8.29A of the Main Market Listing Requirements of Bursa Securities. An independent scrutineer for the electronic poll voting process was appointed to verify the votes. The Chairman then announced the poll results which were also displayed on the screen and declared that all the resolutions were carried. Subsequently, the poll results were announced to Bursa Securities via Bursa LINK on the same day for the benefit of all shareholders.

This Corporate Governance Overview Statement together with the CG Report were approved by the Board on 15 April 2022.

Additional Compliance Information

The information set out below is disclosed in compliance with the Main Market Listing Requirements of Bursa Securities:

1. UTILISATION OF PROCEEDS RAISED FROM CORPORATE PROPOSAL

The Company had on 22 June 2021, announced that Mulpha Credit Sdn Bhd (“MCSB”), an indirect wholly-owned subsidiary of the Company, which owns 37.81% in Education Perfect Group Limited (“EPGL”), a New Zealand company involved in the online education sector, has entered into a transaction to dispose of its entire equity interest in EPGL (“the Disposal”).

On 15 September 2021, the Company announced that approval for the Disposal has been obtained from the Overseas Investment Office in New Zealand (“OIO”) on 14 September 2021. Pursuant to the terms of the Share Sale Agreement dated 22 June 2021, the completion and settlement of the Disposal took place on 30 September 2021, being the last business day of the month in which the approval of OIO was received. Upon completion, MCSB received the total proceeds of NZD156.37 million (equivalent to approximately RM450.35 million) after net debt of EPGL and EPGL has ceased to be an associated company of MCSB.

As at 31 December 2021, the total proceeds of NZD156.37 million (equivalent to approximately RM450.35 million) were utilised in the following manner:

Purposes	Proposed Utilisation RM'000	Actual Utilisation RM'000	Timeframe for Utilisation
Working capital requirements and/or future investments	162.35	87.70	September 2023
Redemption of medium term notes and/or repayment of bank borrowings	288.00	288.00	September 2022
Total:	450.35	375.70	

2. AUDIT AND NON-AUDIT FEES

The audit and non-audit fees paid/payable to the external auditors for services rendered to the Company and/or its subsidiaries for the financial year ended 31 December 2021 are as follows:

	Group RM'000	Company RM'000
Audit fees		
KPMG PLT, Malaysia	297	149
Overseas affiliates of KPMG PLT, Malaysia	1,617	-
Other auditors	105	-
Subtotal:	2,019	149
Non-audit fees		
KPMG PLT, Malaysia	14	12
Subtotal:	14	12
Total:	2,033	161

3. MATERIAL CONTRACTS INVOLVING THE INTEREST OF DIRECTORS, CHIEF EXECUTIVE AND MAJOR SHAREHOLDERS

Other than those disclosed in the audited financial statements, there were no material contracts (not being contracts entered into in the ordinary course of business) entered into by the Company and/or its subsidiaries involving the interest of directors, chief executive who is not a director, or major shareholders during the financial year ended 31 December 2021.

Audit and Risk Management Committee Report

CONSTITUTION AND COMPOSITION

The Audit Committee which has been assisting the Board in carrying out, among others, the responsibility of overseeing the Group's risk management framework and policies, was renamed as 'Audit and Risk Management Committee' ("ARMC") on 27 February 2019, as approved by the Board.

The ARMC comprises 3 members, all of whom are Independent Non-Executive Directors and none of them is an alternate director. The members are as follows:-

1. Chew Hoy Ping (Chairman)
(Senior Independent Non-Executive Director)
2. Loong Caesar (Member)
(Independent Non-Executive Director)
3. Geoffrey Earl Grady (Member)
(Independent Non-Executive Director)

All members of the ARMC are financially literate and well-equipped with relevant knowledge and experience to effectively discharge their duties and responsibilities as members of the ARMC. In particular, the ARMC Chairman, Mr Chew Hoy Ping is a member of the Malaysian Institute of Accountants and Malaysian Institute of Certified Public Accountants, as required under Chapter 15, Paragraph 15.09(1)(c)(i) of the Main Market Listing Requirements of Bursa Securities. Mr Chew Hoy Ping being the ARMC Chairman, is also an Independent Non-Executive Director, as required under Chapter 15, Paragraph 15.10 of the Main Market Listing Requirements of Bursa Securities.

The Board has reviewed the terms of office of the ARMC and conducted an annual assessment of the composition, performance and effectiveness of the ARMC and its members based on the recommendations of the Nomination Committee. The Board is satisfied that the ARMC and its members have discharged their functions, duties and responsibilities in accordance with the ARMC's terms of reference, supporting the Board in ensuring the Group upholds appropriate corporate governance standards.

The profile of each member of the ARMC is set out in the Profile of Board of Directors section of this Annual Report.

TERMS OF REFERENCE ("ARMC CHARTER")

The ARMC Charter (which outlines the ARMC's composition, meetings and minutes, authority as well as duties and responsibilities) was revised to incorporate the relevant changes to be in line with the updated MCCG 2021. The changes which were incorporated in the ARMC Charter were as follows:

- (a) The ARMC Chairman shall not be the Chairman of the Board.
- (b) No former partner of the Company's external audit firm and/or its affiliate firms shall be appointed as a member of the ARMC unless that person has observed a cooling-off period of at least 3 years.
- (c) Internal audit function's scope is extended to include the review of the adequacy and effectiveness of anti-corruption & whistleblowing processes.

The revised ARMC Charter was reviewed by the ARMC on 23 February 2022 and approved by the Board on 25 February 2022. The revised ARMC Charter is published on Mulpha's website at www.mulpha.com.my.

MEETINGS AND ATTENDANCE

During the financial year ended 31 December 2021, the ARMC held 5 meetings. The details of attendance of the ARMC members are as follows:-

Name of ARMC Members	Number of Meetings Attended
Chew Hoy Ping	5/5
Loong Caesar	5/5
Geoffrey Earl Grady	5/5

The Executive Director, CEO, Head of Finance and Group Internal Audit & Risk Manager were invited to attend the meetings for the purpose of briefing the ARMC on the activities involving their areas of responsibilities.

The external auditors were present at 3 of the meetings held. The ARMC also met with the external auditors without the presence of the executive board member and Management at 2 of those meetings.

The ARMC Chairman would brief the Board on the proceedings of each ARMC meeting. Minutes of each ARMC meeting were also tabled for confirmation at the following ARMC meeting and subsequently tabled to the Board for notation.

Audit and Risk Management Committee Report

SUMMARY OF ACTIVITIES OF THE ARMC

During the financial year up to the issuance date of this Annual Report, the ARMC carried out its activities in line with the ARMC Charter, which are summarised as follows:-

1. Financial Reporting

- Reviewed and discussed with Management, the financial and cash flows reports (including bank facilities and bank covenants) of the Company and the Group at the ARMC meetings held on 23 February 2021, 25 May 2021, 24 August 2021, 26 November 2021 and 23 February 2022. The financial and cash flows reports were also tabled to the Board for notation.
- Reviewed the quarterly financial results for the 4th quarter of 2020 and the annual audited financial statements of 2020 for recommendation to the Board for approval and release to Bursa Securities, at the ARMC meetings held on 23 February 2021 and 6 April 2021 respectively.
- Reviewed the quarterly financial results for the 1st, 2nd, 3rd and 4th quarters of 2021, and the annual audited financial statements of 2021 for recommendation to the Board for approval and release to Bursa Securities, focusing particularly on:
 - o compliance with accounting and financial reporting standards, legal and other regulatory requirements;
 - o changes in or adoption of accounting policies and practices changes;
 - o significant matters including financial reporting issues, significant judgements made by Management, as well as significant and unusual events or transactions including the latest status of the ongoing material litigation;
 - o the outlook and prospects of the Group;
 - o cash flow, financing and going concern assumptions; and
 - o significant audit issues and adjustments arising from audit

at the ARMC meetings held on 25 May 2021, 24 August 2021, 26 November 2021, 23 February 2022 and 6 April 2022 respectively.

At the said ARMC meetings, matters discussed included the impact of the COVID-19 pandemic on the Group's business operations and the consequential Movement Control Orders and standard operating procedures imposed in Malaysia and international border closures in Australia, United Kingdom and New Zealand, being the regions where the Group's hospitality and hotel school businesses operate, and the actions taken by Management to mitigate such impact.

- Discussed with Management the impairment and fair value assessment of the Group's investment properties, investments/inventories and Property, Plant & Equipment, at the ARMC meeting held on 23 February 2021 and 26 November 2021.
- Discussed with Management the key financial related matters briefed by the Head of Finance at the ARMC meetings held on 23 February 2021, 25 May 2021, 24 August 2021, 26 November 2021 and 23 February 2022 where matters discussed, amongst others, included reclassification of assets, assessment of fair value and impairment of assets, COVID-19 Jobsavers payment from New South Wales State Government, Payment Times Reporting, reporting segments of certain assets and entities, and contingent liability disclosures.

2. Annual Report Requirements

- Reviewed and recommended to the Board for approval, the Statement on Risk Management and Internal Control for inclusion in the 2020 Annual Report, at the ARMC meeting held on 23 February 2021.

The ARMC was informed that the external auditors had reviewed the Statement on Risk Management and Internal Control to ensure that the disclosures were in compliance with the requirements under paragraphs 41 & 42 of the *Statement on Risk Management & Internal Control: Guidelines for Directors of Listed Issuers* ("**Guidelines**").

- Reviewed and approved the ARMC Report for inclusion in the 2020 Annual Report, at the ARMC meeting held on 6 April 2021.

Audit and Risk Management Committee Report

- Reviewed and recommended to the Board for approval, the Corporate Governance Overview Statement and Notice of AGM for inclusion in the 2020 Annual Report, as well as the CG Report for submission to Bursa Securities, at the ARMC meeting held on 6 April 2021.
- Reviewed and recommended to the Board for approval, the Statement on Risk Management and Internal Control for inclusion in the 2021 Annual Report, at the ARMC meeting held on 23 February 2022.

The ARMC was informed that the external auditors had reviewed the Statement on Risk Management and Internal Control to ensure that the disclosures were in compliance with the Guidelines.

- Reviewed and approved the ARMC Report for inclusion in the 2021 Annual Report, at the ARMC meeting held on 6 April 2022.
- Reviewed and recommended to the Board for approval, the Corporate Governance Overview Statement and Notice of AGM for inclusion in the 2021 Annual Report, as well as the CG Report for submission to Bursa Securities, at the ARMC meeting held on 6 April 2022.

3. Internal Audit

- Reviewed the internal audit reports presented by the IARMD that detailed the audit findings and recommended corrective actions, as well as Management's responses and action plans in addressing the identified risks and internal control deficiencies, at the ARMC meetings held on 23 February 2021, 25 May 2021, 24 August 2021, 26 November 2021 and 23 February 2022. A total of 8 audit engagements were completed in 2021.

Risk-based audits were performed on selected business units within the Group, as included in the approved internal audit plan. The key areas of focus in 2021 included the review of key financial and operating

controls within InterContinental Sydney Hotel, Tax Governance, Human Resources & Payroll process, Accounts Payable process and Australia Data Privacy compliance. Additionally, a follow-up review of the Bimbadgen's prior year audit was conducted. The IARMD also provided the ARMC with an overview of Mulpha's cyber security elements and cyber vulnerabilities, and conducted an advisory review on information and cyber security controls to provide an uplift to controls where improvements were noted.

At each ARMC meeting, the IARMD provided an update on audit activities and progress against the 2021 internal audit plan. Where appropriate, the ARMC was also apprised of key initiatives and continuous improvement activities being undertaken by the IARMD.

- Reviewed and approved the internal audit plan for 2022 to ensure adequacy of the scope and coverage of key business and operational units within the Group, at the ARMC meeting held on 26 November 2021. The 2022 audit plan addressed the key themes of asset stewardship, operational efficiency, internal control and compliance.

At the said meeting, the ARMC also reviewed and approved the 2022-2023 rolling 1+1 internal audit plan which provided an indication of those key risk areas and business operations to be reviewed by the IARMD over the next 2 years.

At the ARMC meeting held on 23 February 2022, the 2022 internal audit plan was updated with the inclusion of 6 substitute audits, namely capital expenditure process review; workers computation review; accounts payable and human resources/payroll; due diligence process enhancement; corruption and bribery assurance review; and operational control review.

- Reviewed and adopted the revised and updated Internal Audit & Risk Charter at the ARMC meeting held on 26 November 2021.

Audit and Risk Management Committee Report

4. External Audit

- Reviewed with the external auditors, the audit report, issues, reservations and Management responses arising from their audit of the financial statements for the year ended 31 December 2020, at the ARMC meeting held on 23 February 2021.

The external auditors briefed the ARMC among others, on the audit status and outstanding matters, audit focus areas and audit findings in relation to the financial statements for the year ended 31 December 2020. At the same meeting, the external auditors confirmed that they have been independent throughout the conduct of the audit engagement 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 (“**IESBA Code**”), and they have fulfilled other ethical responsibilities in accordance with the By-Laws and the IESBA Code.

- Reviewed with the external auditors on 23 February 2021, 26 November 2021 and 23 February 2022 without the presence of the executive board member and Management, the extent of assistance rendered by Management and issues arising from their audit. The ARMC was satisfied with the openness in communication and interaction with the engagement partners and their teams, which demonstrated their independence and professionalism.

In addition, the Chairman and members of the ARMC periodically held informal discussions with the engagement partners of the external auditors to ensure audit issues were addressed on a timely basis.

- In February 2021, the ARMC undertook an assessment of the suitability and independence of the external auditors for their re-appointment as Auditors of the Company at the 2021 AGM, which included a structured evaluation questionnaire completed by each member of the ARMC. The questionnaires which are used as an assessment tool, are based on a 4-scale rating or ‘Yes’ and ‘No’ answer, whichever is applicable for each question. The areas which were covered in the assessment encompassed the external auditors’ performance in terms of skills, expertise and competencies, calibre of the external audit firm, independence and objectivity, audit scope and planning, reasonableness of audit fees, provision of non-audit services and quality of communications with the ARMC. This annual evaluation provides the ARMC with a disciplined approach for maintaining effective oversight of the external auditors’ performance.

The ARMC reviewed the external auditors’ performance having regard to factors such as the audit firm’s service quality, adequacy of experience, technical competency, reasonableness of fees and provision of non-audit services, and was satisfied with the overall performance. The evaluation results were tabled at the ARMC meeting held on 23 February 2021. The external auditors have also provided written confirmation on their independence in accordance with the terms of the relevant professional and regulatory requirements. The ARMC was satisfied with the suitability and independence of the external auditors and thereby recommended to the Board for their re-appointment at the AGM of the Company.

The Board at its meeting held on 24 February 2021, approved the ARMC’s recommendation for the re-appointment of external auditors, subject to the shareholders’ approval being sought at the AGM of the Company. The shareholders had duly approved the re-appointment of external auditors at the AGM held on 3 June 2021.

Audit and Risk Management Committee Report

- Reviewed with the external auditors on 6 April 2021, the annual audited financial statements including the Independent Auditors' Report for the financial year ended 31 December 2020, where relevant disclosures in the annual audited financial statements were deliberated.
- Reviewed and recommended to the Board for approval, the audit and non-audit fees of the external auditors for the financial year ended 31 December 2020, at the ARMC meeting held on 6 April 2021.

The non-audit services comprised the reviews of the Statement on Risk Management and Internal Control, and the Housing Development Account of a subsidiary. The amount of non-audit fees was not significant as compared to the amount of audit fees. In this respect, the ARMC was satisfied that the provision of non-audit services by the external auditors did not impair their objectivity and independence as external auditors.

- Reviewed with the external auditors, their audit plan, scope of audit, audit timeline, focus areas on potential key audit matters and other significant audit matters in relation to the audit of the financial statements for the year ended 31 December 2021, at the ARMC meeting held on 26 November 2021.

At the same meeting, the external auditors confirmed that they have been independent throughout the conduct of the audit engagement in accordance with the By-Laws and the IESBA Code, and they have fulfilled other ethical responsibilities in accordance with the By-Laws and the IESBA Code.

- Reviewed with the external auditors, the audit report, issues, reservations and Management responses arising from their audit of the financial statements for the year ended 31 December 2021, at the ARMC meeting held on 23 February 2022.

The external auditors briefed the ARMC among others, on the audit status and outstanding matters, audit timeline, audit focus areas (i.e. key audit matters and other significant audit matters) and audit findings.

Pursuant to the new and revised Auditor Reporting Standards which took effect from 16 December 2016, the ARMC reviewed the key audit matters raised by the external auditors and ensured that adequate work had been done to support the audit conclusions and overall impact on the financial statements. The 4 key audit matters which were highlighted to the ARMC (to be disclosed in the Independent Auditors' Report contained in the Audited Financial Statements) were:

- Valuation of property, plant and equipment;
 - Valuation of investment properties;
 - Recoverability of development inventory; and
 - Valuation of investment securities.
- In February 2022, the ARMC assessed the suitability and independence of the external auditors for their re-appointment as Auditors of the Company at the forthcoming 2022 AGM, via the same assessment tool as described above. In its assessment, the ARMC also considered the information in the external auditors' Transparency Report with reference to Guidance 9.3 of MCCG 2021. The evaluation results were tabled at the ARMC meeting held on 23 February 2022, and the ARMC was satisfied with the suitability and independence of the external auditors and thereby recommended to the Board for their re-appointment at the forthcoming AGM of the Company. The external auditors have also provided written confirmation on their independence in accordance with the terms of the relevant professional and regulatory requirements.

The Board at its meeting held on 25 February 2022, approved the ARMC's recommendation based on the evaluation results, for the re-appointment of external auditors, subject to the shareholders' approval being sought at the forthcoming AGM of the Company.

- Reviewed with the external auditors on 6 April 2022, the annual audited financial statements including the Independent Auditors' Report for the financial year ended 31 December 2021, where relevant disclosures in the annual audited financial statements were deliberated.

Audit and Risk Management Committee Report

- Reviewed and recommended to the Board for approval, the audit and non-audit fees of the external auditors for the financial year ended 31 December 2021, at the ARMC meetings held on 26 November 2021 and 23 February 2022.

The non-audit services comprised the reviews of the Statement on Risk Management and Internal Control, and the Housing Development Account of a subsidiary. The amount of non-audit fees was not significant as compared to the amount of audit fees. In this respect, the ARMC was satisfied that the provision of non-audit services by the external auditors did not impair their objectivity and independence as external auditors.

5. Risk Management

- Reviewed and adopted amendments to the Mulpha Enterprise Risk Management Framework & Policy, in line with the International Organisation for Standardisation's risk management guidelines, ISO 31000:2018 and Principle B of MCCG 2021, at the ARMC meetings held on 23 February 2021, 26 November 2021 and 23 February 2022.
- Reviewed and adopted the Enterprise Risk Management Report articulating the Group's material business risks and the updated Mulpha Group's Enterprise Risk Register that enumerates the risk description, causes, consequences, risk commentary and key controls utilised to manage risks, as well as the Risk Profile Heat Map showing trends in risk exposures and any emergent or new risks/opportunities, at the ARMC meetings held on 23 February 2021 and 23 February 2022.
- Reviewed and approved the risk management plan for 2022 at the ARMC meeting held on 26 November 2021. The risk management activities to be undertaken in 2022 include ensuring all key controls addressing the Group's material risks are identified, documented and at least, preliminary assessed; ongoing management and reporting of operational, financial and strategic risks; desktop reviews of divisional risk registers maintained by Management; analysis, trending and reporting of material

business risks and the Group's risk profile (as required); and providing assurance over the Group's operational activities from a risk management perspective (through the risk-based internal audit plan).

- Reviewed and discussed the Enterprise Risk Reporting for 2022 which outlined the Group's top enterprise risks that were identified and ranked by senior leadership across the organisation, including information regarding causes, consequences and potential opportunities across each risk, at the ARMC meeting held on 26 November 2021. The enterprise risks form a more cohesive basis for how the ARMC and Board get a view on key risks and how these risks were being managed.
- Reviewed the high and critical health, safety and environment risks for 4th quarter 2021, at the ARMC meeting held on 23 February 2022. The ARMC was informed that necessary actions were being undertaken proactively to mitigate these risks, and consultants were being engaged to determine the appropriate course of actions required.

6. Related Party Transactions

- Reviewed the related party transactions entered into by the Company and the Group to ensure that the transactions entered into were at arm's length basis and on normal commercial terms, at the ARMC meetings held on 23 February 2021, 25 May 2021, 24 August 2021, 26 November 2021 and 23 February 2022.

7. Other Matters

- Reported to the Board at its quarterly meetings on significant issues and concerns discussed during the ARMC meetings together with applicable recommendations. Minutes of the ARMC meetings were tabled and noted by the Board.
- The Chairman and members of the ARMC have held informal sessions and interactions with Management throughout the year which were aimed at obtaining a better understanding of business operations and risks related issues, and the resolution of issues.

Audit and Risk Management Committee Report

- Discussed with Management the tax updates briefed by the Tax Director at the ARMC meetings held on 25 May 2021, 24 August 2021, 26 November 2021 and 23 February 2022 where matters discussed, amongst others, included tax returns lodgement, updates on the streamlined assurance review by Australian Taxation Office, transfer pricing, operating structure for new business ventures, Malaysia budget updates, goods & services tax claim review and the updated tax risk management framework.
- Reviewed and recommended to the Board for approval the setting up of a Health, Safety & Environment (“HSE”) Risk Management Committee (“HSE Committee”) and the HSE Committee Charter. The purpose for setting up the HSE Committee was to provide greater ongoing oversight of the Group’s systems of internal control, risk management and governance in relation to issues of occupational health, safety and environment; strategic and operational approach to the environment and sustainability; and strategic and operational approach to asset management, at the ARMC meeting held on 25 May 2021. At the said ARMC meeting, 3 high risk areas around HSE issues in InterContinental Hayman were highlighted namely safety management system, electrical safety management and non-compliant asbestos management. The ARMC was assured by Management that specific actions were being undertaken to address these 3 areas.

Upon the ARMC’s recommendation, the Board at its meeting held on 31 May 2021, approved the setting up of the HSE Committee and the HSE Committee Charter.

- The ARMC has the responsibility in overseeing the implementation and monitoring of the Whistleblowing Policy, and ensuring effective administration thereof. In January 2021, the Group Internal Audit & Risk Manager has conducted a test of the whistleblowing hotline, confirming the email message was sent to the correct personnel in Australia and Malaysia. There was no complaint received during the financial year 2021 up to the issuance date of this Annual Report.

INTERNAL AUDIT AND RISK MANAGEMENT FUNCTIONS

Mulpha Group has an established independent internal audit function performed in-house by the IARMD, which reports directly to the ARMC.

The IARMD comprises 1 full-time personnel. Mr Sean Milne holds the position of Group Internal Audit & Risk Manager. Mr Milne has a Bachelor of Business Economics and is a member of the Institute of Internal Auditors (“IIA”). He is a Certified Internal Auditor and holds a Certification in Risk Management Assurance, both governed by the IIA. He has broad extensive experience in the areas of risk management, internal audit and compliance which has been gained over 17 years of working within multinational and publicly listed organisations, including his most recent role as Head of Enterprise Risk Management at Scentre Group. Mr Milne has no relationships or conflicts of interest that would impair the objectivity or independence of the function in the performance of his duties.

The main role of the IARMD is to undertake regular reviews of Mulpha Group’s systems of internal control, risk management and governance so as to provide assurance to the ARMC that the internal control system is sound, adequate and operating effectively in all material respects.

The IARMD adopts a risk-based approach as guided by established policies and other relevant professional standards, in developing the annual internal audit plan for approval by the ARMC. The ARMC receives quarterly internal audit reports from the IARMD and discusses these reports to ensure recommendations in the reports are duly acted upon by Management.

Apart from the aforesaid internal audit mandate, the IARMD is also responsible for facilitating and assisting Management in maintaining a structured risk management framework to identify, evaluate and manage material risks facing the Group. The IARMD also monitors the effectiveness of the Group’s risk management processes and reports semi-annually to the ARMC on the risk management activities of the Group.

Audit and Risk Management Committee Report

The IARMD's scope of responsibilities extends to all business and operational units within the Group. In fulfilling its mandate, the IARMD conducted the following activities during the financial year up to the issuance date of this Annual Report:

- (a) Performed and completed risk-based audits on selected business units and key business processes within the Group as included in the approved internal audit plan. In financial year 2021, the IARMD completed 8 assurance engagements. The key areas of focus in 2021 included the review of key financial and operating controls within InterContinental Sydney Hotel, Tax Governance, Human Resources & Payroll process, Accounts Payable process and Australia Data Privacy compliance. Additionally, a follow-up review of the Bimbadgen's prior year audit was conducted. The IARMD also provided the ARMC with an overview of Mulpha's cyber security elements and cyber vulnerabilities, and conducted an advisory review on information and cyber security controls to provide an uplift to controls where improvements were noted.
- (b) Tabled the completed audit reports to the ARMC at its quarterly meetings, detailing the audit findings, audit recommendations and Management responses. As per IARMD's methodology, follow-up audits/activities were also undertaken to ascertain the implementation status of agreed action plans within the required timeframes; the results of which were reported to the ARMC.
- (c) Prepared and tabled the Statement on Risk Management and Internal Control for inclusion in the 2020 Annual Report, at the ARMC meeting held on 23 February 2021.
- (d) Prepared and tabled for the ARMC's adoption, amendments to the Mulpha Enterprise Risk Management Framework & Policy, in line with the International Organisation for Standardisation's risk management guidelines, ISO 31000:2018 and Principle B of MCCG 2021, at the ARMC meeting held on 23 February 2021, 26 November 2021 and 23 February 2022.
- (e) Prepared and tabled for the ARMC's adoption, the Enterprise Risk Management Report articulating the Group's material business risks and the updated Mulpha Group's Enterprise Risk Register that enumerates the risk description, causes, consequences, risk commentary and key controls utilised to manage risks, as well as the Risk Profile Heat Map showing trends in risk exposures and any emergent or new risks/opportunities, at the ARMC meetings held on 23 February 2021 and 23 February 2022.
- (f) Prepared and tabled for the ARMC's approval, the internal audit plan for 2022 which covered key business and operational units within the Group, at the ARMC meeting held on 26 November 2021. The 2022 audit plan addressed the key themes of asset stewardship, operational efficiency, internal control and compliance.

At the said meeting, the 2022-2023 rolling 1+1 internal audit plan which provided an indication of those key risk areas and business operations to be reviewed by the IARMD over the next 2 years, was also tabled for the ARMC's approval.

At the ARMC meeting held on 23 February 2022, the 2022 internal audit plan was updated with the inclusion of 6 substitute audits, namely capital expenditure process review; workers computation review; accounts payable and human resources/payroll; due diligence process enhancement; corruption and bribery assurance review; and operational control review.
- (g) Prepared and tabled for the ARMC's approval, the risk management plan for 2022 at the ARMC meeting held on 26 November 2021. The risk management activities to be undertaken in 2022 include ensuring all key controls addressing the Group's material risks are identified, documented and at least, preliminary assessed; ongoing management and reporting of operational, financial and strategic risks; desktop reviews of divisional risk registers maintained by Management; analysis, trending and reporting of material business risks and the Group's risk profile (as required); and providing assurance over the Group's operational activities from a risk management perspective (through the risk-based internal audit plan).

Audit and Risk Management Committee Report

- (h) Prepared and tabled for the ARMC's approval, the revised and updated Internal Audit & Risk Charter at the ARMC meeting held on 26 November 2021.
- (i) Prepared and tabled the Enterprise Risk Reporting for 2022 which outlined the Group's top enterprise risks that were identified and ranked by senior leadership across the organisation, including information regarding causes, consequences and potential opportunities across each risk, at the ARMC meeting held on 26 November 2021. The enterprise risks form a more cohesive basis for how the ARMC and Board get a view on key risks and how these risks were being managed.
- (j) Tabled the high and critical health, safety and environment risks for 4th quarter 2021, at the ARMC meeting held on 23 February 2022. The ARMC was informed that necessary actions were being undertaken proactively to mitigate these risks, and consultants were being engaged to determine the appropriate course of actions required.
- (k) Prepared and tabled the Statement on Risk Management and Internal Control for inclusion in the 2021 Annual Report, at the ARMC meeting held on 23 February 2022.

In February 2021, the ARMC carried out an evaluation of the effectiveness of the internal audit function in respect of financial year 2020. The appraisal covered the adequacy of IARMD's scope, its functions, resources, authority and independence, as well as the competency of internal audit staff. The results of the evaluation were tabled at the ARMC meeting held on 23 February 2021. In general, the ARMC was satisfied that the IARMD has been operating satisfactorily.

In February 2022, the ARMC also undertook an evaluation of the effectiveness of the internal audit function for financial year 2021, which covered the areas mentioned above. The results of the evaluation were tabled at the ARMC meeting held on 23 February 2022. The ARMC was satisfied that the IARMD continues to operate satisfactorily.

The costs incurred by IARMD in discharging its functions and responsibilities during the financial year ended 31 December 2021 amounted to RM695,480.

Statement on Risk Management and Internal Control

INTRODUCTION

Pursuant to Main Market Listing Requirements of Bursa Securities and Principle B of the MCCG 2021, the Board affirms its commitment to maintaining a sound risk management framework and internal control system that safeguards shareholders' investment and the Group's assets.

Having regard to this, and the requirements included in the *Statement on Risk Management and Internal Control – Guidelines for Directors of Listed Issuers*, the Board makes the following disclosures in accordance with Chapter 15, Paragraph 15.26(b) of the Listing Requirements for the financial year ended 31 December 2021:

PURPOSE, RESPONSIBILITY AND MONITORING

The Board acknowledges its responsibility for establishing and maintaining a sound system of risk management and internal control. This encompasses the approval and review of the Group's risk management strategy, risk appetite and policy, and internal audit programme. The Board is assisted in this function by the ARMC, as a delegated sub-committee.

The Board recognises that the system is designed to mitigate rather than to eliminate risks or events which may significantly impact the achievement of the Group's business objectives and strategies. Accordingly, such systems can only provide reasonable but not absolute assurance against any material misstatement, loss or fraud.

The Group's system of risk management and internal control comprises key control activities and oversight mechanisms concerning governance, risk management, financial, operational, strategic, compliance and regulatory matters. At all times, the Group conducts its operations in accordance with the Board's mandate for effective and efficient management of risk in the pursuit of organisational strategy and achievement of business objectives.

To this end, the system of risk management and internal control acts to protect shareholders' investment, the Group's assets and reputation, and the health and safety of workers and customers, as well as safeguarding against material misstatement, loss and fraud.

Senior management and the ARMC review the adequacy, appropriateness, and integrity of the system of risk management and internal control employed across the Group on an annual basis. During the financial year, the ARMC concluded that the Group's risk management and internal control activities remain appropriate, and that suitable and sufficient information is provided to those charged with governance, and that the Group's material business risks are being properly managed.

All internal control and risk management matters that warrant further scrutiny or the attention of the Board are escalated as and when appropriate by the Chairman of the ARMC and/or executive management. Minutes of all ARMC meetings are circulated to the full Board, and the Chairman of the ARMC reports to the Board after each ARMC meeting.

RISK MANAGEMENT

Risk management is considered an integral part of the Group's business operations and a key management capability.

In pursuing its strategy, the Group has established an Enterprise Risk Management ("ERM") Framework encompassing a group-wide risk policy and appetite statement, roles and responsibilities for the oversight and management of risk, and formalised risk management and reporting processes.

The Group's ERM Framework aligns with the Standard ISO 31000:2018 – Risk Management Principles and Guidelines.

The Group has adopted a two-pronged approach to risk management, whereby (1) Group-level risks are articulated and reviewed by senior management and the Group Internal Audit & Risk Manager; and (2) divisional-level risks are addressed in a decentralised approach by which individual Risk Management Units ("RMUs"), led by a Head of Division, are responsible for the systematic identification, assessment and management of risk within their respective business units. In both cases, the identification, assessment, management and monitoring of risk is conducted in accordance with the Group's risk management methodology, as approved by the Board.

In addition to the day-to-day management of risk as part of business-as-usual activities, RMUs are required to formally profile their risk environment on a semi-annual basis. This is achieved through the completion of a detailed risk register that captures risk items, their classification and description, risk ratings, mitigating controls and any action plans and responsible owner(s).

Both the enterprise risks and the consolidated RMU risk registers are reviewed by the IARMD and are used to produce an Enterprise Risk Report articulating the Group's material business risks and risk profiles, highlighting trends in risk ratings and provides insight on any new or emergent exposures.

The Enterprise Risk Report is tabled at the Mulpha Group Risk Management Committee, a management committee chaired by the CEO, for discussion prior to being escalated to the ARMC and Board.

Statement on Risk Management and Internal Control

INTERNAL AUDIT

The IARMD is responsible for the independent appraisal of the Group's system of risk management and internal control.

Led by the Group Internal Audit & Risk Manager, the IARMD reports to the ARMC Chairman and provides the Board with assurance over the adequacy, effectiveness and efficiency of risk management, control and governance processes employed across the Group. To assist Management, the IARMD also provides insight and recommendations on business process improvement and the management of material business risks.

The IARMD conducts audit engagements as part of a Board approved programme of work, comprising risk advisory and assurance services. The primary responsibility of the IARMD is to provide the Board with assurance that the internal control system and risk management framework of the Group are sound, adequate and operating satisfactorily. Where improvement opportunities are identified, the IARMD agrees corrective actions with Management and tracks these through to completion. The outcome of each audit engagement and the status of corrective actions are reported to the ARMC regularly.

In financial year 2021, the IARMD completed 8 assurance engagements. The key areas of focus in 2021 included the review of key financial and operating controls within InterContinental Sydney Hotel, Tax Governance, Human Resources & Payroll process, Accounts Payable process and Australia Data Privacy compliance. Additionally, a follow-up review of the Bimbadgen's prior year audit was conducted.

KEY ELEMENTS OF INTERNAL CONTROL

Other key elements of the Group's internal control system include:

- Clearly defined roles and responsibilities, organisation structure and appropriate delegated authority limits approved by the Board for both the Board sub-committees and Management.
- Operational policies and procedures, which are updated as and when required.
- Whistleblowing Policy is in place to provide employees and stakeholders with confidential reporting channels to escalate suspected inappropriate behaviour or misconduct relating to fraud, bribery and/or corruption.
- A Conflict of Interest Policy is in place to manage, address and report on any actual or potential conflict of interest faced by Management.

- Reporting systems are in place that provide Directors and senior management with suitable, sufficient and regular financial, operational, legal and strategic information. Comprehensive board papers are prepared by senior management and circulated to Directors prior to each Board/Committee meeting; with monthly management meetings held to discuss business performance and to formulate action plans.
- Annual business plans and budgets are prepared by individual entities and business units within the Group. Actual performance is monitored against budget monthly, with significant variances flagged for investigation and follow-up.
- The design and operating effectiveness of key internal controls is periodically assessed by the IARMD. Where control weaknesses are identified, remedial action plans are developed in consultation with Management.
- Management self-assesses the effectiveness of key controls as part of the Group's bi-annual enterprise risk reporting process.
- Sufficient insurance cover is held to reduce the financial impact of any significant insurable losses.

SCOPE AND ATTESTATION

This Statement on Risk Management and Internal Control does not extend to any associated companies, as the Group does not have management control over their operations.

The Board has received assurance from the CEO and the Executive General Manager, Finance that the Group's risk management and internal controls system is operating adequately and effectively, in all material aspects.

Pursuant to Chapter 15, Paragraph 15.23 of the Listing Requirements, the external auditors have reviewed this Statement for inclusion in the 2021 Annual Report and have reported to the Board that nothing came to their attention that would suggest this Statement has not been prepared, in all material aspects, with the disclosures required under paragraphs 41 and 42 of the *Statement on Risk Management and Internal Control – Guidelines for Directors of Listed Issuers*.

This Statement on Risk Management and Internal Control was approved by the Board on 25 February 2022.

05

Our Commitment to Business Sustainability



**HARBOUR ONE,
SANCTUARY COVE**

Introducing Harbour One, a private slice of Sanctuary Cove which is a mix of sophisticated and spacious apartments with direct access to the water's edge. Established in 1986, Sanctuary Cove was the pioneer of its kind in Australia, offering a unique resort lifestyle with facilities such as a world class marina, two championship golf courses, and a thriving dining and retail precinct.



Sustainability Statement



Sustainability, integrity, and ethical business practices are at the forefront of Mulpha's corporate decision making and culture. This resonates throughout how we manage our operative businesses as well as evaluate potential investment and collaborative opportunities.

As such, we have and will continue to endeavor towards embracing the tenets of sustainability throughout our value chain in a tangible and meaningful manner.

In tandem to this commitment, our sustainability agenda has been streamlined into three key focus areas:

- maintain high levels of corporate governance from an operational perspective locally and internationally;
- fortify policies, processes and internal controls in an effort to ensure compliance with the relevant laws and regulations; and
- inspire all our strategic partners, and joint venture partners to embrace sustainable best practices.

These focus areas help guide our sustainability agenda as we draw up and execute strategies that are aligned to the key pillars of marketplace, workplace, community and environment. Our role as a real estate developer and hospitality investor remains front and centre of our sustainability goals, our business strategy and the needs and considerations of our stakeholders.

As Mulpha's operational landscape continues to be paved with challenges that stem from the COVID-19 pandemic, our key sustainable priorities in 2021 are premised on enhancing aspects of ESG (Environment, Social and Governance) in view of the new normal. These include:

- i. Protecting our stakeholders' health & welfare;
- ii. Safeguard business integrity and viability;
- iii. Maintaining our commitment towards Sustainability, Energy, Environment, Design and Security ("**SEEDS**") and environmental conservation;
- iv. Contributing positively towards our integrated communities & society via the our developments in Malaysia and Australia.

REPORTING SCOPE AND GUIDELINES

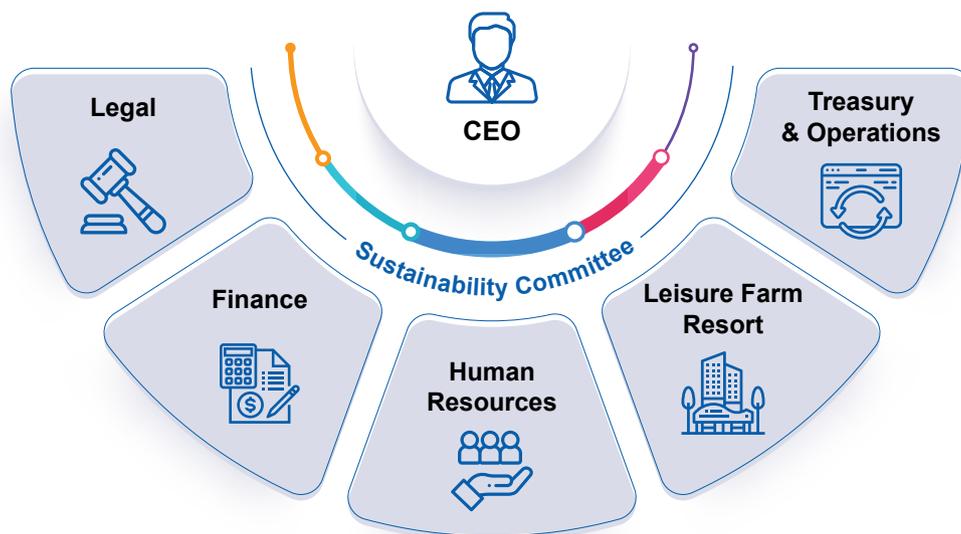
Our Sustainability Statement is prepared in accordance with the Sustainability Reporting Guide 2nd Edition issued by Bursa Securities as required under the Listing Requirements of Bursa Securities [Paragraph 29, Part A of Appendix 9C of the Main Market Listing Requirements (supplemented by Practice Note 9)].

This statement covers our sustainability disclosure for Mulpha's businesses in Malaysia and international operations, for the period of 1 January to 31 December 2021. In this statement, we present our approach to sustainability, report on new initiatives carried out across our operations, which are categorised into the four sustainability pillars of Marketplace, Workplace, Community and Environment.

SUSTAINABILITY GOVERNANCE STRUCTURE

When it comes to embedding sustainability in our organisation, it is critical that a clear and comprehensive Sustainability Governance Structure is put into place. This Structure will facilitate the development and implementation of sustainable policies and procedures as well as to ensure our compliance with all regulatory requirements in countries and localities where we operate in. At Mulpha, we strive not just to meet, but to exceed international standards and industry guidelines. A clear example of this is our commitment to a zero-carbon residential and commercial precinct and Norwest Quarter, New South Wales, Australia.

The sustainability function at Mulpha is helmed by the CEO, who oversees the Sustainability Committee which was established in 2019. The following represents the governing structure of sustainability at Mulpha and the respective functions responsible for the management of sustainability matters within the organisation:



The Sustainability Committee will meet quarterly to discuss, evaluate and implement sustainability related initiatives and issues. This includes management and prioritisation of matters on staff welfare, governance, corporate social responsibility, environmental, complaints, and social matters, as well as sustainability reporting disclosures within the Annual Report.

Sustainability Statement

The committee is responsible for advising and engaging the CEO on business strategies and initiatives in relation to sustainability and have taken on the role of establishing a comprehensive enterprise-wide risk management framework for the Group. They will provide recommendations to the CEO on the adoption, implementation, and monitoring of sustainability policies, including that of Leisure Farm Resort's, featured below:



SUSTAINABILITY COMMITMENT

Leisure Farm Resort ("**Leisure Farm**"), Mulpha International Bhd's flagship project in Gelang Patah, Johor, is involved in a variety of environmental and energy conservationist efforts. Leisure Farm is built upon the SEEDS philosophy of **Sustainability, Energy, Environment, Design and Security** to offer eco-living at its best. From preserving the eco-system and biodiversity to the usage of recyclable materials wherever possible, every aspect of the development is designed for sustainability with minimal impact on the local ecology.

In the newly completed **Residensi Bayou**, the solar hot water system is manufactured from 100% recyclable materials and helps to save electricity. The homes in **Bayou Creek** have adopted green design elements – an indoor courtyard that enhances ventilation and provides natural lighting to reduce the usage of artificial sources. The homes are also fitted with energy-saving devices such as an inverter air-conditioning system and a low voltage water heating system. **Bayou Water Village** integrates a heat dissipating roof system to reduce dependency on artificial energy and uses low volatile organic compound (VOC) emulsion paint which is environmentally friendly.

Special designated green areas such as Canal Park, Kayu Manis Orchard and the Mangrove wetlands ensure that the flora and fauna growth are maintained within the development.

Leisure Farm is committed to sustainable development and principles. In meeting these objectives, the key points of our strategy are:

- To uphold Leisure Farm's SEEDS (Sustainability, Energy, Environment, Design and Security) philosophy to offer eco-living at its best.
- Actively promote and regulate recycling amongst Residents, Staff, and other Stakeholders in Leisure Farm.
- To preserve the eco-system and biodiversity by using recyclable materials wherever possible.
- To design homes with minimal impact to the environment by utilisation of natural ventilation and lighting and usage of rainwater harvesting systems.
- Selection and usage of construction materials and fixtures that are environmentally friendly and recyclable.
- To nurture and maintain the surrounding flora and fauna growth.
- Continuously reviewing our environmental aspects and impacts.
- Meeting or exceeding all applicable environmental legislation.



Sustainability Statement

During the year 2021, the sustainability was focused on staff welfare, pandemic management, and effective communication in flexible working policies. A groupwide staff engagement survey and ideation exercise was conducted using Culture Amp with breakout workshops and allowing staff to voice their ideas and concerns. 2021 also saw the Employee Handbook being updated to reflect more modern and effective benefits to benefit the workplace.

Code of Conduct

Establishing a Code of Conduct is important to an international investment holding company such as Mulpha, which has multiple business operations in various parts of Malaysia and the world. A clear, comprehensive and consistently updated Code of Conduct will not only solidify a corporate culture based on accountability, integrity and respect within an organisation, it is also key to building trust with our multiple stakeholders, which in turn, cements of ability to drive performance growth.

Our Code of Conduct outlines the expected behaviour of all our employees across all our global operations, including that of third-party vendors. We expect all our employees to familiarise themselves with this Code of Conduct as well as our corporate compliance policies.

In 2020, we enhanced our Whistleblowing Policy, updated our Conflict of Interest Policy and Gift Policy. In 2021, we took the opportunity to be able to set effective processes to maintain the integrity in the workflow especially during a period where many staff were working remotely.

Anti-Discrimination and Fair Opportunity

Mulpha strictly practices an anti-discriminatory work environment. As such, we do not tolerate any forms of discrimination, be it gender, age, physical characteristics, race, religion, political beliefs, social status or disability.

At Mulpha, we are conscious of the need to maintain our edge as a preferred and fair employer. We embrace diversity within our workforce which comprises a mix of employees from different educational backgrounds, genders, age groups and ethnicity. Fair opportunity is also given to existing opportunities willing to try new things out of their usual work scope.

Whistleblowing

We encourage all employees and stakeholders to report inappropriate behaviours or misconduct, especially in relation to fraud, corrupt practices, abuse or bribery involving the company's resources.

For this purpose, we have in place a Whistleblowing Policy, which stands as our last line of defense against any breach in ethical and equitable conduct at Mulpha. The policy outlines the reporting channels available to stakeholders and Mulpha's procedures to address reported issues in respect of both the Malaysian and Australian offices. In accordance with the policy, whistleblowers are ensured their safety and confidentiality as well as a timely and fair resolution of all reported matters.

Risk Management

With an international asset base, we are cognisant of the need to keep a constant watch of environmental, social and economic risks that could affect the sustainability of our business. The risks under our review include financial risks, supply chain, human capital, employee rights, environmental risks, natural resources, climate change, and regulations related to property and construction.

Mulpha has put in place appropriate risk management strategies and internal control measures that are outlined on pages 55 and 56 of this annual report. We have regular reviews and situational analyses to monitor and devise mitigation methods and the best ways to adapt to such risks.

Sustainability Statement

STAKEHOLDER ENGAGEMENT

At Mulpha, we acknowledge the importance of engaging our stakeholders in all aspects of our operations and activities, both locally and on the global front. In this regard, we constantly strive to strengthen our involvement with our stakeholders, enhancing sustainable value for the longer term.

Our key stakeholders include those from within and outside the Group, as well as those that can significantly impact or influence the performance of our organisation, identified as follows:



MATERIALITY MATTERS

Mulpha’s materiality matters take into account the issues and concerns of our key stakeholders, which have been incorporated into our sustainability strategies. Regular global materiality assessments are conducted to evaluate existing local and international frameworks, standards and ratings that are of interest to our key stakeholder groups. Our materiality assessment process involves:



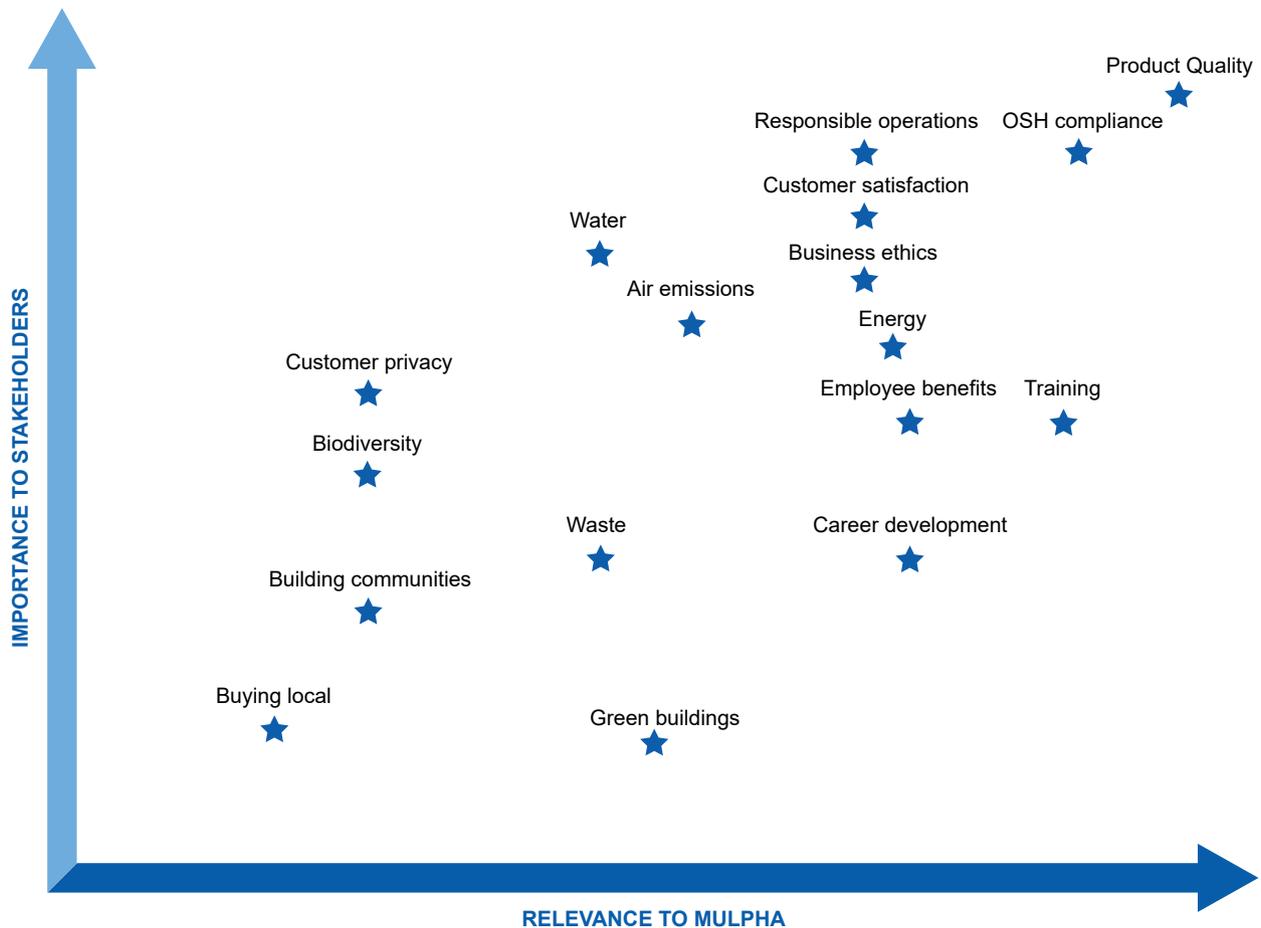
Sustainability Statement

Our engagement activities and impacts on our key stakeholder groups are reviewed from time to time to enable us to make more strategic business decisions and prioritise our focus areas.



Materiality Matrix

The understanding and prioritising of key impacts, risks and opportunities is an ongoing process. The following materiality matrix displays the relevancy of the above-mentioned materiality issues to Mulpha as well as its importance to our stakeholders. It remains mostly unchanged from 2018.



Sustainability Statement



MARKETPLACE

As a sustainability-oriented organisation, Mulpha understands that it does not operate in isolation. The Group is part a dynamic eco-system that transcends its own value chain. As such, by contributing positively towards the vibrancy of our 'marketplace', be it through promoting fair and ethical business best practices or in nurturing a more transparent and vibrant marketplace, we are able to uplift the entire eco-system towards greater success.

Support Ethical Local Businesses and Supply Value Chain

Mulpha has always taken pride in our existing and extensive network of local contractors, professional service providers, and suppliers that have been carefully cultivated over many years. In spite of the challenges brought about by the COVID-19 pandemic, we have continued to build our business partners, working very closely with each other to ensure mutual survivability while minimising value chain disruptions. We expect our business partners and supplier to embrace similar ideals, and we also gain fresh perspectives from engagement with the leadership of these businesses

Quality Products and Services

Being invested in the hospitality sector for decades, our properties are represented by luxury brands such as InterContinental and Marriott. These brands have their own quality standards, but in order to maintain these standards and to push new boundaries, continuous dialogue with the asset owner is required.

Being a developer of 3 key estates: (i) Leisure Farm Resort (Johor, Malaysia); (ii) Sanctuary Cove (Gold Coast, Australia); and (iii) Norwest (Sydney, Australia), the quality of the finished homes, infrastructure, facilities is a significant purchase for our consumers. Hence the Mulpha continues to strive for excellence in this area and will we will not spare any efforts in delivering the highest standards of product and service quality.

Customer Satisfaction

We at Mulpha believe that delivering quality products and services alone does not guarantee customer satisfaction. It is the entire engagement journey that our customers' experience with Mulpha that will eventually benchmark the true level of our customers' satisfaction.

In our commitment towards superior customer satisfaction, our organisation looks at every detail of the value chain including product conceptualisation and development; sales; delivery, community planning, and participation with the relevant stakeholders.

A notable example is at *Leisure Farm*, where our One Stop Centre has worked tirelessly in understanding the various Standard Operating Procedures (SOPs) issued by the Malaysian Government, repackage or translate them into a way that is user friendly to our community. This was a continuous exercise as the governance around pandemic management developed.





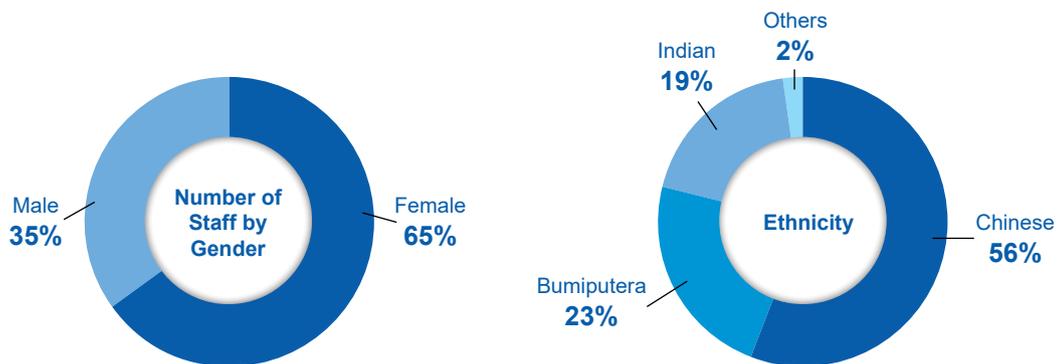
WORKPLACE

Mulpha places significant focus on recruiting, retaining, training and developing our talent.

In our effort to maintain good talent, we offer competitive remuneration packages backed by a progressive talent development program into leadership positions. Our work culture is performance driven and this is inculcated as part of the Mulpha family culture, between our international offices.

For the year under review, our Malaysian headcount was marginally increased to 62 from 59 in the previous corresponding year while total headcount in our Australia operations stood at 994 as at 31 December 2021, down from 1,113 in 2020. We are pleased to note that we did not implement any job cuts or salary reductions throughout our operations locally and abroad in spite of the business challenges caused by the global health crisis.

Mulpha in Malaysia is committed in providing employment to a diverse group of employees, representing every aspect of race, gender and age group. In terms of racial background for our Malaysian operations, the majority remains those who are of ethnic-Chinese (56%), followed by Bumiputera at 23% and ethnic-Indians at 19%. Others at 2%. In terms of gender, the male employees make up 35% while female accounts for 65%.



Workplace Health & Safety

Our long-established commitment towards this area is reflected in the Group's Workplace Health and Safety Policy, which covers all aspects of our value chain and is constantly updated, monitored, audited and reviewed so that the latest and most up to date practices and processes are in place. This is more prevalent in the development projects we undertake, hotels, and commercial buildings which we own/operate.

We were able to quickly put into place measures to safeguard our employees as soon as the COVID-19 pandemic hit. We took an extraordinary step to hold all our managers responsible and accountable for their respective employees' health, safety and welfare. At the same time, no expenses nor effort were spared in putting in place the necessary precautions and monitoring systems throughout our business operations.

In 2021, we put in place a highly flexible work-from-home approach as the situations were continuously reviewed by the leadership. We made it a point to place trust in the respective managers to be able to guide their teams effectively despite the physical distance. This opened new opportunities and collaborative work culture as once people took for granted the easy accessibility of being in the same physical office. Throughout the year, employee productivity and morale remained high, a reaffirmation of the trust we placed on our team and the technology we deployed to make working under the new normal work.

Sustainability Statement

Employee Benefits

Employees at Mulpha are fairly evaluated and compensated based on their Key Performance Indicators as well as their capabilities or character in terms of their contribution to the company.

2021 saw the Malaysian Employment Handbook being updated to reflect more modern policies and practices to the benefit of the Employee. This came during the pandemic to show the company's commitment to the welfare of the employees. These include:-

- Medical Coverage
- Dental Coverage
- Hospitalization Claims
- Travel Allowance
- Optical Allowance
- Professional Society Membership
- Employee Service Award
- Education Assistance
- Study Leave
- Employee Discounts
- Maternity and Paternity Leave

Training and Development

Training and international exposure is an integral part of Mulpha's strategy to provide its employees with the right tools, knowledge, learning and on-the-job training to enable them to carry out their respective task effectively and efficiently. Pre-pandemic, Mulpha makes it a point to allow employees to travel between Australia and Malaysia to get the necessary exposure and appreciation for the Group's wider businesses.

Due the COVID-19 pandemic situation, much of the training programmed for the year under review were conducted via distance learning and e-platforms. In 2021, the Group spent about RM100,000 on training initiatives. In Malaysia, this included MIA Webinar Series, Virtual CPA Congress, MAICSA Annual Conference 2021 and Deloitte Tax Max-National Budget 2022.

COMMUNITY



In 2021, the Malaysian office supported '*Again for Good*', where we donated close to 1,000 meals towards our frontline heroes and those in extremely disadvantageous conditions.

ENVIRONMENT



Caring for the environment and being mindful of how our business operations impact the world we live in helps our organisation stay focus on integrating environmental conservatism and protection into our operational processes and value chain. Just being 'green' is not enough as we intend to ensure that our operations contribute positively towards reinvigorating our natural environment.

Green Building

In terms of minimising the environmental impact of our developments, Mulpha is steadfast in seeing our energy efficient buildings adopt the SEEDS philosophy. This is evident in our latest project called Norwest Quarter.

Sustainability Statement

Norwest Quarter, Sydney Australia

Norwest Quarter (formerly The Greens), is set to be one of Australia's first urban masterplanned developments to deliver full life-cycle sustainable design from inception to long-term performance. This AUD1 billion development is intended to be carbon-neutral by incorporating features such as high efficiency glazing and windows, rooftop solar, recycled water systems, and smart building management to name a few. Mulpha has engaged Australian sustainability firm, Finding Infiniy, alongside Bates Smart architects and Smart Design Studio, to create residential product that will consume two-thirds less energy than a typical code-compliant apartment.

Mulpha is clearly executing its sustainability philosophy in a large way. We building sustainable communities by identifying what truly makes a community healthy and environmentally, economically and emotionally sustainable.

Biodiversity

At Leisure Farm, we strive to preserve the natural environment as much as possible. Our efforts to maintain biodiversity is seen whereby some 24% of space remains green, comprising of parks, mature trees and orchards. Natural wildlife is embraced and managed in a non-violent non-careless manner.





**INTERCONTINENTAL
SYDNEY**

Mulpha Group's flagship asset overlooking the Sydney Harbour and Opera House is undergoing an extensive refurbishment to all guest rooms, suites, and public spaces including the signature rooftop Club InterContinental. Our hotel portfolio is looking forward to receiving pre-pandemic levels of international visitors.

06

Financial Statements

FINANCIAL **STATEMENTS**



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Directors' Report

for the year ended 31 December 2021

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

PRINCIPAL ACTIVITIES

The principal activity of the Company is investment holding, whilst the principal activities of the subsidiaries are as stated in Note 6 to the financial statements. There have been no significant changes in the nature of these activities during the financial year.

ULTIMATE HOLDING COMPANY

The Company is not a subsidiary of any corporation, which is regarded by the Directors as the Company's ultimate holding company, during the financial year and until the date of this report.

SUBSIDIARIES

The details of the Company's subsidiaries are disclosed in Note 6 to the financial statements.

RESULTS

	Group RM'000	Company RM'000
Profit/(Loss) for the year attributable to:		
Owners of the Company	432,895	(6,923)
Non-controlling interests	535	-
	433,430	(6,923)

RESERVES AND PROVISIONS

There were no material transfers to or from reserves or provisions during the financial year under review.

DIVIDENDS

No dividend was paid during the financial year and the Directors do not recommend any 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:

Lee Seng Huang
Lee Eng Leong
Chew Hoy Ping
Loong Caesar
Geoffrey Earl Grady

The list of Directors in Company's respective subsidiaries is disclosed in Note 6.

Directors' Report

for the year ended 31 December 2021

DIRECTORS' INTERESTS IN SHARES

The direct and deemed interests in the ordinary shares of the Company and of its related corporations (other than wholly-owned subsidiaries) of those who were Directors at financial year end as recorded in the Register of Directors' Shareholdings are as follows:

The Company	Number of ordinary shares			At 31.12.2021
	At 1.1.2021	Acquired	Sold	
Direct interest				
Lee Seng Huang	12,000,000	-	-	12,000,000
Deemed interest				
Lee Seng Huang	143,650,108	-	-	143,650,108

By virtue of Lee Seng Huang's substantial interest in the shares of the Company, he is also deemed interested in the shares of all the subsidiaries during the financial year to the extent that the Company has an interest.

None of the other Directors holding office at 31 December 2021 has any interest in the ordinary shares of the Company and of its related corporations during the financial year.

DIRECTORS' BENEFITS

Since the end of the previous financial year, no Director of the Company has received nor become entitled to receive any benefit (other than benefits included in the aggregate amount of remuneration received or due and receivable by the Directors as shown in the financial statements or the fixed salary of a full time employee of the Company or of related corporations) by reason of a contract made by the Company or a related corporation with the Director or with a firm of which the Director is a member, or with a company in which the Director has a substantial financial interest other than as disclosed in Note 36 to the financial statements.

There were no arrangements during and at the end of the financial year which had the object of enabling the 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 share capital of the Company during the financial year.

There were no debentures issued during the financial year.

TREASURY SHARES

During the financial year, the Company repurchased 8,288,200 of its issued ordinary shares from the open market at an average price of RM2.12 per share. The total consideration paid was RM17,586,000 including transaction costs. The shares repurchased were retained as treasury shares in accordance with Section 127 of the Companies Act 2016. As at 31 December 2021, the total number of ordinary shares in issue (inclusive of treasury shares) is 319,466,430. Further relevant details are disclosed in Note 20 to the financial statements.

OPTIONS GRANTED OVER UNISSUED SHARES

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

Directors'

Report

for the year ended 31 December 2021

INDEMNITY AND INSURANCE COSTS

During the financial year, the total amount of insurance premium paid for the Directors and officers of the Group was RM509,442.

QUALIFICATION OF SUBSIDIARIES' FINANCIAL STATEMENTS

The auditors' report on the audit of the financial statements of the Company's subsidiaries did not contain any qualification.

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 have been 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 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, except for those disclosed in Note 38 to the financial statements, the financial performance of the Group and of the Company for the financial year ended 31 December 2021 have not been substantially affected by any item, transaction or event of a material and unusual nature nor has any such item, transaction or event occurred in the interval between the end of that financial year and the date of this report.

Directors' **Report**

for the year ended 31 December 2021

SIGNIFICANT EVENTS

The significant events are disclosed in Note 38 to the financial statements.

SUBSEQUENT EVENTS

The subsequent events are disclosed in Note 39 to the financial statements.

AUDITORS

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

The auditors' remuneration is disclosed in Note 28 to the financial statements.

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

Lee Seng Huang
Director

Lee Eng Leong
Director

Date: 7 April 2022

Statements of Financial Position

as at 31 December 2021

	Note	Group		Company	
		2021 RM'000	2020 RM'000	2021 RM'000	2020 RM'000
Assets					
Property, plant and equipment	3	1,494,013	1,123,445	6	32
Right-of-use assets	4	14,571	14,269	-	-
Investment properties	5	928,902	1,199,693	-	-
Investments in subsidiaries	6	-	-	1,668,614	1,615,277
Investments in associates	7	100,663	119,043	15,622	15,622
Investments in joint ventures	8	59,809	55,530	-	-
Investment securities	9	643,927	575,784	1,043	1,043
Other investments	10	5,086	5,086	5,057	5,057
Goodwill	11	12,443	2,129	-	-
Inventories	12	677,029	603,341	-	-
Trade and other receivables	13	8,386	44,588	312,152	559,705
Other non-current assets	14	23,408	14,430	-	-
Deferred tax assets	15	776	-	-	-
Total non-current assets		3,969,013	3,757,338	2,002,494	2,196,736
Inventories	12	702,190	806,135	-	-
Trade and other receivables	13	365,351	230,490	419,487	238,995
Other current assets	17	18,265	19,496	27	37
Investment securities	9	-	161,200	-	-
Current tax assets		17,810	15,505	-	-
Cash and cash equivalents	18	370,927	296,566	253	246
		1,474,543	1,529,392	419,767	239,278
Assets classified as held for sale	19	-	79,839	-	-
Total current assets		1,474,543	1,609,231	419,767	239,278
Total assets		5,443,556	5,366,569	2,422,261	2,436,014

Statements of
Financial Position
as at 31 December 2021

	Note	Group		Company	
		2021 RM'000	2020 RM'000	2021 RM'000	2020 RM'000
Equity					
Share capital	20	2,036,698	2,036,698	2,036,698	2,036,698
Treasury shares	20	(17,586)	-	(17,586)	-
Reserves	21	181,378	127,417	107	107
Retained earnings		1,243,151	810,908	297,749	304,672
Total equity attributable to owners of the Company		3,443,641	2,975,023	2,316,968	2,341,477
Non-controlling interests	6	26,298	22,761	-	-
Total equity		3,469,939	2,997,784	2,316,968	2,341,477
Liabilities					
Loans and borrowings	22	1,149,169	468,323	-	-
Lease liabilities		47,075	47,909	-	-
Trade and other payables	23	-	6,828	-	-
Contract liabilities	16	14,266	16,017	-	-
Provision for liabilities	24	5,705	6,911	-	-
Deferred tax liabilities	15	47,115	60,007	-	-
Total non-current liabilities		1,263,330	605,995	-	-
Loans and borrowings	22	466,280	1,506,850	86,915	93,003
Lease liabilities		3,859	3,490	-	-
Trade and other payables	23	142,745	176,834	18,161	884
Contract liabilities	16	50,008	43,345	-	-
Current tax liabilities		284	5,451	217	650
Provision for liabilities	24	47,111	26,820	-	-
Total current liabilities		710,287	1,762,790	105,293	94,537
Total liabilities		1,973,617	2,368,785	105,293	94,537
Total equity and liabilities		5,443,556	5,366,569	2,422,261	2,436,014

The notes on pages 85 to 188 are an integral part of these financial statements.

Statements of Profit or Loss and Other Comprehensive Income

for the year ended 31 December 2021

	Note	Group		Company	
		2021 RM'000	2020 RM'000	2021 RM'000	2020 RM'000
Revenue	25	787,217	617,374	19,154	17,329
Other income	26	565,895	112,723	14,902	49,941
Land and property development costs		(200,934)	(178,388)	-	-
Finished goods and services rendered		(61,223)	(45,694)	-	-
Employee benefits expenses		(264,305)	(214,102)	(17,408)	(1,015)
Depreciation and amortisation		(60,361)	(55,575)	(26)	(26)
Net loss on impairment of financial instruments		(2,595)	(6,793)	-	-
Other expenses		(300,318)	(216,784)	(18,077)	(7,500)
Results from operating activities		463,376	12,761	(1,455)	58,729
Finance costs	27	(64,684)	(69,092)	(3,464)	(3,966)
Share of profit/(loss) of associates		1,621	(13,076)	-	-
Share of profit/(loss) of joint ventures		22,246	(9,471)	-	-
Profit/(Loss) before tax	28	422,559	(78,878)	(4,919)	54,763
Tax benefit/(expense)	29	10,871	21,749	(2,004)	(2,176)
Profit/(Loss) for the year		433,430	(57,129)	(6,923)	52,587

Statements of Profit or Loss and
Other Comprehensive Income
 for the year ended 31 December 2021

	Note	Group		Company	
		2021 RM'000	2020 RM'000	2021 RM'000	2020 RM'000
Other comprehensive income/(expense)					
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		106,984	(13,710)	-	-
		106,984	(13,710)	-	-
Items that are or may be reclassified subsequently to profit or loss					
Foreign currency translation differences for foreign operations		(50,574)	180,657	-	-
Share of other comprehensive income/(expense) of associates		130	(24)	-	-
		(50,444)	180,633	-	-
Other comprehensive income for the year		56,540	166,923	-	-
Total comprehensive income/(expense) for the year		489,970	109,794	(6,923)	52,587
Profit/(Loss) attributable to:					
Owners of the Company		432,895	(58,366)	(6,923)	52,587
Non-controlling interests		535	1,237	-	-
Profit/(Loss) for the year		433,430	(57,129)	(6,923)	52,587
Total comprehensive income/(expense) attributable to:					
Owners of the Company		485,955	107,403	(6,923)	52,587
Non-controlling interests		4,015	2,391	-	-
Total comprehensive income/(expense) for the year		489,970	109,794	(6,923)	52,587
Earnings/(Loss) per ordinary share (sen)	30	136.99	(18.27)		

The notes on pages 85 to 188 are an integral part of these financial statements.

Consolidated Statement of Changes in Equity

for the year ended 31 December 2021

	Attributable to owners of the Company					Distributable		Total equity
	Share capital	Exchange reserve	Revaluation reserve	Other reserve	Treasury shares	Retained earnings	Non-controlling interests	
Group	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000
At 1 January 2020	2,037,459	(100,663)	68,545	(4,258)	(318)	868,946	20,898	2,890,609
Net change in fair value of equity investments designated at fair value through other comprehensive income	-	-	-	(13,177)	-	-	(533)	(13,710)
Foreign currency translation differences for foreign operations	-	178,970	-	-	-	-	1,687	180,657
Share of other comprehensive expense of associates	-	(24)	-	-	-	-	(24)	(24)
Total other comprehensive income/(expense) for the year	-	178,946	-	(13,177)	-	-	1,154	166,923
(Loss)/profit for the year	-	-	-	-	-	(58,366)	1,237	(57,129)
Total comprehensive income/(expense) for the year	-	178,946	-	(13,177)	-	(58,366)	2,391	109,794
Cancellation of treasury shares	(761)	-	-	-	318	443	-	-
Dividends paid to non-controlling interests	-	-	-	-	-	-	(528)	(528)
Total transactions with owners of the Company	(761)	-	-	-	318	443	(528)	(528)
Share of other reserve of associates	-	-	-	(2,091)	-	-	-	(2,091)
Transfer upon the disposal of equity investment designated at FVOCI	-	-	-	115	-	(115)	-	-
At 31 December 2020	2,036,698	78,283	68,545	(19,411)	-	810,908	22,761	2,997,784

Note 20

Note 21

Note 21

Note 21

Note 20

Consolidated Statement of Changes in Equity

for the year ended 31 December 2021

	Attributable to owners of the Company					Distributable		Total equity
	Share capital	Exchange reserve	Revaluation reserve	Other reserve	Treasury shares	Retained earnings	Non-controlling interests	
	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000
Group								
At 1 January 2021	2,036,698	78,283	68,545	(19,411)	-	810,908	22,761	2,997,784
Net change in fair value of equity investments designated at fair value through other comprehensive income	-	-	-	102,882	-	-	4,102	106,984
Foreign currency translation differences for foreign operations	-	(49,952)	-	-	-	-	(622)	(50,574)
Share of other comprehensive income of an associate	-	130	-	-	-	-	-	130
Total other comprehensive (expense)/income for the year	-	(49,822)	-	102,882	-	432,895	3,480	56,540
Profit for the year	-	-	-	-	-	432,895	535	433,430
Total comprehensive (expense)/income for the year	-	(49,822)	-	102,882	-	432,895	4,015	489,970
Purchase of treasury shares	-	-	-	-	(17,586)	-	-	(17,586)
Dividends paid to non-controlling interests	-	-	-	-	-	-	(478)	(478)
Total transactions with owners of the Company	-	-	-	-	(17,586)	-	(478)	(18,064)
Share of other reserve of an associate	-	-	-	249	-	-	-	249
Transfer upon the disposal of an associate	-	-	-	652	-	(652)	-	-
At 31 December 2021	2,036,698	28,461	68,545	84,372	(17,586)	1,243,151	26,298	3,469,939

Note 20 Note 21 Note 21 Note 21 Note 21 Note 20

The notes on pages 85 to 188 are an integral part of these financial statements.

Statement of Changes in Equity

for the year ended 31 December 2021

	← Non-distributable →		Distributable		Total equity RM'000
	Share capital RM'000	Other reserve RM'000	Treasury shares RM'000	Retained earnings RM'000	
Company					
At 1 January 2020	2,037,459	107	(318)	251,642	2,288,890
Profit and total comprehensive income for the year	-	-	-	52,587	52,587
Cancellation of treasury shares	(761)	-	318	443	-
At 31 December 2020/ 1 January 2021	2,036,698	107	-	304,672	2,341,477
Loss and total comprehensive expense for the year	-	-	-	(6,923)	(6,923)
Purchase of treasury shares	-	-	(17,586)	-	(17,586)
At 31 December 2021	2,036,698	107	(17,586)	297,749	2,316,968
	Note 20	Note 21	Note 20		

The notes on pages 85 to 188 are an integral part of these financial statements.

Statements of Cash Flows

for the year ended 31 December 2021

	Note	Group		Company	
		2021 RM'000	2020 RM'000	2021 RM'000	2020 RM'000
Cash flows from operating activities					
Profit/(Loss) before tax		422,559	(78,878)	(4,919)	54,763
<i>Adjustments for:</i>					
Amortisation on other non-current assets		1,602	2,704	-	-
Bad debts written off		-	943	-	-
Change in fair value of investment properties	5	(52,368)	13,279	-	-
Dividend income		(150)	(177)	(19,154)	(17,329)
Exchange reserve transfer to profit or loss upon disposal of an associate	21.1	1,119	-	-	-
Fair value (gain)/loss on assets classified as held for sale		(1,062)	6,117	-	-
Fair value (gain)/loss on financial assets at fair value through profit or loss		(1,501)	2,293	-	-
Gain on disposal of investment in an associate		(421,047)	-	-	-
Gain on disposal of investment securities		-	(91)	-	-
Impairment loss on investments in:					
- joint ventures		3,371	-	-	-
- subsidiaries		-	-	-	182
Impairment loss on trade and other receivables		2,595	4,500	-	-
Interest expense	27	64,684	69,092	3,464	3,966
Interest income		(24,574)	(25,511)	(14,772)	(15,709)
Inventories written down		478	10,235	-	-
Loss on disposal of investment properties	5	-	1,975	-	-
Net unrealised foreign exchange (gain)/loss		(324)	(166)	6,394	(34,125)
Property, plant and equipment:					
- Depreciation	3	55,215	49,400	26	26
- Impairment loss	3	-	5,949	-	-
- (Gain)/Loss on disposal		(346)	63	-	-
- Written off	3	71,161	69	-	-
Provision for staff benefits	24	40,489	24,481	-	-
Provision for repairs and others	24	2,319	1,889	-	-
Right-of-use assets:					
- Depreciation	4	3,544	3,471	-	-
- Gain on disposal		(26)	-	-	-

Statements of

Cash Flows

for the year ended 31 December 2021

	Note	Group		Company	
		2021 RM'000	2020 RM'000	2021 RM'000	2020 RM'000
Cash flows from operating activities (cont'd)					
<i>Adjustments for: (cont'd)</i>					
Share of (profit)/loss of associates	7	(1,621)	13,076	-	-
Share of (profit)/loss of joint ventures	8	(22,246)	9,471	-	-
Waiver of amount due from a subsidiary		-	-	232	-
Operating profit/(loss) before changes in working capital		143,871	114,184	(28,729)	(8,226)
Inventories		(8,532)	15,178	-	-
Contract assets		-	492	-	-
Receivables		(109,416)	165,384	(13)	27
Other current assets		851	16,920	10	9
Other non-current assets		(10,950)	404	-	-
Payables		(26,150)	14,323	17,376	(1,611)
Contract liabilities		6,310	9,343	-	-
Other non-current liabilities		(6,850)	1,530	-	-
Intercompany balances		-	-	60,822	(4,547)
Cash (used in)/generated from operations		(10,866)	337,758	49,466	(14,348)
Interest paid		(64,468)	(69,100)	(3,464)	(3,966)
Interest received		16,000	15,538	14,299	13,044
Income tax paid		(9,068)	(56,241)	(2,437)	(2,421)
Staff benefits paid		(20,422)	(29,681)	-	-
Net cash (used in)/from operating activities		(88,824)	198,274	57,864	(7,691)
Cash flows from investing activities					
Acquisition of property, plant and equipment	3	(255,835)	(92,948)	-	-
Acquisition of investment properties	5	-	(59,450)	-	-
Capital expenditure of investment properties	5	(10,559)	(21,932)	-	-
Acquisition of a subsidiary	6	-	-	(8,268)	-
Additional investment in a subsidiary	6	-	-	(151,704)	-
Additional investment in an associate	7.1	(7,484)	(4,455)	-	-
Acquisition of a joint venture	8	-	(70)	-	-
Additional investment in a joint venture	8	-	(3,857)	-	-
Acquisition of businesses, net of cash and cash equivalents acquired	3	(16,993)	-	-	-
Acquisition of investment securities		(8,615)	-	-	-

Statements of
Cash Flows
for the year ended 31 December 2021

	Note	Group		Company	
		2021 RM'000	2020 RM'000	2021 RM'000	2020 RM'000
Cash flows from investing activities (cont'd)					
Government grants received	3	-	10,502	-	-
Proceeds from disposal of:					
- Property, plant and equipment		69,371	26	-	-
- Investment in an associate	7.2	450,345	-	-	-
- Investment securities		-	2,090	-	-
- Assets classified as held for sale		81,158	-	-	-
Redemption of redeemable preference shares		-	-	106,635	-
Redemption of investment securities		210,516	-	-	-
Dividend received		150	177	19,154	1,845
Dividend received from associates and joint ventures		13,259	9,764	-	-
Net cash from/(used in) investing activities		525,313	(160,153)	(34,183)	1,845
Cash flows from financing activities					
Dividend paid to non-controlling interests of subsidiaries		(478)	(528)	-	-
Payment of lease liabilities		(3,514)	(3,270)	-	-
Withdrawal/(Placement) of pledged deposits		4,951	(1,627)	-	-
Purchase treasury shares		(17,586)	-	(17,586)	-
Net (repayment)/drawdown of borrowings		(335,546)	(102,695)	(5,525)	5,000
Net cash (used in)/from financing activities		(352,173)	(108,120)	(23,111)	5,000
Net increase/(decrease) in cash and cash equivalents		84,316	(69,999)	570	(846)
Effect of exchange rate fluctuations on cash held		(3,378)	11,049	-	-
Cash and cash equivalents at 1 January		259,360	318,310	(1,757)	(911)
Cash and cash equivalents at 31 December		340,298	259,360	(1,187)	(1,757)

Statements of

Cash Flows

for the year ended 31 December 2021

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		Company	
		2021 RM'000	2020 RM'000	2021 RM'000	2020 RM'000
Cash and bank balances	18	272,936	136,645	253	246
Deposits	18	97,991	159,921	-	-
		370,927	296,566	253	246
Less: Pledged bank balances and deposits		(29,189)	(34,140)	-	-
Bank overdrafts	22	(1,440)	(3,066)	(1,440)	(2,003)
		340,298	259,360	(1,187)	(1,757)

Cash outflows for leases as a lessee

	Note	Group		Company	
		2021 RM'000	2020 RM'000	2021 RM'000	2020 RM'000
Included in net cash from operating activities					
Interest paid in relation to lease liabilities	27	3,445	2,946	-	-
Included in net cash from financing activities					
Payment of lease liabilities		3,514	3,270	-	-
Total cash outflows for leases		6,959	6,216	-	-

The notes on pages 85 to 188 are an integral part of these financial statements.

Notes to the Financial Statements

Mulpha International Bhd. is a public limited liability company, incorporated and domiciled in Malaysia and is listed on the Main Market of Bursa Malaysia Securities Berhad. The addresses of the principal place of business and registered office of the Company are as follows:

Principal place of business

PH2, Menara Mudajaya
No.12A, Jalan PJU 7/3
Mutiara Damansara
47810 Petaling Jaya
Selangor Darul Ehsan

Registered office

No. 8, Jalan Peranginan
Leisure Farm
81560 Gelang Patah
Johor Darul Taksim

The consolidated financial statements of the Company as at and for the financial year ended 31 December 2021 comprise the Company and its subsidiaries (together referred to as the “Group” and individually referred to as “Group entities”) and the Group’s interest in associates and joint ventures. The financial statements of the Company as at and for the financial year ended 31 December 2021 also include joint operations.

The Company is principally engaged in investment holding activities while the other Group entities are as stated in Note 6.

These financial statements were authorised for issue by the Board of Directors on 7 April 2022.

1. BASIS OF PREPARATION

(a) Statement of compliance

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

The following are accounting standard 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 Company:

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

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

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

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

Notes to the Financial Statements

1. BASIS OF PREPARATION (Cont'd)

(a) Statement of compliance (Cont'd)

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

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

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

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

The Group and Company plan to apply the abovementioned accounting standard and amendments:

- from the annual period beginning on 1 January 2022 for those amendments that are effective for annual periods beginning on or after 1 April 2021.
- from the annual period beginning on 1 January 2022 for those amendments that are effective for annual periods beginning on or after 1 January 2022, except for those marked with “**” which are not applicable to the Group and the Company.
- from the annual period beginning on 1 January 2023 for the accounting standard and amendments that are effective for annual periods beginning on or after 1 January 2023, except for those marked with “**” which are not applicable to the Group and the Company.

The initial application of the accounting standard or amendments are not expected to have any material financial impacts to the current period and prior period financial statements of the Group and 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 currencies

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

(d) Use of estimates and judgements

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

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

Notes to the Financial Statements

1. BASIS OF PREPARATION (Cont'd)

(d) Use of estimates and judgements (Cont'd)

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 3 – valuation of property, plant and equipment
- Note 4 – valuation of right-of-use assets
- Note 5 – valuation of investment properties
- Note 12 – recoverability of development inventories
- Note 15 – recognition of deferred tax assets/liabilities

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 unincorporated 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.

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 investments 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.

Notes to the Financial Statements

2. SIGNIFICANT ACCOUNTING POLICIES (Cont'd)

(a) Basis of consolidation (Cont'd)

(ii) Business combinations (Cont'd)

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.

(iii) Acquisitions of non-controlling interests

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

(iv) Loss of control

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

(v) Associates

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

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

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

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.

Notes to the Financial Statements

2. SIGNIFICANT ACCOUNTING POLICIES (Cont'd)

(a) Basis of consolidation (Cont'd)

(v) Associates (Cont'd)

When the Group's interest in an associate increase but does not result in a change in status from an associate, any retained interest is not remeasured. Any difference between the cost of the investment and the entity's share of the net fair value of the investee's identifiable assets and liabilities is accounted for as follows:

- Goodwill relating to an associate or a joint venture is included in the carrying amount of the investment. Amortisation of that goodwill is not permitted.
- Any excess of the entity's share of the net fair value of the investee's identifiable assets and liabilities over the cost of the investment is included as income in the determination of the entity's share of the associate or joint venture's profit or loss in the period in which the investment is acquired.

When the Group's interest in an associate decrease 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 the profit or loss if the 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 investment includes transaction costs.

(vi) Joint arrangements

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

Joint arrangements are classified and accounted for as follows:

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

(vii) Non-controlling interests

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

Notes to the Financial Statements

2. SIGNIFICANT ACCOUNTING POLICIES (Cont'd)

(a) Basis of consolidation (Cont'd)

(vii) Non-controlling interests (Cont'd)

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

(viii) Transactions eliminated on consolidation

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

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

(b) Foreign currency

(i) Foreign currency transactions

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

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

Non-monetary assets and liabilities denominated in foreign currencies are not retranslated at the end of the reporting date, except for those that are measured at fair value which 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, except for goodwill and fair value adjustments arising from business combinations before 1 January 2011 (the date when the Group first adopted MFRS) which are treated as assets and liabilities of the Company. The income and expenses of foreign operations, are translated to RM at exchange rates at the dates of the transactions.

Notes to the Financial Statements

2. SIGNIFICANT ACCOUNTING POLICIES (Cont'd)

(b) Foreign currency (Cont'd)

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

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

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

(c) Financial instruments

(i) Recognition and initial measurement

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

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

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

(ii) Financial instrument categories and subsequent measurement

Financial assets

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

(a) *Amortised cost*

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

Notes to the Financial Statements

2. SIGNIFICANT ACCOUNTING POLICIES (Cont'd)

(c) Financial instruments (Cont'd)

(ii) Financial instrument categories and subsequent measurement (Cont'd)

Financial assets (Cont'd)

(a) *Amortised cost (Cont'd)*

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 ("FVOCI")*

(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.

(ii) *Equity investments*

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 ("FVTPL")*

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)).

Notes to the Financial Statements

2. SIGNIFICANT ACCOUNTING POLICIES (Cont'd)

(c) Financial instruments (Cont'd)

(ii) Financial instrument categories and subsequent measurement (Cont'd)

Financial liabilities

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

(a) *Fair value through profit or loss ("FVTPL")*

Fair value through profit or loss category comprises financial liabilities that are derivatives (except for a derivative that is a financial guarantee contract), 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.

(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.

Notes to the Financial Statements

2. SIGNIFICANT ACCOUNTING POLICIES (Cont'd)

(c) Financial instruments (Cont'd)

(iii) 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.

(iv) 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 expire 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.

(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.

Notes to the Financial Statements

2. SIGNIFICANT ACCOUNTING POLICIES (Cont'd)

(d) Property, plant and equipment (Cont'd)

(i) Recognition and measurement (Cont'd)

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

(ii) Subsequent costs

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

(iii) Depreciation

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

Depreciation is recognised in profit or loss on a straight-line basis 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. 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:

• Aircraft	18 years
• Freehold buildings	14 - 99 years
• Land improvements	10 - 40 years
• Plant, machinery, office equipment and furniture	3 - 20 years
• Motor vehicles	4 - 8 years

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

(e) Investment in works of art

Works of art are measured at cost less any accumulated impairment losses. Works of art are deemed inexhaustible and are not depreciated.

(f) 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 assesses 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;

Notes to the Financial Statements

2. SIGNIFICANT ACCOUNTING POLICIES (Cont'd)

(f) Leases (Cont'd)

(i) Definition of a lease (Cont'd)

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

At inception or on reassessment of a contract that contains a lease component, the Group allocates 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 is a lessee, it has 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 recognises 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 incentives receivable;
- * variable lease payments that depend on an index or a rate, initially measured using the index or rate as at the commencement date;
- * amounts expected to be payable under a residual value guarantee;
- * the exercise price under a purchase option that the Group is reasonably certain to exercise; and
- * penalties for early termination of a lease unless the Group is reasonably certain not to terminate early.

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

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

Notes to the Financial Statements

2. SIGNIFICANT ACCOUNTING POLICIES (Cont'd)

(f) Leases (Cont'd)

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

(b) As a lessor

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

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

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

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

(iii) Subsequent measurement

(a) As a lessee

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

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

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

(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".

The Group recognises finance income over the lease term, based on a pattern reflecting a constant periodic rate of return on the Group's net investment in the lease. The Group aims to allocate finance income over the lease term on a systematic and rational basis. The Group applies the lease payments relating to the period against the gross investment in the lease to reduce both the principal and the unearned finance income. The net investment in the lease is subject to impairment requirements in MFRS 9, *Financial Instruments* (see note 2(l)(i)).

Notes to the Financial Statements

2. SIGNIFICANT ACCOUNTING POLICIES (Cont'd)

(g) Intangible assets

(i) Goodwill

Goodwill arising on business combinations is measured at cost less any accumulated impairment losses. In respect of equity-accounted associates and joint venture, 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 venture.

(ii) Amortisation

Goodwill is not amortised but is tested for impairment annually and whenever there is an indication that they may be impaired.

(h) Investment property

(i) Investment property carried at fair value

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 measured initially at cost. 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 measured similarly as other right-of-use assets.

Subsequently, investment properties are measured at fair value with any changes therein recognised in profit or loss for the period in which they arise. Where the fair value of the investment property under construction is not reliably determinable, the investment property under construction is measured at cost until either its fair value becomes reliably determinable or construction is complete, whichever is earlier.

The fair value of investment properties held by the Group as a right-of-use asset reflects the expected cash flows. Accordingly, where valuation obtained for a property is net of all payments expected to be made, the Group added back any recognised lease liability to arrive at the carrying amount of the investment property using the fair value model.

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 period in which the item is derecognised.

(ii) Reclassification to/from investment property

When an item of property, plant and equipment is transferred to investment property following a change in its use, any difference arising at the date of transfer between the carrying amount of the item immediately prior to transfer and its fair value is recognised directly in equity as a revaluation of property, plant and equipment. However, if a fair value gain reverses a previous impairment loss, the gain is recognised in profit or loss. Upon disposal of an investment property, any surplus previously recorded in equity is transferred to retained earnings; the transfer is not made through profit or loss.

Notes to the Financial Statements

2. SIGNIFICANT ACCOUNTING POLICIES (Cont'd)

(h) Investment property (Cont'd)

(ii) Reclassification to/from investment property (Cont'd)

When the use of a property changes such that it is reclassified as property, plant and equipment or inventories, its fair value at the date of reclassification becomes its cost for subsequent accounting. Any difference between the carrying amount of the property before transfer and its fair value on the date of transfer is recognised in profit or loss in the same way as any other change in fair value of investment property.

(i) Inventories

(i) Properties held for development

Properties held for development consists of land or such portions thereof on which no development activities have been carried out or where development activities are not expected to be completed within the Group's operating cycle of 2 to 3 years. Such land is classified as non-current asset and is measured at cost less any accumulated impairment losses.

Properties held for development is classified as property under development at the point when development activities have commenced and where it can be demonstrated that the development activities can be completed within the Group's operating cycle of 2 to 3 years.

Cost associated with the acquisition of land includes the purchase price of the land, professional fees, stamp duties, commissions, conversion fees and other relevant levies.

(ii) Properties under development

Properties under 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. Borrowing costs are capitalised in accordance with the accounting policy on borrowing costs.

Cost of properties under development not recognised as an expense is recognised as an asset and is stated at the lower of cost and net realisable value.

(iii) Completed properties

Completed properties held for sale are measured at the lower of cost and net realisable value. The cost of completed properties includes expenditures incurred in the acquisition of land, direct cost and appropriate proportions of common cost attributable to developing the properties to completion and borrowing costs.

(iv) Others

Other inventories are measured at the lower of cost and net realisable value. Costs incurred in bringing the inventories to their existing location and condition are accounted for as follows:

- * Raw material: Purchase costs on a first-in-first-out/weighted average basis.
- * Finished goods and work-in-progress: Costs of direct materials and labour, and a proportion of production overheads based on normal operating capacity. These costs are assigned on a first-in-first-out/weighted average basis.

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.

Notes to the Financial Statements

2. SIGNIFICANT ACCOUNTING POLICIES (Cont'd)

(j) Contract asset/Contract liability

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.

(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 overdrafts and pledged deposits.

(l) Impairment

(i) Financial assets

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

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

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 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.

Notes to the Financial Statements

2. SIGNIFICANT ACCOUNTING POLICIES (Cont'd)

(I) Impairment (Cont'd)

(i) Financial assets (Cont'd)

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

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

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

(ii) Other assets

The carrying amounts of other assets (except for inventories, contract assets, lease receivables, deferred tax asset and investment property measured at fair value) 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 (group 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.

Notes to the Financial Statements

2. SIGNIFICANT ACCOUNTING POLICIES (Cont'd)

(l) Impairment (Cont'd)

(ii) Other assets (Cont'd)

An impairment loss in respect of goodwill is not reversed. In respect of other assets, impairment losses recognised in prior periods 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 expense

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) Repurchase, disposal and reissue of share capital (treasury shares)

When share capital recognised as equity is repurchased, the amount of the consideration paid, including directly attributable costs, net of any tax effects, is recognised as a deduction from equity. Repurchased shares that are not subsequently cancelled are classified as treasury shares in the statement of changes in equity.

When treasury shares are sold or reissued subsequently, the difference between the sales consideration net of directly attributable costs and the carrying amount of the treasury shares is recognised in equity.

(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.

Notes to the Financial Statements

2. SIGNIFICANT ACCOUNTING POLICIES (Cont'd)

(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

(i) Revenue from contracts with customers

Revenue is measured based on the consideration specified in a contract with a customer in exchange for transferring goods 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 service to customer. An asset is transferred when (or as) the customer obtains control of the asset.

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

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

(ii) Rental income

Rental income from investment property is recognised in profit or loss on a straight-line basis over the term of the 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.

(iii) Government grants

The Group deducts the government grant in calculating the carrying amount of the asset when there is reasonable assurance that it will be received and that the Group will comply with the conditions associated with the grant. The grant is recognised in profit or loss over the life of a depreciable asset as a reduced depreciation expense.

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

(iv) 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.

(v) Interest income

Interest income is recognised as it accrues using the effective interest method in profit or loss.

Notes to the Financial Statements

2. SIGNIFICANT ACCOUNTING POLICIES (Cont'd)

(p) Revenue and other income (Cont'd)

(vi) Management fee income

Management fee income from the provision of management services is recognised when services are rendered.

(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 ceased 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 statement 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.

Where investment properties are carried at their fair value in accordance with the accounting policy set out in Note 2(h), the amount of deferred tax recognised is measured using the tax rates that would apply on sale of those assets at their carrying value at the reporting date unless the property is depreciable and is held with the objective to consume substantially all of the economic benefits embodied in the property over time, rather than through sale. In all other cases, 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.

Notes to the Financial Statements

2. SIGNIFICANT ACCOUNTING POLICIES (Cont'd)

(r) Income tax (Cont'd)

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

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

(s) Earnings per ordinary share

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

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

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

(t) Operating segments

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

(u) Contingencies

(i) Contingent liabilities

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

(ii) Contingent assets

When an inflow of economic benefit of an asset is probable where it arises from past events and where existence will be confirmed only by the occurrence or non-occurrence of one or more uncertain future events not wholly within the control of the entity, the asset is not recognised in the statements of financial position but is being disclosed as a contingent asset. When the inflow of economic benefit is virtually certain, then the related asset is recognised.

Notes to the Financial Statements

2. SIGNIFICANT ACCOUNTING POLICIES (Cont'd)

(v) Fair value measurements

Fair value of an asset or a liability, except for 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 the circumstances that caused the transfers.

Notes to the Financial Statements

3. PROPERTY, PLANT AND EQUIPMENT

Group	Note	Land RM'000	Land improvements RM'000	Buildings RM'000	*Plant and equipment RM'000	Aircraft RM'000	Capital work-in- progress RM'000	Total RM'000
Cost								
At 1 January 2020		152,087	23,339	967,733	530,846	102,165	89,716	1,865,886
Additions		-	719	2,633	4,296	-	85,300	92,948
Disposals		-	-	-	(194)	-	(86)	(280)
Written off		-	-	-	(413)	-	(2,404)	(2,817)
Reclassifications		583	(583)	(61,877)	101,379	-	(39,502)	-
Government investment grants received		-	-	-	-	-	(10,502)	(10,502)
Effect of movements in exchange rates		11,938	1,879	71,725	48,107	(1,503)	9,447	141,593
At 31 December 2020/1 January 2021		164,608	25,354	980,214	684,021	100,662	131,969	2,086,828
Additions		-	81	7,462	1,649	-	246,643	255,835
Acquisition of businesses		2,712	-	4,752	730	-	-	8,194
Disposals	3.2	-	-	-	(4,678)	(103,411)	-	(108,089)
Written off		-	-	(86,601)	(121,564)	-	(35)	(208,200)
Transfer from investment property	3.8, 5	247,888	12	61,920	3,833	-	277	313,930
Transfer from inventories		21,415	-	-	-	-	-	21,415
Reclassifications		-	1,284	24,754	35,583	-	(61,621)	-
Effect of movements in exchange rates		(10,631)	(608)	(22,015)	(12,810)	2,749	(7,744)	(51,059)
At 31 December 2021		425,992	26,123	970,486	586,764	-	309,489	2,318,854

Notes to the Financial Statements

3. PROPERTY, PLANT AND EQUIPMENT (Cont'd)

Group	Note	Land RM'000	Land improvements RM'000	Buildings RM'000	*Plant and equipment RM'000	Aircraft RM'000	Capital work-in- progress RM'000	Total RM'000
Depreciation and impairment loss								
At 1 January 2020								
Accumulated depreciation		-	10,043	195,937	230,730	18,932	-	455,642
Accumulated impairment losses		7,950	-	150,807	214,902	-	14,299	387,958
		7,950	10,043	346,744	445,632	18,932	14,299	843,600
Depreciation for the year		-	7,535	10,199	25,853	5,813	-	49,400
Impairment for the year	3.3	-	-	-	-	5,949	-	5,949
Disposals		-	-	-	(191)	-	-	(191)
Written off		-	-	(26)	(318)	-	(2,404)	(2,748)
Reclassifications		-	(1,175)	951	10,562	-	(10,338)	-
Effect of movements in exchange rates		637	1,266	28,490	37,271	(557)	266	67,373
At 31 December 2020								
Accumulated depreciation		-	17,669	221,462	275,243	24,188	-	538,562
Accumulated impairment losses		8,587	-	164,896	243,566	5,949	1,823	424,821
		8,587	17,669	386,358	518,809	30,137	1,823	963,383

Notes to the Financial Statements

3. PROPERTY, PLANT AND EQUIPMENT (Cont'd)

Group	Note	Land RM'000	Land improvements RM'000	Buildings RM'000	*Plant and equipment RM'000	Aircraft RM'000	Capital work-in- progress RM'000	Total RM'000
Depreciation and impairment loss (Cont'd)								
At 1 January 2021								
Accumulated depreciation		-	17,669	221,462	275,243	24,188	-	538,562
Accumulated impairment losses		8,587	-	164,896	243,566	5,949	1,823	424,821
		8,587	17,669	386,358	518,809	30,137	1,823	963,383
Depreciation for the year		-	8,188	11,818	31,238	3,971	-	55,215
Disposals	3.2	-	-	-	(4,307)	(34,757)	-	(39,064)
Written off		-	-	(18,865)	(118,174)	-	-	(137,039)
Reclassifications		-	(13,855)	14,498	1,185	-	(1,828)	-
Effect of movements in exchange rates		(194)	(252)	(8,752)	(9,110)	649	5	(17,654)
At 31 December 2021								
Accumulated depreciation		-	11,750	223,885	181,575	-	-	417,210
Accumulated impairment losses		8,393	-	161,172	238,066	-	-	407,631
		8,393	11,750	385,057	419,641	-	-	824,841
Carrying amounts								
At 1 January 2020		144,137	13,296	620,989	85,214	83,233	75,417	1,022,286
At 31 December 2020/1 January 2021		156,021	7,685	593,856	165,212	70,525	130,146	1,123,445
At 31 December 2021		417,599	14,373	585,429	167,123	-	309,489	1,494,013

* Plant and equipment comprise plant, machinery, office equipment, motor vehicles, furniture and fittings.

Notes to the Financial Statements

3. PROPERTY, PLANT AND EQUIPMENT (Cont'd)

Company	*Plant and equipment RM'000
Cost	
At 1 January 2020/31 December 2020/1 January 2021/31 December 2021	1,093
Accumulated depreciation	
At 1 January 2020	1,035
Depreciation for the year	26
At 31 December 2020/1 January 2021	1,061
Depreciation for the year	26
At 31 December 2021	1,087
Carrying amounts	
At 1 January 2020	58
At 31 December 2020/1 January 2021	32
At 31 December 2021	6

* Plant and equipment comprise office equipment, motor vehicles, furniture and fittings.

3.1 Security

Net carrying amounts of assets pledged as security for bank borrowings as disclosed in Note 22 are as follows:

	Note	Group	
		2021 RM'000	2020 RM'000
Land		329,820	92,925
Land improvements		5,649	4,676
Buildings		514,113	518,331
Plant and equipment		130,751	125,795
Aircraft		-	70,525
Capital work-in-progress	a	305,922	127,578
		1,286,255	939,830

Note a

Capital work-in-progress mainly comprise of marina expansion and refurbishment of hotel assets located in Sydney and Sanctuary Cove, Australia.

Notes to the Financial Statements

3. PROPERTY, PLANT AND EQUIPMENT (Cont'd)

3.2 Disposal of an aircraft

On 14 September 2021, a subsidiary of the Group entered into an Aircraft Purchase Agreement with third parties to dispose an aircraft for a cash consideration amounting to RM66.50 million (equivalent to USD16.50 million). The transaction is completed on 29 September 2021, as disclosed in Note 38.2 to the financial statements.

3.3 Impairment

During the previous financial year, the Group performed an impairment assessment on its aircraft in view of the impairment indicator on overall aviation industry impacted by COVID-19 pandemic. The recoverable amount of the aircraft was determined based on its fair value less cost of disposal, in which the fair value was referenced to an external market valuation performed by an independent global aviation consulting provider. The Group recognised an impairment loss of RM5,949,000 on its aircraft which was stated in excess of its recoverable amount.

During the financial year, the aircraft was disposed of as disclosed in Note 38.2 to the financial statements.

3.4 Land

Included in the total carrying amounts of land are:

	Group	
	2021	2020
	RM'000	RM'000
Freehold land	417,599	156,021
Leasehold land with unexpired lease period of more than 50 years	8,393	8,587
Less: Accumulated impairment losses	(8,393)	(8,587)
	-	-
	417,599	156,021

3.5 Land and building subject to operating lease

The Group leases some of its land and building to third parties under short-term lease up to 1 year. The following is recognised in profit or loss:

	Group	
	2021	2020
	RM'000	RM'000
Lease income	14,781	9,348

3.6 Government investment grants received

In the previous financial year, the Group had received a grant from the Queensland Government of RM10,502,000 to rebuild Hayman Island's infrastructure project which was deducted from the capital work in progress's carrying amount.

Notes to the Financial Statements

3. PROPERTY, PLANT AND EQUIPMENT (Cont'd)

3.7 Acquisition of businesses

On 25 November 2021, the Group acquired 100% of a business trading as Emma's Cottage for a total cash consideration of RM9,664,000. This is a cellar door, vineyard and accommodation business. In December 2021, the Group also acquired a business involved in promotional and corporate merchandise for a cash consideration of RM7,329,000 and contingent consideration of RM2,409,000.

3.8 Transfer of property from investment property

During the financial year, the Group redesignated the usage of the investment property for own use. The property was then transferred to property, plant and equipment at its fair value at date of transfer.

4. RIGHT-OF-USE ASSETS

	Note	2021 RM'000	2020 RM'000
Group			
At 1 January		14,269	13,658
Addition		2,191	-
Acquisition of a business		2,176	3,242
Depreciation	4.1	(3,544)	(3,471)
Disposal		(182)	-
Adjustments		-	(223)
Effect of movements in exchange rates		(339)	1,063
At 31 December		14,571	14,269

The Group leases a number of properties, including education facility, car park, offices and office signage that run between 1 year and 9 years, with an option to renew the lease after that date. Lease payments are increased annually to reflect current market rentals.

4.1 Depreciation of right-of-use assets

	2021 RM'000	2020 RM'000
Group		
Recognised in profit or loss	3,544	3,471

4.2 Extension options

Some leases of building contain extension options exercisable by the Group up to one year before the end of the non-cancellable contract period. Where applicable, the Group seeks to include extension options in new leases to provide operational flexibility. The extension options held are exercisable only by the Group and not by the lessors. The Group assesses at lease commencement whether it is reasonably certain to exercise the extension options. The Group reassesses whether it is reasonably certain to exercise the options if there is a significant event or significant change in circumstances within its control.

Notes to the Financial Statements

4. RIGHT-OF-USE ASSETS (Cont'd)

4.3 Judgements and assumptions in relation to leases

The Group applied judgement at the commencement of lease, to determine whether the Group is reasonably certain to exercise the extension options. Group entities consider all facts and circumstances including their past practice and any cost that will be incurred to change the asset if an option to extend is not exercised, in determining the lease term.

5. INVESTMENT PROPERTIES

	Note	Group	
		2021 RM'000	2020 RM'000
At 1 January		1,199,693	1,051,756
Addition		-	59,450
Capital expenditure capitalised		10,559	21,932
Change in fair value of investment properties		52,368	(13,279)
Transfer to property, plant and equipment	3	(313,930)	-
Disposal		-	(1,975)
Effect of movements in exchange rates		(19,788)	81,809
At 31 December		928,902	1,199,693
Included in the above are:			
Freehold land and buildings		677,146	950,639
Leasehold land and building		251,756	249,054
		928,902	1,199,693

Valuation reconciliation:

Valuation is reconciled to the investment properties' carrying amount/adjusted valuation as follows:

	Note	Group	
		2021 RM'000	2020 RM'000
As at 31 December		928,902	1,199,693
Add:			
Accrued income	13.1	3,086	5,081
Deferred lease incentive	14.1 & 17.1	7,864	4,776
Deferred revenue		(48)	(41)
Advance deposits		(511)	(749)
Lease liabilities	22.6	(33,020)	(33,717)
Valuation obtained		906,273	1,175,043

Notes to the Financial Statements

5. INVESTMENT PROPERTIES (Cont'd)

Investment properties mainly comprise of commercial properties that are leased to third parties for a period of 1 to 11 years, with an option to renew the lease after that date and annual rental increases either fixed, indexed to consumer prices or market rental reviews.

Investment properties of the Group with carrying amount of RM912,539,000 (2020: RM1,183,053,000) is pledged as security for bank borrowings as disclosed in Note 22.

In the current financial year, a commercial office building in Sydney namely Transport House amounting to RM313,930,000 was reclassified from investment property to property plant and equipment as the Group occupied significant area of the property for its administrative use.

In the previous financial year, Norwest City Pty Ltd, an indirect wholly-owned subsidiary of the Company acquired Carlile Swim School located at Century Circuit, Norwest, Australia for a consideration of RM59,450,000.

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

	Group	
	2021 RM'000	2020 RM'000
Lease income	60,237	61,473
Direct operating expenses:		
- income generating investment properties	23,651	31,345
- non-income generating investment properties	214	224

The operating lease payments to be received under non-cancellable leases are as follows:

	Group	
	2021 RM'000	2020 RM'000
Less than one year	34,746	44,077
One to five years	97,080	123,394
More than five years	61,779	75,547
Total undiscounted lease payments	193,605	243,018

5.1 Fair value information

Fair value of investment properties is categorised as follows:

	2021		2020	
	Level 3 RM'000	Total RM'000	Level 3 RM'000	Total RM'000
Group				
Freehold land and buildings	687,537	687,537	959,706	959,706
Leasehold land and building	218,736	218,736	215,337	215,337
	906,273	906,273	1,175,043	1,175,043

Notes to the Financial Statements

5. INVESTMENT PROPERTIES (Cont'd)

5.1 Fair value information (Cont'd)

Level 3 fair value

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

	Group	
	2021 RM'000	2020 RM'000
At 1 January	1,175,043	1,028,610
Addition	-	59,450
Capital expenditure capitalised	10,559	21,932
Transfer to property, plant and equipment	(313,930)	-
Disposal	-	(1,975)
Accrued income	(1,995)	(1,384)
Deferred lease incentive	3,088	1,765
Deferred revenue	(7)	(6)
Advance deposits	238	(140)
Lease liabilities	697	(1,739)
Change in fair value of investment properties	52,368	(13,279)
Effect of movements in exchange rates	(19,788)	81,809
At 31 December	906,273	1,175,043

The following table shows the valuation techniques used in the determination of fair values within Level 3, as well as the significant unobservable inputs used in the valuation models.

Description of valuation technique and inputs used	Significant unobservable inputs	Inter-relationship between significant unobservable inputs and fair value measurement
Sale comparison approach: Sale price of comparable land and buildings in close proximity are adjusted for differences in key attributes such as property size. The most significant input into this valuation approach is price per square foot.	Price per square foot from RM84 to RM1,309 (2020: RM84 to RM1,309)	The estimated fair value would increase/(decrease) if the price per square foot is higher/(lower).
Capitalisation approach: The capitalisation rates were determined with regards to recent market transactions of similar properties in similar locations to the Group's investment properties, capitalised rental returns/passing income and assessment of development potential.	Capitalisation rate range from 5.25% to 7.07% (2020: 4.88% to 7.75%)	The estimated fair value would increase/(decrease) if the expected capitalisation rate was (lower)/higher.

Notes to the Financial Statements

5. INVESTMENT PROPERTIES (Cont'd)

5.1 Fair value information (Cont'd)

Valuation processes applied by the Group for Level 3 fair value

The fair value of investment properties is determined based on:

- i) the external, independent property valuers, having appropriate recognised professional qualifications and recent experience in the location and category of property being valued; and
- ii) internal valuation using the capitalisation rate method which is the rate of return on investment properties based on the income that the property is expected to generate.

Assessment of the fair values of the Group's investment properties is undertaken annually. The changes in Level 3 fair values are analysed by the management based on the assessment undertaken.

6. INVESTMENTS IN SUBSIDIARIES

	Company	
	2021 RM'000	2020 RM'000
At cost		
Unquoted shares in Malaysia	536,149	553,651
Foreign unquoted shares	1,193,110	1,122,271
	1,729,259	1,675,922
Less: Accumulated impairment losses	(60,645)	(60,645)
	1,668,614	1,615,277

Movements in cost of investments are as follows:

		Company	
		2021 RM'000	2020 RM'000
At 1 January		1,675,922	1,682,350
Acquisition of a subsidiary		8,268	-
Additional investment in a subsidiary	6.2	151,704	-
Redemption of redeemable preference shares	6.3	(106,635)	-
Struck off		-	(6,428)
At 31 December		1,729,259	1,675,922

Movements in the accumulated impairment losses are as follows:

	Company	
	2021 RM'000	2020 RM'000
At 1 January	60,645	66,891
Addition	-	182
Written off	-	(6,428)
At 31 December	60,645	60,645

Notes to the Financial Statements

6. INVESTMENTS IN SUBSIDIARIES (Cont'd)

Details of the subsidiaries are as follows:

Name of entity	Country of incorporation/ establishment	Principal activities	Proportion of ownership interest		Directors ^[6]
			2021 %	2020 %	
Subsidiaries of Mulpha International Bhd.					
Leisure Farm Corporation Sdn. Bhd.	Malaysia	Property development, property investment and resort operation	100	100	LEL ML
M Sky Services Sdn. Bhd.	Malaysia	Private air transportation services	100	100	LEL LCW
Mulpha Land & Property Sdn. Bhd.	Malaysia	Property development	100	100	LEL LCW
Mulpha Ventures Sdn. Bhd	Malaysia	Licensed money lending and trading in securities	100	100	LEL ML
Mulpha Capital Holdings Sdn. Bhd.	Malaysia	Investment holding	100	100	LEL ML
Mulpha Far East Sdn. Bhd.	Malaysia	Investment holding	100	100	LEL LSK
Mulpha Group Services Sdn. Bhd.	Malaysia	Investment holding and provision of management services	100	100	LEL LCW
Mulpha SPV Limited	Malaysia (Labuan)	Investment holding	100	100	LEL ML
Mulpha Australia Limited ^[1]	Australia	Investment holding	100	100	LSH CHP AJ LEL GS
Rosetec Investments Limited ^[2]	British Virgin Islands	Investment holding	100	100	LEL ML
Mulpha Global Investment Holdings Pte. Limited ^{[4] [5]}	Singapore	Investment holding	100	-	LEL ML OBH

Notes to the Financial Statements

6. INVESTMENTS IN SUBSIDIARIES (Cont'd)

Details of the subsidiaries are as follows (Cont'd):

Name of entity	Country of incorporation/ establishment	Principal activities	Proportion of ownership interest		Directors ^[6]
			2021 %	2020 %	
Subsidiaries of Leisure Farm Corporation Sdn. Bhd.					
Leisure Farm Resort Services Sdn. Bhd.	Malaysia	Provision of maintenance services and facilities management services	100	100	ML SA
Leisure Farm Equestrian Sdn. Bhd.	Malaysia	Investment holding, property development and property investment	100	100	LSK LEL
Subsidiaries of Mulpha Capital Holdings Sdn. Bhd.					
Mulpha Capital Markets Sdn. Bhd.	Malaysia	Investment holding	100	100	LEL ML
Hub OS Holdings Singapore Pte. Limited (formerly known as Mulpha Investments (S) Pte. Limited) ^[4]	Singapore	Investment holding	100	100	ML OBH ARA
Subsidiary of Mulpha Capital Markets Sdn. Bhd.					
Mulpha Credit Sdn. Bhd.	Malaysia	Investment holding	100	100	LEL ML
Subsidiary of Mulpha Group Services Sdn. Bhd.					
Mulpha Strategic Limited ^[2]	British Virgin Islands	Investment holding	100	100	ML AL RDH
Subsidiary of Hub OS Holdings Singapore Pte. Limited (formerly known as Mulpha Investments (S) Pte. Limited)					
Mulpha Investments (Hong Kong) Limited (formerly known as Hub OS Hong Kong Limited) ^{[4] [5] [9]}	Hong Kong	Dormant	100	-	LEL ML

Notes to the Financial Statements

6. INVESTMENTS IN SUBSIDIARIES (Cont'd)

Details of the subsidiaries are as follows (Cont'd):

Name of entity	Country of incorporation/ establishment	Principal activities	Proportion of ownership interest		Directors ^[6]
			2021 %	2020 %	
Subsidiaries of Mulpha Global Investment Holdings Pte. Limited					
Mulpha Promotional Products Pty. Limited ^{[4] [5]}	Australia	Investment holding	100	-	AJ GS LEL
Soak City Pty. Limited (formerly known as Mulpha SPV 2 Pty. Limited) ^[4]	Australia	Car wash business	100	100	AJ GS LEL
Mulpha Child Care Pty. Limited ^{[4] [5]}	Australia	Child care business	100	-	GS JTB
Subsidiary of Mulpha Promotional Products Pty. Limited					
Mulpha Signal Group Pty. Limited ^{[4] [5]}	Australia	Promotional and corporate merchandiser	100	-	GS JTB
Subsidiaries of Mulpha Australia Limited					
Bimbadgen Estate Pty. Limited ^[1]	Australia	Winery and vineyard	100	100	AJ LEL GS
Mulpha Australia (Holdings) Pty. Limited ^[1]	Australia	Investment holding	100	100	AJ LEL GS
Caldisc Pty. Limited ^[1]	Australia	Administration	100	100	AJ LEL GS
Enacon Parking Pty. Limited ^[1]	Australia	Car park operator	100	100	AJ LEL GS
HD Diesels Pty. Limited ^[1]	Australia	Investment holding and hotelier	100	100	AJ LEL GS

Notes to the Financial Statements

6. INVESTMENTS IN SUBSIDIARIES (Cont'd)

Details of the subsidiaries are as follows (Cont'd):

Name of entity	Country of incorporation/ establishment	Principal activities	Proportion of ownership interest		Directors ^[6]
			2021 %	2020 %	
Subsidiaries of Mulpha Australia Limited (Cont'd)					
Mulpha Investments Pty. Limited ^[1]	Australia	Investment holding	100	100	AJ LEL GS
Mulpha Sanctuary Cove Pty. Limited ^[1]	Australia	Investment holding	100	100	AJ LEL GS
Mulpha Hotel Investments (Australia) Pty. Limited ^[1]	Australia	Investment holding	100	100	AJ LEL GS
Mulpha Hotel Management Pty. Limited ^[1]	Australia	Mulpha Hotel Trust manager	100	100	AJ LEL GS
Swing City Norwest Pty. Limited (formerly known as Mulpha (Hotel Bonds) Group Pty. Limited ^[1]	Australia	Hospitality operations	100	100	AJ LEL GS
Mulpha Core Plus Trust ^{[1][7]}	Australia	Investment holding	100	100	N/A
Mulpha Core Plus Pty. Limited ^[1]	Australia	Trustee	100	100	AJ LEL GS
Mulpha Education Group Pty. Limited ^[1]	Australia	Education and investment holding	100	100	AJ LEL GS
Norwest City Pty. Limited ^[1]	Australia	Trustee	100	100	AJ LEL GS
MAL Hayman Pty. Limited ^[1]	Australia	Property management	100	100	LEL GS
Norwest Flexi Pty. Limited ^[1]	Australia	Trustee	100	100	AJ LEL GS

Notes to the Financial Statements

6. INVESTMENTS IN SUBSIDIARIES (Cont'd)

Details of the subsidiaries are as follows (Cont'd):

Name of entity	Country of incorporation/ establishment	Principal activities	Proportion of ownership interest		Directors ^[6]
			2021 %	2020 %	
Subsidiaries of Mulpha Australia Limited (Cont'd)					
Mulpha Funds Management Pty. Limited ^[1]	Australia	Trustee/asset management	100	100	AH GS LG
Circa 1 Pty. Limited ^[1]	Australia	Property development	100	100	AJ LEL GS
Cairns Esplanade Operations Pty. Limited ^[1]	Australia	Dormant	100	100	AJ LEL GS
Mulpha Finance Pty. Limited ^[1]	Australia	Financial services Provider	100	100	LEL GS
Mulpha Cairns Esplanade Fund ^{[1][7]}	Australia	Dormant	100	100	N/A
Mulpha Finance Holdings Pty. Limited ^[1]	Australia	Investment holding	100	100	AJ LEL GS
Mulpha MTN Limited ^[1]	British Virgin Islands	Medium Term Note issuer	100	100	ML AL RDH
Mulpha Asset Services Pty. Limited ^[1]	Australia	Asset management	100	100	AJ LEL GS
Mulpha Land Holdings Pty Ltd (formerly known as Norwest City Retail Pty. Limited) ^[1]	Australia	Trustee	100	100	AJ LEL GS
Mulpha Property Holdings Pty. Limited ^[5]	Australia	Trustee	100	-	AH LSK GS
Soak City Victoria Land Pty. Limited ^[5]	Australia	Trustee	100	-	AH LSK GS

Notes to the Financial Statements

6. INVESTMENTS IN SUBSIDIARIES (Cont'd)

Details of the subsidiaries are as follows (Cont'd):

Name of entity	Country of incorporation/ establishment	Principal activities	Proportion of ownership interest		Directors ^[6]
			2021 %	2020 %	
Subsidiaries of Mulpha Australia Limited (Cont'd)					
Mulpha Development Holdings Pty. Limited ^[5]	Australia	Investment holding	100	-	GS TBS
Mulpha Queensland Property Pty. Limited ^[5]	Australia	Trustee	100	-	GS AH LSK
Mulpha Property Holdings Unit Trust ^[5]	Australia	Investment holding	100	-	N/A
Subsidiaries of Mulpha Sanctuary Cove Pty. Limited					
Mulpha Sanctuary Cove (Developments) Pty. Limited ^[1]	Australia	Property development	100	100	JH AJ LEL MW GS
Mulpha Events Pty. Limited ^[1]	Australia	Event operator	100	100	AJ LEL GS
Sanctuary Cove (Real Estate) Pty. Limited ^[1]	Australia	Investment holding	100	100	AJ LEL GS
Mulpha Sanctuary Cove Hotel Operations Pty. Limited ^[1]	Australia	Hotelier	100	100	AJ LEL GS
Mulpha Sanctuary Cove Marine Village Pty. Limited ^[1]	Australia	Property ownership	100	100	AJ LEL GS
Mulpha Sanctuary Cove Marina Pty. Limited ^[1]	Australia	Marina operations	100	100	AJ LEL GS
Mulpha Sanctuary Cove Hotel Investments Pty. Limited ^[1]	Australia	Property ownership	100	100	AJ LEL GS

Notes to the Financial Statements

6. INVESTMENTS IN SUBSIDIARIES (Cont'd)

Details of the subsidiaries are as follows (Cont'd):

Name of entity	Country of incorporation/ establishment	Principal activities	Proportion of ownership interest		Directors ^[6]
			2021 %	2020 %	
Subsidiaries of Mulpha Sanctuary Cove Pty. Limited (Cont'd)					
Mulpha Sanctuary Cove Rec Club Pty. Limited ^[1]	Australia	Recreation club operator	100	100	AJ LEL GS
Mulpha Sanctuary Cove Investments Pty. Limited ^[1]	Australia	Property ownership	100	100	AJ LEL GS
Subsidiary of Mulpha Sanctuary Cove (Developments) Pty. Limited					
Mulpha Sanctuary Cove (Alpinia) Pty. Limited ^[1]	Australia	Property development	100	100	AJ LEL GS
Subsidiary of HD Diesels Pty. Limited					
Salzburg Apartments (Perisher Valley) Pty. Limited ^[1]	Australia	Service apartment operator	100	100	AJ LEL GS
Subsidiaries of Mulpha Hotel Investments (Australia) Pty. Limited					
Mulpha Hotels Holdings Trust ^{[1][7]}	Australia	Investment holding	100	100	N/A
Mulpha Hotels Holdings Pty. Limited ^[1]	Australia	Trustee	100	100	AJ LEL GS
Subsidiaries of Mulpha Hotels Holdings Trust					
Mulpha Hotels Australia Trust ^{[1][7]}	Australia	Investment holding	100	100	N/A

Notes to the Financial Statements

6. INVESTMENTS IN SUBSIDIARIES (Cont'd)

Details of the subsidiaries are as follows (Cont'd):

Name of entity	Country of incorporation/ establishment	Principal activities	Proportion of ownership interest		Directors ^[6]
			2021 %	2020 %	
Subsidiaries of Mulpha Hotels Holdings Trust (Cont'd)					
Mulpha Hotels Australia Pty. Limited ^[1]	Australia	Trustee	100	100	AJ LEL GS
Subsidiaries of Mulpha Australia (Holdings) Pty. Limited					
Mulpha Hotel (Sydney) Pty. Limited ^[1]	Australia	Trustee	100	100	AJ LEL GS
Mulpha Transport House Pty. Limited ^[1]	Australia	Property ownership	100	100	AJ LEL GS
Mulpha Hotel (Sydney) Trust ^{[1] [7]}	Australia	Property ownership	100	100	N/A
Mulpha Hotel Operations Pty. Limited ^[1]	Australia	Hotelier	100	100	AJ LEL GS
Subsidiary of Mulpha Investments Pty. Limited					
Mulpha Norwest Pty. Limited ^[1]	Australia	Property development	100	100	AJ LEL GS
Subsidiaries of Mulpha Education Group Pty. Limited					
iLead Training Pty. Limited ^[1]	Australia	Education	100	100	AJ LEL GS
Mulpha HTMi Pty. Limited ^[1]	Australia	Education	100	100	AJ LEL GS

Notes to the Financial Statements

6. INVESTMENTS IN SUBSIDIARIES (Cont'd)

Details of the subsidiaries are as follows (Cont'd):

Name of entity	Country of incorporation/ establishment	Principal activities	Proportion of ownership interest		Directors ^[6]
			2021 %	2020 %	
Subsidiaries of Mulpha Development Holdings Pty. Limited					
Mulpha Sanctuary Cove Harbour One Pty. Limited ^[5]	Australia	Property development	100	-	JH AJ LEL GS MW
Mulpha Norwest Quarter Development Pty. Limited ^[5]	Australia	Property development	100	-	GS TBS
Mulpha Sussex Developments Pty. Limited ^[5]	Australia	Property development	100	-	GS TBS
Subsidiary of Mulpha Property Holdings Unit Trust					
Soak City Victoria Land Trust ^[5]	Australia	Property ownership	100	-	N/A
Subsidiaries of Mulpha Hotels Australia Trust					
Mulpha Hotel Pty. Limited ^[1]	Australia	Hotelier	100	100	AJ LEL GS
Mulpha Hotel Trust ^{[1][7]}	Australia	Property ownership	100	100	N/A
Subsidiaries of Mulpha Norwest Pty. Limited					
Norwest Real Estate Pty. Limited ^[1]	Australia	Dormant	100	100	LEL GS AJ TBS
Mulpha Menangle Pty. Limited ^[1]	Australia	Property development	100	100	AJ LEL GS

Notes to the Financial Statements

6. INVESTMENTS IN SUBSIDIARIES (Cont'd)

Details of the subsidiaries are as follows (Cont'd):

Name of entity	Country of incorporation/ establishment	Principal activities	Proportion of ownership interest		Directors ^[6]
			2021 %	2020 %	
Subsidiaries of Mulpha Hotel Trust					
Hotel Land Trust ^{[1][7]}	Australia	Property ownership	100	100	N/A
Mulpha Hotel Bonds (Holdings) Pty. Limited ^[1]	Australia	Dormant	100	100	AJ LEL GS
Bisritra Pty. Limited ^[1]	Australia	Trustee	100	100	AJ LEL GS
Subsidiary of Mulpha Hotel Bonds (Holdings) Pty. Limited					
Mulpha Hotel Bonds Pty. Limited ^[1]	Australia	Bond issuer	100	100	AJ LEL GS
Subsidiaries of Mulpha Core Plus Trust					
Norwest City Trust ^{[1][7]}	Australia	Property ownership and development	100	100	N/A
Flexi Trust ^{[1][7]}	Australia	Property ownership	100	100	N/A
Norwest Quarter Land Trust (formerly known as Norwest Retail Trust) ^{[1][7]}	Australia	Property development	100	100	N/A
Mulpha Queensland Property Trust	Australia	Property development	100	-	N/A
Subsidiary of Mulpha Finance Holdings Pty. Limited					
Multiple Capital Pty. Limited ^[1]	Australia	Financial services provider	80	80	DL ST AH GS

Notes to the Financial Statements

6. INVESTMENTS IN SUBSIDIARIES (Cont'd)

Details of the subsidiaries are as follows (Cont'd):

Name of entity	Country of incorporation/ establishment	Principal activities	Proportion of ownership interest		Directors ^[6]
			2021 %	2020 %	
Subsidiary of Mulpha Finance Holdings Pty. Limited (Cont'd)					
Pindari Capital Pty. Limited ^[1]	Australia	Fund manager	100	100	EHT GS AH MM
Pindari Capital Assets Management Pty. Limited ^[1]	Australia	General partner	100	100	GS AH MM
Pindari Private Wealth Pty. Limited ^[1]	Australia	Advisory	100	100	EHT AH GS
Pindari Capital Capri Retail Pty. Limited ^[5]	Australia	Trustee	100	-	AH EHT GS MM
Mulpha Sussex Holdings Pty. Limited ^[5]	Australia	Investment holding	100	-	GS TBS
Pindari Capital Sussex Street Pty. Limited ^[5]	Australia	Trustee	100	-	AH
Subsidiaries of Pindari Capital Pty. Limited					
Pindari (Shenzhen) Commercial Information Consulting Limited ^[1]	China	Advisory	100	100	KS [8]
Pindari Investment Management Pty. Limited ^[5]	Australia	Funds Management	100	-	AH EHT MM GS

Notes to the Financial Statements

6. INVESTMENTS IN SUBSIDIARIES (Cont'd)

Details of the subsidiaries are as follows (Cont'd):

Name of entity	Country of incorporation/ establishment	Principal activities	Proportion of ownership interest		Directors ^[6]
			2021 %	2020 %	
Subsidiaries of Mulpha Sussex Holdings Pty. Limited					
Sussex St Operations Holdings Pty. Limited ^[5]	Australia	Hotelier	100	-	MA GS
Pindari Capital Hotel Fund ^[5]	Australia	Investment holding	100	-	N/A
Subsidiary of Pindari Capital Hotel Fund					
Sussex St Trust ^[5]	Australia	Property ownership	100	-	N/A
Subsidiary of Rosetec Investments Limited					
AOG Limited Partnership ^{[4] [7]}	Bermuda	Investment holding	96	96	N/A
Subsidiaries of Mulpha Strategic Limited					
AFO Assets Limited ^[3]	Malaysia (Labuan)	Leasing business	100	100	LEL ML
Jumbo Hill Group Limited ^[2]	British Virgin Islands	Investment holding and property ownership	100	100	LEL ML LG
Flame Gold Group Limited ^[2]	British Virgin Islands	Investment holding	100	100	LEL ML
View Link Global Limited ^[2]	British Virgin Islands	Investment holding	100	100	LEL ML

^[1] Subsidiaries audited by other member firms of KPMG International.

^[2] Not required to be audited pursuant to the relevant regulations of the country of incorporation.

^[3] On 1 March 2022, the subsidiary has resolved by a special resolution to be wound up voluntarily pursuant to Section 131(1) of Labuan Companies Act 1990, applying Section 439(1)(b) of the Companies Act 2016.

^[4] Subsidiaries not audited by other member firms of KPMG International.

^[5] Subsidiary incorporated/established during the financial year.

^[6] The Directors who served as at date of report.

^[7] The Trusts/Limited Partnership do not have Directors.

^[8] There is no director officially registered to-date. Karen Song (KS) as the key responsible officer is the acting director of the subsidiary.

^[9] The subsidiary has changed name to Mulpha Investments (Hong Kong) Limited on 3 March 2022.

Notes to the Financial Statements

6. INVESTMENTS IN SUBSIDIARIES (Cont'd)

6.1 Directors in the subsidiaries

Lee Eng Leong (LEL)
Marc Lee Shi Lin (ML)
Law Chin Wat (LCW)
Lim Say Kien (LSK)
Lee Seng Huang (LSH)
Chew Hoy Ping (CHP)
Alan Jones (AJ)
Gregory David Shaw (GS)
Stephen John Anderson (SA)
Ong Beng Hong (OBH)
Lucia Grambalova (LG)
Mathew Williams (MW)
Dean Lear (DL)
Simon Tozer (ST)
Andrew Hall (AH)
Edward Hewitt-Taylor (EHT)
Mark Marcos (MM)
Timothy Bruce Spencer (TBS)
Marcus Charles Anketell (MA)
John Hughes (JH)
Joshua Thomas Bolot (JTB)
Anna-Lee Arelis Thomas (AL)
Rexella Diann Hodge (RDH)
Alexandre Ridaura Ayats (ARA)

6.2 Additional investment in a subsidiary

During the financial year, the Company increased its investment in a subsidiary which amounted to RM151,704,000.

6.3 Redemption of redeemable preference shares

During the financial year, the Group redeemed preference shares issued by its subsidiaries. The preference shares were redeemed at its issuance cost amounting to RM106,635,000.

Notes to the Financial Statements

6. INVESTMENTS IN SUBSIDIARIES (Cont'd)

6.4 Non-controlling interests in subsidiaries

The Group's subsidiaries that have material non-controlling interests ("NCI") are as follows:

	AOG Limited Partnership RM'000	Other subsidiaries with immaterial NCI RM'000	Total RM'000
2021			
NCI percentage of ownership interest and voting interest	4%		
Carrying amount of NCI	26,298	-	26,298
Profit allocated to NCI	495	40	535
Summarised financial information before intra-group elimination			
As at 31 December			
Non-current assets	633,025		
Current assets	44,066		
Non-current liabilities	-		
Current liabilities	(453)		
Net assets	676,638		
Year ended 31 December			
Revenue	14,279		
Profit for the year	12,719		
Total comprehensive income	118,181		
Net movement in cash and cash equivalents	44,007		
Dividends paid to NCI	-		

Notes to the Financial Statements

6. INVESTMENTS IN SUBSIDIARIES (Cont'd)

6.4 Non-controlling interests in subsidiaries (Cont'd)

The Group's subsidiaries that have material non-controlling interests ("NCI") are as follows (Cont'd):

	AOG Limited Partnership RM'000	Other subsidiaries with immaterial NCI RM'000	Total RM'000
2020			
NCI percentage of ownership interest and voting interest	4%		
Carrying amount of NCI	22,323	438	22,761
Profit allocated to NCI	440	797	1,237
As at 31 December			
Non-current assets	574,737		
Current assets	-		
Non-current liabilities	-		
Current liabilities	(269)		
Net assets	574,468		
Year ended 31 December			
Revenue	12,824		
Profit for the year	11,324		
Total comprehensive expense	(2,386)		
Net movement in cash and cash equivalents	-		
Dividends paid to NCI	-		

Notes to the Financial Statements

7. INVESTMENTS IN ASSOCIATES

	Group		Company	
	2021 RM'000	2020 RM'000	2021 RM'000	2020 RM'000
At cost:				
Quoted shares in Malaysia	30,779	30,779	22,876	22,876
Foreign unquoted shares	127,822	151,951	-	-
Exchange difference	4,377	1,707	-	-
	162,978	184,437	22,876	22,876
Share of post-acquisition reserves	(44,819)	(47,898)	-	-
	118,159	136,539	22,876	22,876
Less: Accumulated impairment losses	(17,496)	(17,496)	(7,254)	(7,254)
	100,663	119,043	15,622	15,622
At market value:				
Quoted shares				
- In Malaysia	17,588	24,866	17,588	24,866

Details of the associates are as follows:

Name of entity	Country of incorporation	Principal activities	Proportion of ownership interest	
			2021 %	2020 %
Held by Mulpha International Bhd.				
Thriven Global Berhad ("Thriven") ^[1]	Malaysia	Investment holding, property development and property investment	22.18	22.18
Held through Mulpha Credit Sdn. Bhd.				
Education Perfect Group Limited ^[1] ("Education Perfect")	New Zealand	Education software business	-	37.90
Held through View Link Global Limited				
New Pegasus Holdings Limited ^[1] ("New Pegasus")	British Virgin Islands	Investment holding	33.00	33.00

^[1] Associates not audited by other member firms of KPMG International.

Notes to the Financial Statements

7. INVESTMENTS IN ASSOCIATES (Cont'd)

The following table summarises the information of the Group's associates and reconciles the information to the carrying amount of the Group's interest in the associates:

Group	Thriven RM'000	New Pegasus RM'000
2021		
Summarised financial information as at 31 December		
Non-current assets	71,241	595,749
Current assets	300,466	43,452
Total assets	371,707	639,201
Non-current liabilities	(9,888)	-
Current liabilities	(192,864)	(381,331)
Total liabilities	(202,752)	(381,331)
Net assets	168,955	257,870

Year ended 31 December

Loss for the year	(14,227)	(13,689)
Total comprehensive expense	(14,227)	(13,689)

Included in the total comprehensive expense is:

Revenue	85,880	53,672
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Group	Thriven RM'000	Education Perfect RM'000	New Pegasus RM'000	Total RM'000
2021				
Reconciliation of net assets to carrying amount as at 31 December				
Group's share of net assets	15,566	-	85,097	100,663
Group's share of results for the year ended 31 December				
Group's share of (loss)/profit	(4,504)	8,300	(2,175)	1,621
Group's share of other comprehensive income	-	130	-	130
Group's share of total comprehensive (expense)/income	(4,504)	8,430	(2,175)	1,751
Group's share of other reserve	-	249	-	249
Other information				
Dividends received	-	-	-	-

Notes to the Financial Statements

7. INVESTMENTS IN ASSOCIATES (Cont'd)

The following table summarises the information of the Group's associates and reconciles the information to the carrying amount of the Group's interest in the associates (Cont'd):

Group	Thriven RM'000	Education Perfect RM'000	New Pegasus RM'000	
2020				
Summarised financial information as at 31 December				
Non-current assets	71,007	109,948	604,500	
Current assets	303,392	34,504	22,324	
Total assets	374,399	144,452	626,824	
Non-current liabilities	(15,547)	(68,763)	(375,375)	
Current liabilities	(170,566)	(20,271)	(15,184)	
Total liabilities	(186,113)	(89,034)	(390,559)	
Net assets	188,286	55,418	236,265	
Year ended 31 December				
(Loss)/Profit for the year	(4,570)	1,247	(37,231)	
Other comprehensive expense	-	(58)	-	
Total comprehensive (expense)/income	(4,570)	1,189	(37,231)	
Included in the total comprehensive (expense)/income is:				
Revenue	147,036	84,949	27,557	
2020				
Reconciliation of net assets to carrying amount as at 31 December				
Group's share of net assets	20,070	21,006	77,967	119,043
Group's share of results for the year ended 31 December				
Group's share of (loss)/profit	(1,395)	451	(12,132)	(13,076)
Group's share of other comprehensive expense	-	(24)	-	(24)
Group's share of total comprehensive (expense)/income	(1,395)	427	(12,132)	(13,100)
Group's share of other reserve	(2,567)	476	-	(2,091)
Other information				
Dividends received	-	-	-	-

Notes to the Financial Statements

7. INVESTMENTS IN ASSOCIATES (Cont'd)

Note 7.1

The Group made a capital contribution of RM7,484,000 (equivalent to GBP1,320,000) (2020: RM4,455,000 (equivalent to GBP825,000)) in New Pegasus during the financial year. There is no change in the Group's ownership interest in New Pegasus after the capital contribution.

Note 7.2

On 9 February 2021, Education Perfect issued additional shares to key executive and as a result, the Group's shareholding in Education Perfect was diluted to 37.81%.

On 22 June 2021, an indirect wholly-owned subsidiary of the Company entered into a Share Sale Agreement to dispose of its entire equity interest in Education Perfect for proceeds of NZD156,369,000 (equivalent to RM450,345,000). The transaction was completed on 30 September 2021, as disclosed in Note 38.1 to the financial statements.

8. INVESTMENTS IN JOINT VENTURES

	Group	
	2021	2020
	RM'000	RM'000
Unquoted shares at cost	49,721	49,721
Share of post-acquisition reserve	12,812	3,825
Exchange differences	647	1,984
	63,180	55,530
Less: Accumulated impairment losses	(3,371)	-
	59,809	55,530

The movements of investments in joint ventures are as follows:

	Group	
	2021	2020
	RM'000	RM'000
Carrying amount at 1 January	55,530	59,199
Addition	-	3,927
Share of net results from investments in joint ventures	22,246	(9,471)
Dividend received	(13,259)	(2,280)
Impairment loss	(3,371)	-
Exchange differences	(1,337)	4,155
Carrying amount at 31 December	59,809	55,530

Notes to the Financial Statements

8. INVESTMENTS IN JOINT VENTURES (Cont'd)

Details of the joint ventures are as follows:

Name of entity	Country of incorporation	Principal activities	Proportion of ownership interest	
			2021 %	2020 %
Held through Mulpha Norwest Pty. Limited				
Spamb Pty. Limited ^[1]	Australia	Property development	60	60
Held through Mulpha Finance Holdings Pty. Limited				
JY Mulpha Brimbank Level 3 Trust ^[1]	Australia	Investment holding	20	20
JY Mulpha Brimbank Level 2 Trust ^[1]	Australia	Debt financing	20	20
JY Mulpha Brimbank Level 1 Trust ^[1]	Australia	Property ownership	20	20
Held through Leisure Farm Corporation Sdn. Bhd.				
Gerbang Leisure Park Sdn. Bhd. ^[3]	Malaysia	Property development	50	50
Held through Mulpha Capital Markets Sdn. Bhd.				
HUB OS Australia Pty. Limited. ^[1]	Australia	Hospitality software licensee	50	50
Held through Sanctuary Cove (Real Estate) Pty. Limited				
SC Realty Pty. Limited ^[1]	Australia	Real estate agency	50	50
Harchelma Pty. Limited ^[2]	Australia	Real estate agency	50	-

^[1] Joint ventures not audited by other member firms of KPMG International.

^[2] Joint ventures acquired during the financial year.

^[3] Joint venture had applied to Companies Commission of Malaysia for striking off pursuant to Section 550 of the Companies Act 2016. On 3 March 2022, the joint venture was struck off from the register of companies and dissolved following the publication of the notice of striking off in the Gazette pursuant to Section 551(3) of the Companies Act 2016.

Notes to the Financial Statements

8. INVESTMENTS IN JOINT VENTURES (Cont'd)

The following table summarises the financial information of joint ventures and reconciles the summarised financial information to the carrying amount of the Group's interests in joint ventures, which are accounted for using the equity method.

	Group	
	2021	2020
	RM'000	RM'000
Summarised financial information as at 31 December		
Non-current assets	511,238	471,327
Current assets	42,188	57,307
Non-current liabilities	(455)	-
Current liabilities	(278,778)	(293,580)
Net assets	<u>274,193</u>	<u>235,054</u>
Included in the current assets is:		
Cash and cash equivalent	<u>7,812</u>	<u>10,084</u>
Included in the non-current liabilities is:		
Non-current financial liabilities (excluding trade and other payables and provisions)	<u>(455)</u>	<u>-</u>
Included in the current liabilities is:		
Current financial liabilities (excluding trade and other payables and provisions)	<u>(257,550)</u>	<u>(260,866)</u>
Year ended 31 December		
Total comprehensive expense	<u>86,198</u>	<u>(23,839)</u>
Included in the total comprehensive expense are:		
Revenue	40,703	54,950
Interest income	1,284	9
Interest expense	(5,724)	(7,007)
Income tax benefit/(expense)	<u>2,458</u>	<u>(2,161)</u>
Reconciliation of net assets to carrying amount as at 31 December		
Group's share of net assets	<u>59,809</u>	<u>55,530</u>
Group's share of results for the year ended 31 December		
Group's share of total comprehensive income/(expense)	<u>22,246</u>	<u>(9,471)</u>
Other information		
Dividends received	<u>13,259</u>	<u>2,280</u>

Notes to the Financial Statements

9. INVESTMENT SECURITIES

	Note	Shares RM'000	Loan notes RM'000	Bond RM'000	Total RM'000
Group					
2021					
Non-current					
Fair value through other comprehensive income	9.1	417,745	-	-	417,745
Amortised cost	9.2	-	226,182	-	226,182
		417,745	226,182	-	643,927
2020					
Non-current					
Fair value through other comprehensive income	9.1	312,167	-	-	312,167
Amortised cost		-	263,617	-	263,617
		312,167	263,617	-	575,784
Current					
Amortised cost	9.3	-	-	161,200	161,200
		312,167	263,617	161,200	736,984
Company					
2021					
Non-current					
Fair value through other comprehensive income	9.1	1,043	-	-	1,043
2020					
Non-current					
Fair value through other comprehensive income	9.1	1,043	-	-	1,043

9.1 Equity investments designated at fair value through other comprehensive income

As a result of privatisation of AVEO Group ("AVEO") on 29 November 2019, the Group continues to retain indirect effective equity interest of approximately 15.5% in AVEO. The ownership structure is such that the Group holds direct equity interest of approximately 96.1% in AOG L.P. ("AOG"), which in turn holds a direct equity interest of approximately 16.1% in Hydra RL TopCo Pty. Limited ("TopCo"). TopCo securities were issued to AOG on the basis of 1 TopCo share and 1 TopCo loan note. The Group effectively holds 178,580,181 units of equity securities with an issue price of AUD0.57 each (equivalent to RM1.73).

The Group designated the investments in equity securities as fair value through other comprehensive income as they represent investments that the Group intends to hold for long-term strategic purpose.

Notes to the Financial Statements

9. INVESTMENT SECURITIES (CONT'D)

9.2 Loan notes at amortised cost

The Group effectively holds 178,580,181 units of loan notes with an issue price of AUD0.43 each (equivalent to RM1.30) with an interest of 5.44% per annum. In December 2021, TopCo has partially redeemed the TopCo loan notes by an amount of AUD14,523,000 (equivalent to RM45,166,000). After the said redemption, the Group effectively holds 149,446,088 units of loan notes at AUD0.48 each (equivalent to RM1.45).

9.3 Bond at amortised cost

On 28 December 2016, Mulpha Strategic Limited ("MSL"), an indirect wholly-owned subsidiary of the Company, had subscribed for Series 1 USD60 million 7% Notes ("the Bond") due in 2021 issued by Mudajaya Ventures Limited ("MVL") under its USD200 million Euro Medium Term Note Programme.

On 27 December 2020, MSL having considered the extraordinary resolutions proposed by MVL, approved the extension of the maturity date of the Bond to 28 December 2021. Simultaneous with such extension, MVL had on 27 December 2021, partially redeemed the Bond by an amount of USD20 million.

On 23 December 2021, MSL having considered the extraordinary resolutions proposed by MVL, approved the extension of the maturity date of the Bond to 28 December 2021.

MVL had on 22 October 2021 partially redeemed the Bond by an amount of USD25 million and redeemed the remaining bond of USD15 million on 28 December 2021 upon maturity (collectively equivalent to RM165,350,000).

In the previous financial year, the bond with carrying value of RM161,200,000 is pledged to a financial institution for credit facility granted to a subsidiary as disclosed in Note 22.

10. OTHER INVESTMENTS

	Club memberships RM'000	Investments in works of art RM'000	Total RM'000
Group			
At 31 December 2020/31 December 2021			
Fair value through profit or loss	965	-	965
At cost	-	4,121	4,121
	965	4,121	5,086
Company			
At 31 December 2020/31 December 2021			
Fair value through profit or loss	936	-	936
At cost	-	4,121	4,121
	936	4,121	5,057

Notes to the Financial Statements

11. GOODWILL

	Goodwill on consolidation RM'000	Purchased goodwill RM'000	Total RM'000
Group			
At 1 January 2020	2,512	193	2,705
Impairment loss	(591)	-	(591)
Exchange differences	-	15	15
At 31 December 2020/1 January 2021	1,921	208	2,129
Acquisition of business	-	10,591	10,591
Exchange differences	-	(277)	(277)
At 31 December 2021	1,921	10,522	12,443

Impairment tests for goodwill

Allocation of goodwill

Goodwill has been allocated to the Group's cash-generating units identified according to the country of operation and business segment as follows:

	Malaysia RM'000	Australia RM'000	Total RM'000
At 31 December 2021			
Boat show	-	203	203
Promotional merchandise business	-	10,319	10,319
Investment business	1,921	-	1,921
	1,921	10,522	12,443
At 31 December 2020			
Boat show	-	208	208
Investment business	1,921	-	1,921
	1,921	208	2,129

Key assumptions used

Where there is no observable market price for unquoted securities, the recoverable amount is based on fair value less cost of disposal by estimating the fair value of the underlying assets and liabilities of the investment.

Based on the impairment test undertaken, an impairment loss of RM591,000 was recognised in the previous financial year.

Notes to the Financial Statements

12. INVENTORIES

	Group	
	2021	2020
	RM'000	RM'000
Non-current		
Properties held for development		
- Cost of acquisition for freehold land	390,656	339,432
- Capitalised development cost	286,373	263,909
Total non-current inventories	677,029	603,341
Current		
Properties under development		
- Cost of acquisition for freehold land	132,083	185,797
- Capitalised development cost	327,318	364,974
	459,401	550,771
Completed properties	224,300	236,603
Finished goods	11,531	12,448
Work-in-progress	6,958	6,313
	242,789	255,364
Total current inventories	702,190	806,135
Total inventories	1,379,219	1,409,476
Recognised in profit of loss:		
Write-down to net realisable value	478	10,235

The write-down is included in the cost of sales.

Included in properties under development of the Group is interest capitalised during the financial year amounting to RM364,000 (2020: RM1,838,000).

Certain properties held for development and properties under development amounting to RM745,952,000 (2020: RM808,280,000) are pledged to financial institutions as security for banking facilities granted as disclosed in Note 22.

Notes to the Financial Statements

13. TRADE AND OTHER RECEIVABLES

	Note	Group		Company	
		2021 RM'000	2020 RM'000	2021 RM'000	2020 RM'000
Non-current					
Trade					
Accrued income	13.1	3,787	4,089	-	-
Trade receivables		-	2,022	-	-
Loan receivables					
- Loan assets held at FVTPL		-	1,697	-	-
- Loan assets held at FVOCI		3,505	36,568	-	-
Non-trade					
Other receivables		-	212	-	-
Amounts due from subsidiaries	13.2	-	-	312,152	559,705
Financial assets at FVTPL		1,094	-	-	-
		8,386	44,588	312,152	559,705
Current					
Trade					
Trade receivables		129,793	82,544	-	-
Less: Allowance for impairment losses		(4,758)	(5,862)	-	-
		125,035	76,682	-	-
Accrued income	13.1	-	1,149	-	-
Loan receivables					
- Loan assets held at FVOCI		80,020	17,401	-	-
		205,055	95,232	-	-
Non-trade					
Other receivables		156,709	130,783	103,206	103,205
Deposits		3,587	4,475	47	35
Amounts due from subsidiaries	13.2	-	-	316,234	135,755
		160,296	135,258	419,487	238,995
Total current trade and non-trade		365,351	230,490	419,487	238,995
Total trade and other receivables		373,737	275,078	731,639	798,700

13.1 Accrued income

Included in accrued income are rental income of investment properties amounting to RM3,086,000 (2020: RM5,081,000) recognised on a straight-line basis over the lease term.

Notes to the Financial Statements

13. TRADE AND OTHER RECEIVABLES (Cont'd)

13.2 Amounts due from subsidiaries

	Company	
	2021	2020
	RM'000	RM'000
Interest bearing	628,253	563,314
Non-interest bearing	133	132,146
	628,386	695,460

The non-interest bearing amounts due from subsidiaries are unsecured and repayable on demand.

The non-current amounts due from subsidiaries consist of the unsecured loan owing by Mulpha Australia Limited ("MAL") and unsecured advances owing by Leisure Farm Corporation Sdn. Bhd. amounted to RM31,331,000 (2020: RM39,574,000) and RM280,821,000 (2020: RM239,626,000) which are subject to interest of 5.30% (2020: 5.30%) and 4.55% (2020: 4.55% to 8.00%) per annum respectively.

In the previous financial year, the non-current amounts due from subsidiaries also consisted of the foreign unquoted cumulative redeemable preference shares ("CRPS") issued by MAL which was subject to dividend of 7.5% (2020: 7.50%) per annum amounted to RM250,819,000 and accrued dividend payables on CRPS. During the financial year, the CRPS amounted to RM245,155,000 has been reclassified to current due to expected to be realised within twelve months after the end of the reporting period.

The remaining current amounts due from subsidiaries are unsecured, non-interest bearing and expected to be realised within twelve months after the end of the reporting period except for amounts due from subsidiaries amounting to RM70,947,000 (2020: RM24,595,000) and RM Nil (2020: RM8,700,000) which are subject to interest of 2.25% (2020: 2.25% to 4.00%) per annum and of 4.55% (2020: 4.55% to 8.00%) per annum respectively.

14. OTHER NON-CURRENT ASSETS

	Note	Group	
		2021	2020
		RM'000	RM'000
Deferred lease incentive	14.1	8,478	3,191
Prepayments and others		14,930	11,239
		23,408	14,430

14.1 Deferred lease incentives

Included in deferred lease incentives are lease incentives received from rental of investment properties amounting to RM7,864,000 (2020: RM2,208,000) recognised on a straight-line basis over the lease term.

Notes to the Financial Statements

15. DEFERRED TAX ASSETS/(LIABILITIES)

Recognised deferred tax assets/(liabilities)

Deferred tax assets and liabilities are attributable to the following:

	2021 RM'000	2020 RM'000
Group		
Assets		
Provision for liabilities and other payables	35,061	45,142
Lease liabilities	2,344	5,305
Unutilised tax losses	44,719	17,379
Unabsorbed capital allowances	111,515	88,332
Capital losses	93,654	91,763
Tax assets	287,293	247,921
Set off of tax	(286,517)	(247,921)
Net tax assets	776	-
Liabilities		
Right-of-use assets	(3,066)	(5,209)
Investment properties	(6,413)	(4,118)
Fair value adjustment	(72,586)	(68,165)
Accelerated capital allowances	(165,649)	(153,079)
Receivables and others	(85,918)	(77,357)
Tax liabilities	(333,632)	(307,928)
Set off of tax	286,517	247,921
Net tax liabilities	(47,115)	(60,007)
Net	(46,339)	(60,007)

Unrecognised deferred tax assets

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

	Note	2021 RM'000	2020 RM'000
Group			
Unutilised tax losses	15.1	209,275	176,998
Unabsorbed capital allowances/capital losses		778,337	848,511
Other deductible temporary differences		131,093	128,123
		1,118,705	1,153,632

Notes to the Financial Statements

15. DEFERRED TAX ASSETS/(LIABILITIES) (Cont'd)

Unrecognised deferred tax assets (Cont'd)

	Note	2021 RM'000	2020 RM'000
Company			
Unutilised tax losses	15.1	335	335
Unabsorbed capital allowances		3,622	3,622
		3,957	3,957

The unabsorbed capital allowances/capital losses and other deductible temporary differences do not expire under the current tax legislation. Deferred tax assets have not been recognised in respect of these items because it is not probable that future taxable profit will be available in subsidiaries against which the Group can utilise the benefits there from.

15.1 Unutilised tax losses

The unutilised tax losses can only be carried forward up to 10 consecutive years of assessment. The table below shows the unutilised tax losses expires in respective year of assessment ("YA"):

	Group		Company		10-Year time limit to carry forward
	2021 RM'000	2020 RM'000	2021 RM'000	2020 RM'000	
YA 2018	104,560	104,560	335	335	YA 2028
YA 2019	34,414	34,414	-	-	YA 2029
YA 2020	38,024	38,024	-	-	YA 2030
YA 2021	32,277	-	-	-	YA 2031
	209,275	176,998	335	335	

Pursuant to guidelines issued by the Malaysian tax authorities in 2021, the Ministry of Finance has exempted all companies from the provision of Section 44(5A) and Paragraph 75A of Schedule 3 except dormant companies. Therefore, all active subsidiaries are allowed to carry forward their unabsorbed capital allowances and business losses (subject to the 10-year time limit).

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

	Group	
	2021 RM'000	2020 RM'000
At 1 January	(60,007)	(82,797)
Recognised in profit or loss	12,026	27,517
Acquisition of business	613	-
Exchange adjustments	1,029	(4,727)
At 31 December	(46,339)	(60,007)

Notes to the Financial Statements

16. CONTRACT LIABILITIES

The following table provides information about contract liabilities from contracts with customers:

	Group	
	2021	2020
	RM'000	RM'000
Non-current		
Contract liabilities	(14,266)	(16,017)
Current		
Contract liabilities	(50,008)	(43,345)

The contract liabilities primarily relate to the advance considerations received from a service to be rendered to the customer and are to be recognised as revenue over a period of contract. Included in the contract liabilities of the Group amounting to RM15,653,000 (2020: RM17,438,000) are mainly contributions from hotel operator towards the hotel renovation programmes undertaken by the Group and are to be recognised as income over the period of the hotel management agreement entered into between the Group and the hotel operator.

Changes in the contract liabilities balances during the financial year are as follows:

	2021	2020
	RM'000	RM'000
Group		
Contract liabilities at the beginning of the year recognised as revenue	43,345	28,350

17. OTHER CURRENT ASSETS

		Group		Company	
	Note	2021	2020	2021	2020
		RM'000	RM'000	RM'000	RM'000
Deferred lease incentive	17.1	159	2,752	-	-
Prepayments		18,106	16,744	27	37
		18,265	19,496	27	37

17.1 Deferred lease incentives

In the previous financial year, included in deferred lease incentives were lease incentives received from rental of investment properties amounting to RM2,568,000 recognised on a straight-line basis over the lease term.

Notes to the Financial Statements

18. CASH AND CASH EQUIVALENTS

	Group		Company	
	2021 RM'000	2020 RM'000	2021 RM'000	2020 RM'000
Cash and bank balances	272,936	136,645	253	246
Deposits with licensed banks	97,991	159,921	-	-
	370,927	296,566	253	246

Included in cash and cash equivalents of the Group are deposits amounting to RM29,189,000 (2020: RM34,140,000) pledged to licensed banks as security for banking facilities granted to certain subsidiaries of the Company as disclosed in Note 22.

Included in cash and bank balances of the Group is an amount of RM8,000 (2020: RM8,000) maintained under the Housing Developers Accounts pursuant to the Housing Developers (HDA) Regulations 1991, which are restricted from use in other operations.

The weighted average effective interest rate of deposits with licensed banks as at 31 December 2021 for the Group is 0.04% (2020: 0.10%) per annum.

The average maturity of deposits with licensed banks at reporting date for the Group is 34 days (2020: 31 days).

19. ASSETS CLASSIFIED AS HELD FOR SALE

	2021 RM'000	2020 RM'000
Group		
Assets classified as held for sale	-	79,839

In the previous financial year, the Group entered into a conditional sale contract to dispose of an existing warehouse building on the Lexington Drive site in Sydney, Australia. The sale was completed in March 2021.

20. SHARE CAPITAL AND TREASURY SHARES

	Group and Company			
	Number of shares		Amount	
	Share capital '000	Treasury shares '000	Share capital RM'000	Treasury shares RM'000
Issued and fully paid shares with no par value classified as equity instruments:				
At 1 January 2020	319,618	(152)	2,037,459	(318)
Cancellation of treasury shares	(152)	152	(761)	318
At 31 December 2020	319,466	-	2,036,698	-

Notes to the Financial Statements

20. SHARE CAPITAL AND TREASURY SHARES (Cont'd)

	Group and Company			
	Number of shares		Amount	
	Share capital	Treasury shares	Share capital	Treasury shares
	'000	'000	RM'000	RM'000
Issued and fully paid shares with no par value classified as equity instruments: (Cont'd)				
At 1 January 2021	319,466	-	2,036,698	-
Purchase of treasury shares	-	(8,288)	-	(17,586)
At 31 December 2021	319,466	(8,288)	2,036,698	(17,586)
	Note 20.1	Note 20.2		

20.1 Ordinary shares

The holders of ordinary shares are entitled to receive dividends as and when declared by the Company. All ordinary shares carry one vote per share without restrictions and rank equally with regard to the Company's residual assets.

20.2 Treasury shares

The purpose of current share buyback scheme is to allow the Company to buy back its shares when the market does not fully reflect the value of its shares. As at 31 December 2021, the details of the Company's share purchase and cancellation are as follows:

		Number of shares purchased	Total Consideration RM'000	Average Price RM
2010	Purchased	11,055,700	5,442	0.490
2011	Purchased	33,333,500	13,910	0.417
2012	Purchased	114,396,400	46,903	0.410
2013	Purchased	63,264,200	25,794	0.408
2014	Purchased	150,000	66	0.440
2015	Purchased	60,000	22	0.367
2016	Purchased	5,610,000	1,140	0.203
2016	Cancelled	(226,547,700)	(93,011)	0.411
2017	Purchased	200,000	52	0.260
2020	Cancelled	(1,522,100)	(318)	0.209
2021	Purchased	8,288,200	17,586	2.122
		8,288,200	17,586	2.122

Notes to the Financial Statements

20. SHARE CAPITAL AND TREASURY SHARES (Cont'd)

20.2 Treasury shares (Cont'd)

During the financial year, the Company purchased 8,288,200 shares from the open market, as follows:

Month	Number of shares purchased	Total consideration RM'000	Highest price RM	Lowest Price RM	Average price* RM
April	2,587,200	4,421	1.77	1.51	1.71
June	964,300	1,706	1.81	1.56	1.77
July	272,400	544	2.10	1.92	2.00
August	207,600	463	2.25	2.15	2.23
September	4,256,700	10,452	2.50	2.26	2.46
	8,288,200	17,586			

* The average price includes transaction costs.

The purchase of shares was funded by internal funds. The shares purchased have been retained as treasury shares.

Of the total 319,466,430 issued and fully paid ordinary shares as at 31 December 2021, 8,288,200 are held as treasury shares in accordance with Section 127 of the Companies Act 2016.

In the previous financial year, the Company cancelled the entire treasury shares of 152,210 units (after share consolidation of every 10 existing ordinary shares into 1 ordinary share in year 2017) pursuant to Section 127 of the Companies Act 2016.

21. RESERVES

	Note	2021 RM'000	2020 RM'000
Group			
Non-distributable			
Exchange reserve	21.1	28,461	78,283
Revaluation reserve	21.2	68,545	68,545
Other reserve	21.3	84,372	(19,411)
		181,378	127,417
Company			
Non-distributable			
Other reserve		107	107

The movements in reserves are shown in the statements of changes in equity.

The nature and purpose of each category of reserve are as follows:

Notes to the Financial Statements

21. RESERVES (Cont'd)

21.1 Exchange reserve

The exchange reserve represents foreign exchange differences arising from the translation of the financial statements of foreign operations including subsidiaries, as well as from the translation of foreign currency loans used to hedge the investments in foreign subsidiaries.

During the financial year, the Group has recognised RM1,119,000 cumulative exchange differences to profit or loss upon disposal of its foreign associate.

21.2 Revaluation reserve

The revaluation reserve relates to the revaluation of property, plant and equipment immediately prior to its reclassification to investment properties and also arises from a business combination in the previous financial year.

21.3 Other reserve

Other reserve comprises mainly share of post-acquisition reserve of associates and cumulative net change in the fair value of equity designated at fair value through other comprehensive income.

During the financial year, the Group transferred RM652,000 reserve to retained earnings upon disposal of its foreign associate.

22. LOANS AND BORROWINGS

	Note	Group		Company	
		2021 RM'000	2020 RM'000	2021 RM'000	2020 RM'000
Non-current					
Finance lease liability- secured	22.4	8,393	8,587	-	-
Bonds	22.3	69,253	75,775	-	-
Revolving credit - secured		302,091	66,340	-	-
Term loans - secured		769,432	317,621	-	-
		1,149,169	468,323	-	-
Current					
Bank overdrafts - secured		1,440	3,066	1,440	2,003
Bonds	22.3	5,814	287,598	-	-
Revolving credit - secured		116,567	493,354	81,000	91,000
Term loans - secured	22.5	342,459	722,832	4,475	-
		466,280	1,506,850	86,915	93,003
Total borrowings		1,615,449	1,975,173	86,915	93,003

Notes to the Financial Statements

22. LOANS AND BORROWINGS (Cont'd)

22.1 Obligations under finance lease

This obligation is secured by the leased asset as disclosed in Note 3. The finance lease payable is subjected to interest of 7.0% (2020: 7.0%) per annum during the financial year.

22.2 Security

The bank overdrafts, revolving credit and term loans are secured by the following:

- (i) Corporate guarantee by the Company;
- (ii) Pledge of land, buildings and plant and equipment of certain subsidiaries, as disclosed in Note 3.1;
- (iii) Pledge of investment properties of certain subsidiaries as disclosed in Note 5;
- (iv) Pledge over investment securities of a subsidiary as disclosed in Note 9;
- (v) Pledge of inventories of certain subsidiaries as disclosed in Note 12;
- (vi) Deposits and interest reserve account of certain subsidiaries as disclosed in Note 18; and
- (vii) Floating charge over assets of certain subsidiaries.

22.3 Bonds

	Note	Group	
		2021 RM'000	2020 RM'000
Unsecured	(i)	-	282,100
Secured	(ii)	75,067	81,273
		75,067	363,373

- (i) In 2017, a foreign subsidiary issued a Nominal Fixed Rate Notes of USD70 million for a term of 3 years. The notes were listed on the Hong Kong Stock Exchange with interest payments were made semi-annually. The notes were unsecured but were guaranteed by a foreign subsidiary. On 30 November 2020, the maturity date of the notes was extended from 1 December 2020 to 28 December 2021. The notes were no longer listed on the Hong Kong Stock Exchange. All other terms of the notes remained unchanged.

On 28 October 2021, the notes were fully redeemed.

- (ii) In 1999, a subsidiary in Australia issued bonds for a term of 30 years. The bonds have an effective interest rate of 7.92% (2020: 7.90%) per annum and is payable quarterly in arrears. These bonds are secured against the freehold land of a subsidiary as disclosed in Note 3.1.

Notes to the Financial Statements

22. LOANS AND BORROWINGS (Cont'd)

22.4 Finance lease liability

Finance lease liability is payable as follows:

	Future minimum lease payments	Interest	Present value of minimum lease payments	Future minimum lease payments	Interest	Present value of minimum lease payments
	2021	2021	2021	2020	2020	2020
	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000
Group						
Current						
Less than one year	588	588	-	601	601	-
Non-current						
Between one and five years	2,350	2,350	-	2,404	2,404	-
More than five years	8,393	-	8,393	8,587	-	8,587
	10,743	2,350	8,393	10,991	2,404	8,587
Total	11,331	2,938	8,393	11,592	3,005	8,587

22.5 Term loans

In the previous financial year, included in term loans was a loan from a company related to a director amounting to RM66,183,000. The term loan was fully repaid during the financial year.

Notes to the

Financial Statements**22. LOANS AND BORROWINGS (Cont'd)****22.6 Reconciliation of movement of liabilities to cash flows arising from financing activities**

Group	At 1.1.2020		Net changes from financing cash flows		At 31.12.2020/1.1.2021		Net changes from financing cash flows		At 31.12.2021	
	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000
Finance lease liability - secured	7,950	-	-	637	8,587	-	-	(194)	8,393	
Bonds	369,538	(7,372)	-	1,207	363,373	(293,585)	-	5,279	75,067	
Revolving credit - secured	473,230	61,867	-	24,597	559,694	(135,685)	-	(5,351)	418,658	
Term loans - secured	1,117,544	(139,702)	-	62,611	1,040,453	93,724	-	(22,286)	1,111,891	
Term loans - unsecured	17,307	(17,488)	-	181	-	-	-	-	-	
Total loans and borrowings	1,985,569	(102,695)	-	89,233	1,972,107	(335,546)	-	(22,552)	1,614,009	
Lease liabilities*	49,123	(3,270)	3,242	3,060	51,399	(3,514)	4,367	(208)	50,934	
Total liabilities from financing activities	2,034,692	(105,965)	3,242	92,293	2,023,506	(339,060)	4,367	(208)	1,664,943	
Company										
Revolving credit - secured	86,000	5,000	-	-	91,000	(10,000)	-	-	81,000	
Term loans - secured	-	-	-	-	-	4,475	-	-	4,475	
Total liabilities from financing activities	86,000	5,000	-	-	91,000	(5,525)	-	-	85,475	

* Included in lease liabilities is the long-term ground rent payable on a parcel of leasehold land amounting to RM33,020,000 (2020: RM33,717,000).

Notes to the Financial Statements

23. TRADE AND OTHER PAYABLES

	Note	Group		Company	
		2021 RM'000	2020 RM'000	2021 RM'000	2020 RM'000
Non-current					
Non-trade					
Other payables	23.3	-	6,828	-	-
Current					
Trade					
Trade payables	23.1	33,574	22,235	-	-
Non-trade					
Other payables	23.3	105,122	149,980	18,074	698
Amounts due to subsidiaries	23.2	-	-	87	186
Deferred revenue		4,049	4,619	-	-
		142,745	176,834	18,161	884
Total trade and other payables		142,745	183,662	18,161	884

23.1 Trade payables

Trade payables are generally non-interest bearing. The normal credit terms granted to the Group ranges from 7 to 60 (2020: 7 to 60) days.

23.2 Amounts due to subsidiaries

The non-trade amounts due to subsidiaries are non-interest bearing, unsecured and are expected to be realised within 12 months after the end of the reporting period.

23.3 Other payables

The other payables comprise of accruals and non-interest bearing transactions that are normally settled on commercial terms except for the non-current portion where the amount due is not expected to be repaid within twelve months.

Notes to the Financial Statements

24. PROVISION FOR LIABILITIES

	Note	Group	
		2021 RM'000	2020 RM'000
Provision for staff benefits	24.1	49,643	30,661
Others	24.2	3,173	3,070
		52,816	33,731
Analysed as:			
Current		47,111	26,820
Non-current		5,705	6,911
		52,816	33,731

24.1 Provision for staff benefits

	Group	
	2021 RM'000	2020 RM'000
At 1 January	30,661	33,532
Provision for the year	40,489	24,481
Acquisition of business	127	-
Payments during the year	(20,422)	(29,681)
Exchange adjustments	(1,212)	2,329
At 31 December	49,643	30,661

Provision for staff benefits is in relation to accrual of unutilised annual leave for employees in the Group's Australia subsidiaries. The employees are also entitled for a two-month paid leave after having served ten years of continuous employment.

24.2 Others

	Group	
	2021 RM'000	2020 RM'000
At 1 January	3,070	978
Provision for the year	2,319	1,889
Acquisition of business	128	-
Payments during the year	(2,277)	-
Exchange adjustments	(67)	203
At 31 December	3,173	3,070

Included in other provisions are warranty repair costs provided for development properties sold to customers.

Notes to the Financial Statements

25. REVENUE

	2021	2020
	RM'000	RM'000
Group		
Revenue from contracts with customers		
Sale of goods and rendering of services	342,471	250,560
Sale of properties	367,324	288,660
	709,795	539,220
Other revenue		
Rental income	66,598	56,280
Interest income from money lending activities	10,824	21,874
	77,422	78,154
	787,217	617,374
Company		
Dividend income	19,154	17,329

Notes to the

Financial Statements

25. REVENUE (Cont'd)

25.1 Disaggregation of revenue

In the following table, revenue is disaggregated by primary geographical market, major products and service lines and timing of revenue recognition. The table also includes a reconciliation of the disaggregated revenue with the Group's three strategic division, which are its reportable segments (see Note 31).

Group	Property		Hospitality		Investment and others		Total
	2021	2020	2021	2020	2021	2020	
	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	
Primary geographical markets							
Australia	415,353	344,058	290,382	196,913	45,889	63,416	604,387
Malaysia	20,129	1,549	-	-	210	4,491	6,040
New Zealand	-	-	15,254	6,947	-	-	6,947
	435,482	345,607	305,636	203,860	46,099	67,907	617,374
Major products and services lines							
Sale of goods and rendering of services	16,814	7,614	290,382	196,913	35,275	46,033	250,560
Sale of properties	367,324	288,660	-	-	-	-	288,660
	384,138	296,274	290,382	196,913	35,275	46,033	539,220
Timing and recognition							
At a point in time	384,138	296,272	290,382	196,913	1,800	5,041	498,226
Over time	-	2	-	-	33,475	40,992	40,994
	384,138	296,274	290,382	196,913	35,275	46,033	539,220
Revenue from contracts with customers	384,138	296,274	290,382	196,913	35,275	46,033	539,220
Other revenue	51,344	49,333	15,254	6,947	10,824	21,874	78,154
Total revenue	435,482	345,607	305,636	203,860	46,099	67,907	617,374

Notes to the

Financial Statements**25. REVENUE (Cont'd)****25.2 Nature of goods and services**

The following information reflects the typical transactions of the Group during the current financial year:

Nature of goods or services	Timing of recognition or method used to recognise revenue	Significant payment terms	Variable element in consideration	Obligation for returns or refunds	Warranty
Sale of goods and rendering of services	(i) Revenue is recognised at a point in time when goods are delivered and accepted by customers.	Credit term is 30 to 90 days.	Not applicable.	Not applicable.	Not applicable.
	(ii) Revenue is recognised at a point in time when services are performed and accepted by the customers.	Cash term; credit term is up to 30 days.	Not applicable.	Not applicable.	Not applicable.
	(iii) Revenue is recognised over time when services are performed over the semester terms.	Payment in advance.	Not applicable.	Not applicable.	Not applicable.
Sale of completed properties	(i) Revenue is recognised at a point in time using the completion method when vacant possession has been delivered.	The credit terms are:- i) 3-month from the Sales and Purchase Agreement ("SPA") for local purchaser (Malaysia); ii) 3-month from the SPA or 1 month from the State Consent is obtained, whichever is later, for foreign buyer (Malaysia); or iii) payment is due at settlement (Australia).	Discount or incentives or rental guarantee given to buyers.	Not applicable.	Defect liability period is as per stipulated terms in the sales and purchase agreement.
	(ii) Revenue is recognised over time for maintenance services rendered to buyers.	Credit term is 60 days.	Not applicable.	Not applicable.	Not applicable.

Notes to the Financial Statements

25. REVENUE (Cont'd)

25.3 Transaction price allocated to the remaining performance obligations

The Group only has contracts that have a duration of less than a year. The Group applies the following practical expedients:

- exemption on disclosure of information on remaining 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 pay for that good or service is one year or less.

26. OTHER INCOME

	Note	Group		Company	
		2021 RM'000	2020 RM'000	2021 RM'000	2020 RM'000
Bad debts recovered		-	2	-	-
Break fee		-	-	124	-
Dirt remediation income		12,440	-	-	-
Dividend income from unquoted shares		150	177	-	-
Fair value gain on disposal of asset held for sales		1,062	-	-	-
Fair value gain on financial assets at fair value through profit or loss		1,501	-	-	-
Fair value gain on investment properties		53,419	195	-	-
Gain on disposal of an associate	38.1	421,047	-	-	-
Gain on disposal of investment securities		-	91	-	-
Gain on disposal of property, plant and equipment		525	4	-	-
Gain on disposal of right-of-use assets		26	-	-	-
Gain on foreign exchange		334	8,020	-	34,232
Government subsidies received *		8,014	38,474	-	-
Insurance recoveries		-	75	-	-
Interest income:					
- Deposits with licensed banks		239	759	9	-
- Subsidiaries		-	-	14,763	15,706
- Investment securities		24,320	24,575	-	-
- Others		15	177	-	3
Lease surrender income		4,338	-	-	-
Rental income and reimbursable expenses from:					
- Investment properties		4,083	5,961	-	-
- Land and buildings		14,781	9,348	-	-
Reversal of provision for repairs and others		69	-	-	-
Sales deposit forfeited		4	8,080	-	-
Shared services income		4,065	1,203	-	-
Miscellaneous income		15,463	15,582	6	-
		565,895	112,723	14,902	49,941

* In the current and previous financial years, the Group has received JobKeeper Payment scheme, a subsidy for businesses significantly impacted by COVID-19 from the Australian Government.

Notes to the Financial Statements

27. FINANCE COSTS

	Group		Company	
	2021 RM'000	2020 RM'000	2021 RM'000	2020 RM'000
Interest expense on:				
- overdrafts	56	217	30	169
- bonds	18,884	22,684	-	-
- revolving credit and term loans	46,490	44,887	3,434	3,797
- lease liabilities	3,445	2,946	-	-
- others	26	196	-	-
	68,901	70,930	3,464	3,966
Less: Interest expense capitalised	(4,217)	(1,838)	-	-
Total finance costs	64,684	69,092	3,464	3,966

28. PROFIT/(LOSS) FOR THE YEAR

	Group		Company	
	2021 RM'000	2020 RM'000	2021 RM'000	2020 RM'000
Profit/(Loss) for the year is arrived at after charging/(crediting):				
Auditors' remunerations				
Audit fees:				
- KPMG PLT	297	297	149	149
- Overseas affiliates of KPMG PLT	1,617	1,501	-	-
- Other auditors	105	178	-	-
Non-audit fees:				
- KPMG PLT	14	14	12	12
Material expenses/(income)				
Amortisation on other non-current assets	1,602	2,704	-	-
Bad debts written off	-	943	-	-
Exchange reserve transfer to profit or loss upon disposal of an associate	1,119	-	-	-
Impairment loss on assets classified as held for sale	-	6,117	-	-
Impairment loss on investments in subsidiaries	-	-	-	182
Impairment loss on investments in joint ventures	3,371	-	-	-
Inventories written down	478	10,235	-	-

Notes to the Financial Statements

28. PROFIT/(LOSS) FOR THE YEAR (Cont'd)

	Group		Company	
	2021 RM'000	2020 RM'000	2021 RM'000	2020 RM'000
Profit/(Loss) for the year is arrived at after charging/(crediting) (Cont'd):				
Material expenses/(income) (Cont'd)				
Investment properties:				
- Fair value loss	1,051	13,474	-	-
- Loss on disposal	-	1,975	-	-
Loss on foreign exchange	6,809	1,570	11,990	-
Management fee paid:				
- Intercompany	-	-	2,730	1,976
- External	5,231	4,069	-	-
Minimum operating lease payments:				
- Land and buildings	116	1,393	-	-
- Plant and equipment	2,377	1,082	-	-
Property, plant and equipment:				
- Depreciation	55,215	49,400	26	26
- Impairment loss	-	5,949	-	-
- Loss on disposal	179	67	-	-
- Written off	71,161	69	-	-
Provision for repairs and others	2,388	1,889	-	-
Provision for staff benefits	40,489	24,481	-	-
Right-of-use assets:				
- Depreciation	3,544	3,471	-	-
Waiver of amount due from a subsidiary	-	-	232	-
Employee benefits expenses (including key management personnel):				
- Wages, salaries and others	245,950	202,241	15,544	907
- Pension costs - defined contribution plans	17,917	13,057	1,864	108
- Short-term accumulating compensated absences	438	(1,196)	-	-
Net loss on impairment of financial instruments				
Financial assets at amortised cost	2,595	4,500	-	-
Financial assets at fair value through profit or loss	-	2,293	-	-
	2,595	6,793	-	-

Notes to the Financial Statements

29. TAX (BENEFIT)/EXPENSE

Recognised in profit or loss

	Group		Company	
	2021 RM'000	2020 RM'000	2021 RM'000	2020 RM'000
Current tax expense				
Malaysian - current year	2,467	2,659	2,000	2,249
- prior year	44	(67)	4	(73)
Overseas - current year	(1,255)	1,234	-	-
- prior year	(101)	1,942	-	-
	1,155	5,768	2,004	2,176
Deferred tax expense				
Original and reversal of temporary differences	(11,896)	(18,615)	-	-
Over provision in prior year	(130)	(8,902)	-	-
	(12,026)	(27,517)	-	-
Total income tax (benefit)/expense	(10,871)	(21,749)	2,004	2,176
Reconciliation of tax (benefit)/expense				
Profit/(Loss) before tax	422,559	(78,878)	(4,919)	54,763
Income tax calculated using Malaysian tax rate of 24% (2020: 24%)	101,414	(18,931)	(1,181)	13,143
Different tax rates in other countries	(4,117)	(7,159)	-	-
Non-deductible expenses	17,813	4,914	8,289	1,926
Income not subject to taxation	(111,684)	(13,120)	(5,108)	(12,820)
Effect from unrecognised deferred tax assets	(8,382)	14,163	-	-
Over provision of deferred tax in prior year	(130)	(8,902)	-	-
(Over)/Under provision of income tax in prior year	(57)	1,875	4	(73)
Share of tax of associates and joint ventures	(5,728)	5,411	-	-
Income tax (benefit)/expense recognised in profit or loss	(10,871)	(21,749)	2,004	2,176

Domestic income tax is calculated at the Malaysian statutory tax rate of 24% (2020: 24%) of the estimated assessable profit for the year. The corporate tax rates applicable to foreign subsidiaries located in Australia and New Zealand are 30% and 28% respectively (2020: 30% and 28% respectively).

The above reconciliation is prepared by aggregating separate reconciliations for each national jurisdiction.

Notes to the Financial Statements

30. EARNINGS/(LOSS) PER ORDINARY SHARE

Basic earnings/(loss) per ordinary share

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

	Group	
	2021	2020
	RM'000	RM'000
Profit/(Loss) attributable to ordinary shareholders	432,895	(58,366)

	Group	
	2021	2020
	'000	'000
Weighted average number of ordinary shares at 1 January	319,466	319,466
Effect of share buy back	(3,453)	-
Weighted average number of ordinary shares at 31 December	316,013	319,466

	Group	
	2021	2020
	Sen	Sen
Basic earnings/(loss) per ordinary share	136.99	(18.27)

Diluted earnings/(loss) per ordinary share

The calculation of diluted earnings/(loss) per ordinary share was based on profit/(loss) attributable to ordinary shareholders and the weighted average number of ordinary shares outstanding after adjustment for the effects of all dilutive potential ordinary shares.

There were no potential dilution effects on ordinary shares of the Company for the current and previous financial years. Accordingly, the diluted earnings/(loss) per ordinary share for the current and previous years are equal to the basic earnings/(loss) per ordinary share.

Notes to the Financial Statements

31. OPERATING SEGMENTS

Business segments

For management purposes, the Group is organised into three main business segments in the Asia Pacific region as follows:

Property	property development and investment
Hospitality	hotel and service apartment ownership and/or operation, entertainment and events
Investment and others	investment holding, investment in securities, licensed money lending, financial service provider and others

None of the other operations are of sufficient size to be reported separately.

Performance is measured based on segment revenue and profit before tax as included in the internal management reports that are reviewed by the Executive Committee (the Group's Chief Operating Decision Maker).

The operating results of its business units are monitored separately for the purpose of making decisions about resource allocation and performance assessment. Segment performance is evaluated based on operating profit or loss which, in certain respects as explained in the table below, is measured differently from operating profit or loss in the consolidated financial statements.

Segment results, assets and liabilities include items directly attributable to a segment as well as those that can be allocated on a reasonable basis. Unallocated items comprise mainly corporate expenses and finance costs.

Segment revenue, expenses and results include transfers between business segments. These transfers are eliminated on consolidation.

Notes to the

Financial Statements

31. OPERATING SEGMENTS (Cont'd)

Business segments (Cont'd)

The following tables provide analysis of the Group's revenue, results, assets, liabilities and other information by business segment:

	Property		Hospitality		Investment and others		Adjustments and eliminations		Per consolidated financial statements	
	2021	2020	2021	2020	2021	2020	2021	2020	2021	2020
	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000
Revenue										
External customer	435,482	345,607	305,636	203,860	46,099	67,907	-	-	787,217	617,374
Total revenue	435,482	345,607	305,636	203,860	46,099	67,907	-	-	787,217	617,374
Results										
Inventories written down	(313)	(8,867)	-	-	(165)	(1,368)	-	-	(478)	(10,235)
Property, plant and equipment:										
- Impairment loss	-	-	-	-	-	(5,949)	-	-	-	(5,949)
- Written off	(35)	(32)	(71,120)	-	(6)	(37)	-	-	(71,161)	(69)
Share of profit/(loss) from associates and joint ventures	-	-	-	-	22,630	(9,490)	1,237	(13,057)	23,867	(22,547)
Depreciation and amortisation	(9,816)	(5,228)	(38,034)	(35,219)	(12,511)	(15,128)	-	-	(60,361)	(55,575)
Segment profit/(loss)	211,237	78,960	(95,709)	(51,277)	382,257	644	(75,226)	(107,205)	422,559	(78,878)
Assets and liabilities										
Investments in associates and joint ventures	-	-	-	-	160,472	174,573	-	-	160,472	174,573
Additions to non-current assets #	29,527	86,630	224,571	57,603	1,737	8,165	-	-	255,835	152,398
Segment assets	2,518,023	2,432,731	1,439,975	1,352,867	3,230,509	3,100,906	(1,744,951)	(1,519,935)	5,443,556	5,366,569
Segment liabilities	761,880	808,398	459,698	442,965	2,926,095	3,081,165	(2,174,056)	(1,963,743)	1,973,617	2,368,785

Additions to non-current assets consist of additions to property, plant and equipment and investment properties.

Notes to the Financial Statements

31. OPERATING SEGMENTS (Cont'd)

Notes: Nature of adjustments and eliminations to arrive at amounts reported in the consolidated financial statements:

- (i) The following items are added to/(deducted from) segment profit/(loss) to arrive at "profit/(loss) before tax" presented in the consolidated statement of profit or loss and other comprehensive income:

	2021	2020
	RM'000	RM'000
Share of results of associates and joint ventures	23,867	(22,547)
Unallocated corporate expenses and finance costs	(99,093)	(84,658)
	(75,226)	(107,205)

- (ii) Inter-segment balances are eliminated on consolidation.

Geographical segments

The Group's geographical segments are based on the location of the Group's assets. Sales to external customers disclosed in geographical segments are based on the geographical location of the business segments. The Group operates in three main geographical areas in the Asia Pacific region.

- Australia - mainly property development and investment, hospitality and financial service provider.
 Malaysia - property development and investment, licensed money lending and investment in securities.
 New Zealand - property investment.

Revenue and non-current assets information based on the geographical location of customers and assets respectively are as follows:

	Revenue		Non-current assets	
	2021	2020	2021	2020
	RM'000	RM'000	RM'000	RM'000
Australia	751,624	604,387	2,552,602	2,304,205
Malaysia	20,339	6,040	322,600	389,618
New Zealand	15,254	6,947	251,756	249,054
	787,217	617,374	3,126,958	2,942,877

Non-current assets information presented above consist of the following items as presented in the consolidated statement of financial position:

	2021	2020
	RM'000	RM'000
Property, plant and equipment	1,494,013	1,123,445
Right-of-use assets	14,571	14,269
Investment properties	928,902	1,199,693
Goodwill	12,443	2,129
Inventories	677,029	603,341
	3,126,958	2,942,877

Notes to the Financial Statements

32. FINANCIAL INSTRUMENTS

32.1 Categories of financial instruments

The table below provides an analysis of financial instruments categorised as follows:

- (a) Fair value through profit or loss ("FVTPL")
 - Designated upon initial recognition ("DUIR")
- (b) Amortised cost ("AC")
- (c) Fair value through other comprehensive income ("FVOCI")
 - Equity instrument designated upon initial recognition ("EIDUIR")
 - Debt instrument ("DI")

	Carrying amount RM'000	AC RM'000	FVTPL -DUIR RM'000	FVOCI -EIDUIR RM'000	FVOCI -DI RM'000
2021					
Financial assets					
Group					
Investment securities	643,927	226,182	-	417,745	-
Other investments	965	-	965	-	-
Trade and other receivables	373,737	289,118	1,094	-	83,525
Cash and cash equivalents	370,927	370,927	-	-	-
	1,389,556	886,227	2,059	417,745	83,525
Company					
Investment securities	1,043	-	-	1,043	-
Other investment	936	-	936	-	-
Trade and other receivables	731,639	731,639	-	-	-
Cash and cash equivalents	253	253	-	-	-
	733,871	731,892	936	1,043	-
Financial liabilities					
Group					
Loans and borrowings	(1,615,449)	(1,615,449)	-	-	-
Trade and other payables net of deferred revenue	(138,696)	(138,696)	-	-	-
	(1,754,145)	(1,754,145)	-	-	-
Company					
Loans and borrowings	(86,915)	(86,915)	-	-	-
Trade and other payables	(18,161)	(18,161)	-	-	-
	(105,076)	(105,076)	-	-	-

Notes to the Financial Statements

32. FINANCIAL INSTRUMENTS (Cont'd)

32.1 Categories of financial instruments (Cont'd)

	Carrying amount RM'000	AC RM'000	FVTPL -DUIR RM'000	FVOCI -EIDUIR RM'000	FVOCI -DI RM'000
2020					
Financial assets					
Group					
Investment securities	736,984	424,817	-	312,167	-
Other investments	965	-	965	-	-
Trade and other receivables	275,078	219,412	1,697	-	53,969
Cash and cash equivalents	296,566	296,566	-	-	-
	1,309,593	940,795	2,662	312,167	53,969
Company					
Investment securities	1,043	-	-	1,043	-
Other investment	936	-	936	-	-
Trade and other receivables	798,700	798,700	-	-	-
Cash and cash equivalents	246	246	-	-	-
	800,925	798,946	936	1,043	-
Financial liabilities					
Group					
Loans and borrowings	(1,975,173)	(1,975,173)	-	-	-
Trade and other payables net of deferred revenue	(179,043)	(179,043)	-	-	-
	(2,154,216)	(2,154,216)	-	-	-
Company					
Loans and borrowings	(93,003)	(93,003)	-	-	-
Trade and other payables	(884)	(884)	-	-	-
	(93,887)	(93,887)	-	-	-

Notes to the Financial Statements

32. FINANCIAL INSTRUMENTS (Cont'd)

32.2 Net gains and losses arising from financial instruments

	Group		Company	
	2021	2020	2021	2020
	RM'000	RM'000	RM'000	RM'000
Net gains/(losses) on:				
Financial assets at amortised cost	18,276	(619)	21,555	67,145
Financial liabilities at amortised cost	(63,728)	(39,116)	(3,465)	(3,966)
Financial assets at fair value through profit or loss:				
- Designated upon initial recognition	1,501	(2,041)	-	-
Equity instruments designated at fair value through other comprehensive income:				
- Recognised in profit or loss	(133)	125	150	125
- Recognised in other comprehensive income	106,984	(13,710)	-	-
	62,900	(55,361)	18,240	63,304

32.3 Financial risk management

The Group has exposure to the following risks from its financial instruments:

- Credit risk
- Liquidity risk
- Market risk

32.4 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 its receivables from customers and investment in debt securities. 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.

Trade receivables

Risk management objectives, policies and processes for managing the risk

Management has a credit policy in place and the exposure to credit risk is monitored on an ongoing basis. The Group assesses at each reporting date whether there is any objective evidence that a financial asset is impaired. To determine whether there is objective evidence of impairment, the Group considers factors such as the probability of insolvency or significant financial difficulties of the debtor and default or significant delay in payments.

Where there is objective evidence of impairment, the amount and timing of future cash flows are estimated based on historical loss experience for assets with similar credit risk characteristics.

There are no significant changes compared to previous year.

Notes to the Financial Statements

32. FINANCIAL INSTRUMENTS (Cont'd)

32.4 Credit risk (Cont'd)

Trade receivables (Cont'd)

Exposure to credit risk, credit quality and collateral

As at the end of the reporting period, the maximum exposure to credit risk arising from trade receivables is represented by the carrying amount in the statement of financial position.

Concentration of credit risk

The exposure of credit risk for trade receivables as at the end of the reporting period by geographic region was:

	Group	
	2021	2020
	RM'000	RM'000
Australia	23,425	23,012
Malaysia	101,610	55,692
	125,035	78,704

Recognition and measurement of impairment losses

In managing credit risk of trade receivables, the Group manages its debtors and takes appropriate actions (including but not limited to legal actions) to recover long overdue balances. Generally, the Group's normal credit terms range from 7 to 90 days. They are recognised at their original invoice amounts which represent their fair values on initial recognition.

The Group uses an allowance matrix to measure ECLs of trade receivables for all segments. Consistent with the debt recovery process, invoices which are past due 90 days will be considered as credit impaired.

Loss rates are calculated using a 'roll rate' method based on the probability of a receivable progressing through successive stages of delinquency to 90 days past due.

Loss rates are based on actual credit loss experience over the past three years. The Group also considers differences between (a) economic conditions during the period over which the historic data has been collected, (b) current conditions and (c) the Group's view of economic conditions over the expected lives of the receivables. Nevertheless, the Group believes that these factors are immaterial for the purpose of impairment calculation for the year.

Notes to the Financial Statements

32. FINANCIAL INSTRUMENTS (Cont'd)

32.4 Credit risk (Cont'd)

Trade receivables (Cont'd)

Recognition and measurement of impairment losses (Cont'd)

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

	2021			2020		
	Gross carrying amount	Loss allowance	Net balance	Gross carrying amount	Loss allowance	Net balance
	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000
Group						
Current (not past due)	58,757	-	58,757	14,242	-	14,242
1 - 30 days past due	5,290	-	5,290	4,018	-	4,018
31 - 60 days past due	3,101	-	3,101	3,797	-	3,797
More than 60 days past due	62,645	(4,758)	57,887	62,509	(5,862)	56,647
	129,793	(4,758)	125,035	84,566	(5,862)	78,704
Trade receivables	129,793	(4,758)	125,035	84,566	(5,862)	78,704
						Trade receivables Lifetime ECL RM'000
Balance at 1 January 2020						1,620
Amounts written off						(639)
Net remeasurement of loss allowance						4,881
Balance at 31 December 2020/1 January 2021						5,862
Amounts written off						(3,597)
Net remeasurement of loss allowance						2,493
Balance at 31 December 2021						4,758

Cash and cash equivalents

The cash and cash equivalents are held with banks and financial institutions. As at the end of the reporting period, the maximum exposure to credit risk is represented by their carrying amounts in the statements of financial position.

These banks and financial institutions have low credit risks. In addition, some of the bank balances are insured by government agencies. Consequently, the Group and the Company are of the view that the loss allowance is not material and hence, it is not provided for.

Notes to the Financial Statements

32. FINANCIAL INSTRUMENTS (Cont'd)

32.4 Credit risk (Cont'd)

Other receivables

Credit risks on other receivables are mainly arising from deposits paid for office buildings and fixtures rented. These deposits will be received at the end of each lease terms. The Group manages the credit risk together with the leasing arrangement.

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

As at the end of the reporting period, the Group did not recognised any allowance for impairment losses.

Investment in debt securities

At the end of the reporting period, the Group only invested in high quality bonds. The maximum exposure to credit risk is represented by the carrying amounts in the statements of financial position.

There is no history of default on these bonds and there are no indicators that these bonds may default. The Group is of the view that the loss allowance is not material and hence, it is not provided for.

Financial guarantees

Risk management objectives, policies and processes for managing the risk

The Company provides unsecured financial guarantees to banks in respect of banking facilities granted to certain subsidiaries. The Company monitors the ability of the subsidiaries to service their loans on an individual basis.

The Company has undertaken to provide financial support to certain subsidiaries to enable them to continue to operate as going concerns.

Exposure to credit risk, credit quality and collateral

The maximum exposure to credit risk amounts to RM106,775,000 (2020: RM188,392,000) representing the outstanding banking facilities of the subsidiaries as at end of the reporting period.

The financial guarantees are provided as credit enhancements to the subsidiaries' secured loans.

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 repay 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.

Notes to the Financial Statements

32. FINANCIAL INSTRUMENTS (Cont'd)

32.4 Credit risk (Cont'd)

Inter-company loans and advances

Risk management objectives, policies and processes for managing the risk

The Company provides unsecured loans and advances to subsidiaries. The Company monitors the ability of the subsidiaries to repay the loans and advances on an individual basis.

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 their carrying amounts in Note 13. The Company has undertaken to provide financial support to certain subsidiaries to enable them to continue to operate as going concerns.

Recognition and measurement of impairment losses

Generally, the Company considers advances to subsidiary has 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 subsidiary's advances when they are payable, the Company considers the loans and advances to be in default when the subsidiary is not able to pay when demanded. The Company considers a subsidiary's loan or advance to be credit impaired when:

- The subsidiary is unlikely to repay its advance to the Company in full;
- The subsidiary's advance is overdue for more than 365 days; or
- The subsidiary is continuously loss making and is having a deficit shareholders' fund.

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

As at the end of the reporting period, there was no indication that the amounts due from the inter-companies are not recoverable.

32.5 Liquidity risk

Liquidity risk is the risk that the Group or the Company will encounter difficulty in meeting financial obligations due to shortage of funds. The Group's and the Company's exposure to liquidity risk arises primarily from mismatches of the maturities of financial assets and liabilities. The Group's and the Company's objective is to maintain a balance between continuity of funding and flexibility through the use of stand-by credit facilities.

The Group manages its debt maturity profile, operating cash flows and the availability of funding so as to ensure that all refinancing, repayment and funding needs are met. As part of its overall liquidity management, the Group maintains sufficient levels of cash or cash convertible investments to meet its working capital requirements. In addition, the Group strives to maintain available banking facilities at a reasonable level to its overall debt position.

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

Notes to the Financial Statements

32. FINANCIAL INSTRUMENTS (Cont'd)

32.5 Liquidity risk (Cont'd)

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:

	Carrying amount	Contractual interest rate/ Discount rate	Contractual cash flows	Under 1 year	1 – 5 years	More than 5 years
	RM'000	%	RM'000	RM'000	RM'000	RM'000
2021						
Group						
<i>Non-derivative financial liabilities</i>						
Bank overdrafts	1,440	6.70	1,440	1,440	-	-
Bonds	75,067	8.04 - 8.31	104,276	10,603	54,229	39,444
Revolving credit	418,658	0.91 - 4.37	429,803	121,682	308,121	-
Term loans	1,111,891	1.92 - 5.31	1,150,359	362,040	784,742	3,577
Finance lease liability	8,393	7.00	11,331	588	2,350	8,393
Lease liabilities	50,934	3.74 - 6.55	288,834	6,721	21,394	260,719
Trade and other payables net of deferred revenue	138,696	-	138,696	138,696	-	-
	1,805,079		2,124,739	641,770	1,170,836	312,133
Company						
Bank overdrafts	1,440	6.70	1,440	1,440	-	-
Revolving credit	81,000	3.25 - 4.37	81,000	81,000	-	-
Term loans	4,475	5.31	4,475	4,475	-	-
Other payables	18,161	-	18,161	18,161	-	-
Financial guarantees	-	-	106,775	106,775	-	-
	105,076		211,851	211,851	-	-

Notes to the Financial Statements

32. FINANCIAL INSTRUMENTS (Cont'd)

32.5 Liquidity risk (Cont'd)

Maturity analysis (Cont'd)

	Carrying amount RM'000	Contractual interest rate/ Discount rate %	Contractual cash flows RM'000	Under 1 year RM'000	1 – 5 years RM'000	More than 5 years RM'000
2020						
Group						
<i>Non-derivative financial liabilities</i>						
Bank overdrafts	3,066	6.70 - 7.45	3,066	3,066	-	-
Bonds	363,373	5.75 - 8.31	399,633	292,948	48,723	57,962
Revolving credit	559,694	0.86 - 4.37	560,660	494,084	66,576	-
Term loans	1,040,453	1.20 - 6.00	1,056,160	733,837	320,035	2,288
Finance lease liability	8,587	7.00	11,593	601	2,405	8,587
Lease liabilities	51,399	4.54 - 6.55	296,449	6,421	23,406	266,622
Trade and other payables net of deferred revenue	179,043	-	179,043	172,215	6,828	-
	2,205,615		2,506,604	1,703,172	467,973	335,459
Company						
Bank overdrafts	2,003	6.70 - 7.45	2,003	2,003	-	-
Revolving credit	91,000	3.25 - 4.37	91,000	91,000	-	-
Other payables	884	-	884	884	-	-
Financial guarantees	-	-	188,392	188,392	-	-
	93,887		282,279	282,279	-	-

32.6 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.

32.6.1 Currency risk

The Group is exposed to foreign currency risk on sales, purchases, cash and cash equivalents and borrowings that are denominated in a currency other than the respective functional currencies of Group entities. The currencies giving rise to this risk are primarily Hong Kong Dollar ("HKD"), Australian Dollar ("AUD"), U.S. Dollar ("USD"), Great Britain Pound ("GBP") and New Zealand Dollar ("NZD").

Notes to the Financial Statements

32. FINANCIAL INSTRUMENTS (Cont'd)

32.6 Market risk (Cont'd)

32.6.1 Currency risk (Cont'd)

Risk management objectives, policies and processes for managing the risk

The Group maintains a natural hedge, whenever possible, by borrowing in the currency of the country in which the property or investment is located or by borrowing in currencies that match the future revenue stream to be generated from its investments.

Exposure to foreign currency risk

The Group's exposure 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:

	Denominated in				
	HKD RM'000	AUD RM'000	USD RM'000	GBP RM'000	NZD RM'000
Group					
2021					
Trade and other receivables	11	455	2,090	-	14
Bank balances	6	3	49,636	116	73,483
Short term deposits	-	82,284	-	1,795	-
Bank loans	-	-	(21,567)	-	-
Trade and other payables	-	-	(97)	-	-
	17	82,742	30,062	1,911	73,497
2020					
Investment securities	-	-	161,200	-	-
Trade and other receivables	2	-	7,378	-	-
Bank balances	229	15,689	14	329	83
Short term deposits	-	83,894	88	36,298	-
Bank loans	(69,852)	-	(351,454)	-	-
Trade and other payables	-	-	(1,564)	-	-
	(69,621)	99,583	(184,338)	36,627	83

Notes to the Financial Statements

32. FINANCIAL INSTRUMENTS (Cont'd)

32.6 Market risk (Cont'd)

32.6.1 Currency risk (Cont'd)

Exposure to foreign currency risk (Cont'd)

Company	Denominated in	
	AUD RM'000	USD RM'000
2021		
Amounts due from subsidiaries	276,607	-
Bank balances	1	-
Amounts due to subsidiaries	-	(74)
	276,608	(74)
2020		
Amounts due from subsidiaries	456,533	-
Bank balances	2	2
Amounts due to subsidiaries	-	(99)
	456,535	(97)

Currency risk sensitivity analysis

A 5% (2020: 5%) strengthening of the Ringgit Malaysia against the following currencies at the end of the reporting period would have increased/(decreased) post-tax profit or loss by the amounts shown below. This analysis assumes that all other variables remained constant.

	Profit or loss			
	Group		Company	
	2021 RM'000	2020 RM'000	2021 RM'000	2020 RM'000
HKD	(1)	2,646	-	-
AUD	(3,144)	(3,784)	(10,511)	(17,348)
USD	(1,142)	7,005	3	4
GBP	(73)	(1,392)	-	-
NZD	(2,793)	(3)	-	-

A 5% (2020: 5%) weakening of Ringgit Malaysia 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.

Notes to the Financial Statements

32. FINANCIAL INSTRUMENTS (Cont'd)

32.6 Market risk (Cont'd)

32.6.2 Interest rate risk

The Group's placement of fixed rate deposits with licensed banks and its fixed rate borrowings are exposed to a risk of change in their fair value due to changes in interest rates. The Group's placement of variable rate deposits with licensed banks and its variable rate borrowings are exposed to a risk of change in cash flows due to changes in interest rates. The Company's exposure to interest rate risk arises principally from its amounts due from subsidiaries. Short term receivables and payables are not significantly exposed to interest rate risk.

Risk management objectives, policies and processes for managing the risk

The Group's policy is to manage interest cost using a mix of fixed and floating rate debts.

Exposure to interest rate risk

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

	Group		Company	
	2021 RM'000	2020 RM'000	2021 RM'000	2020 RM'000
Fixed rate instruments				
Financial assets	409,720	643,400	628,253	563,314
Financial liabilities	(134,394)	(423,359)	-	-
	275,326	220,041	628,253	563,314
Floating rate instruments				
Financial liabilities	(1,531,989)	(1,603,213)	(86,915)	(93,003)

Interest rate risk sensitivity analysis

(a) *Fair value sensitivity analysis for fixed rate instruments*

The Group does not account for any fixed rate financial assets and liabilities at fair value through profit or loss, and the Group does 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.

Notes to the Financial Statements

32. FINANCIAL INSTRUMENTS (Cont'd)

32.6 Market risk (Cont'd)

32.6.2 Interest rate risk (Cont'd)

Interest rate risk sensitivity analysis (Cont'd)

(b) *Cash flow sensitivity analysis for variable rate instruments*

A change of 50 basis points ("bp") in interest rates at the end of the reporting period would have increased/(decreased) post-tax profit or loss by the amounts shown below. This analysis assumes that all other variables remained constant.

	Group		Company	
	Profit or loss			
	50bp increase RM'000	50bp decrease RM'000	50bp increase RM'000	50bp decrease RM'000
2021				
Floating rate instruments	(5,822)	5,822	(330)	330
2020				
Floating rate instruments	(6,092)	6,092	(353)	353

32.6.3 Other price risk

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

Risk management objectives, policies and processes for managing the risk

Management of the Group monitors the equity investments on a portfolio basis. Material investments within the portfolio are managed on an individual basis and all buy and sell decisions are approved by the Board of Directors of the Group.

The Group does not have significant exposure to equity price risk.

32.7 Fair value information

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

Notes to the

Financial Statements**32. FINANCIAL INSTRUMENTS (Cont'd)****32.7 Fair value information (Cont'd)**

The table below analyses financial instruments carried at fair value.

2021 Group	Fair value of financial instruments carried at fair value				Fair value of financial instruments not carried at fair value				Total fair value	Carrying amount
	Level 1 RM'000	Level 2 RM'000	Level 3 RM'000	Total RM'000	Level 1 RM'000	Level 2 RM'000	Level 3 RM'000	Total RM'000		
Financial assets										
Quoted shares	2	-	-	2	-	-	-	-	2	2
Unquoted shares	-	417,743	-	417,743	-	-	-	-	417,743	417,743
Unquoted loan notes	-	-	-	-	-	-	239,070	239,070	239,070	226,182
	2	417,743	-	417,745	-	-	239,070	239,070	656,815	643,927
Financial liabilities										
Loans and borrowings	-	-	-	-	-	-	(1,620,301)	(1,620,301)	(1,620,301)	(1,615,449)
Company										
Financial assets										
Unquoted shares	-	1,043	-	1,043	-	-	-	-	1,043	1,043
Financial liabilities										
Loans and borrowings	-	-	-	-	-	-	(86,915)	(86,915)	(86,915)	(86,915)

Notes to the

Financial Statements**32. FINANCIAL INSTRUMENTS (Cont'd)****32.7 Fair value information (Cont'd)**

2020 Group	Fair value of financial instruments carried at fair value				Fair value of financial instruments not carried at fair value				Total fair value	Carrying amount
	Level 1 RM'000	Level 2 RM'000	Level 3 RM'000	Total RM'000	Level 1 RM'000	Level 2 RM'000	Level 3 RM'000	Total RM'000		
Financial assets										
Loan assets	-	-	1,697	1,697	-	-	-	-	1,697	1,697
Quoted shares	2	-	-	2	-	-	-	-	2	2
Unquoted shares	-	312,165	-	312,165	-	-	-	-	312,165	312,165
Unquoted bond	-	-	-	-	-	-	161,200	161,200	161,200	161,200
Unquoted loan notes	-	-	-	-	-	-	276,925	276,925	276,925	263,617
	2	312,165	1,697	313,864	-	-	438,125	438,125	751,989	738,681
Financial liabilities										
Loans and borrowings	-	-	-	-	-	-	(1,981,316)	(1,981,316)	(1,981,316)	(1,975,173)
Company										
Financial assets										
Unquoted shares	-	1,043	-	1,043	-	-	-	-	1,043	1,043
Financial liabilities										
Loans and borrowings	-	-	-	-	-	-	(93,003)	(93,003)	(93,003)	(93,003)

Notes to the Financial Statements

32. FINANCIAL INSTRUMENTS (Cont'd)

32.7 Fair value information (Cont'd)

Level 2 fair value

Derivatives

The fair value of forward exchange contracts is estimated by computing the difference between the contractual forward price and the current forward price whereas the fair value of currency option contracts estimated based on the value given by the banks.

Transfers between Level 1 and Level 2 fair values

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

Level 3 fair value

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.

Financial instruments not carried at fair value

Type	Description of valuation technique and inputs used
Unquoted bond, unquoted loan notes and loans and borrowings	Discounted cash flows using a rate based on the current market rate of bond, loan notes and borrowing of the respective Group entities at the reporting date.

Valuation processes applied by the Group for Level 3 fair value

Non-derivative financial liabilities

Fair value, which is determined for disclosure purposes, is calculated based on the present value of future principal and interest cash flows, discounted at the market rate of interest at the end of the reporting period. The market rate of interest of loans and borrowings is determined by reference to similar borrowing arrangements.

33. CAPITAL MANAGEMENT

The Group's financial risk management objective seeks to ensure that adequate financial resources are available for the development of the Group's businesses whilst managing its interest rate risks (both fair value and cash flow), foreign currency risk, liquidity risk and credit risk.

The Group manages its capital structure and makes adjustments to it, in light of changes in economic conditions or expansion plans of the Group. The Group may adjust the capital structure by issuing new shares or returning capital to shareholders.

Notes to the Financial Statements

33. CAPITAL MANAGEMENT (Cont'd)

The Group monitors capital using a gearing ratio, which is net debt divided by total capital plus net debt. The Group's policy is to keep the gearing ratio up to 50%. The Group includes within net debt, loans and borrowings, trade and other payables, less cash and cash equivalents. Capital includes equity attributable to the owners of the parent.

	Note	2021 RM'000	2020 RM'000
Group			
Loans and borrowings	22	1,615,449	1,975,173
Trade and other payables	23	142,745	183,662
Lease liabilities		50,934	51,399
Less: Cash and cash equivalents	18	(370,927)	(296,566)
Net debt		1,438,201	1,913,668
Equity attributable to the owners of the Company		3,443,641	2,975,023
Total capital		3,443,641	2,975,023
Capital and net debt		4,881,842	4,888,691
Gearing ratio		29%	39%

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

34. CAPITAL COMMITMENTS

	Group	
	2021 RM'000	2020 RM'000
Capital expenditure commitments		
Property, plant and equipment		
Authorised but not contracted for	26,324	32,591
Contracted but not provided for*	179,923	236,653
	206,247	269,244

* The capital commitments are mainly for InterContinental Sydney refurbishment.

Notes to the Financial Statements

35. CONTINGENCIES

Contingent assets

As part of the disposal contract for land located at Norwest, the Group remains entitled to receive future compensation payable to the purchaser from the local roads authority for acquisition of a portion of the disposed land for road expansion. The affected land is an undeveloped portion of the site. The compensation is considered probable but not virtually certain as the authority has developed detailed plans for the site but has not yet committed to a timeline for implementation. The amount of compensation is subject to negotiation and review. The best estimate of the current value is RM4,545,000 (equivalent to AUD1,500,000) (2020: Nil).

Contingent liabilities

	Group	
	2021	2020
	RM'000	RM'000
Guarantees and letters of credit to third parties entered into in the normal course of business	18,966	19,119
Guarantees to third parties entered into jointly at the request of the parent entity	-	63,291
Put options* issued to third parties for which exercise is subject to uncertain conditions precedent	18,857	-
Total contingent liabilities	37,823	82,410

It is not considered probable that these guarantees will result in a loss to the Group.

* Exercise of the put options by the landholder would result in payment by the Group to the landholder for the acquisition of land that would be recorded as development property.

36. RELATED PARTIES

Identity of related parties

For the purposes of these financial statements, parties are considered to be related to the Group 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, associates, joint ventures, other related parties and key management personnel.

Significant related party transactions

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, Note 22 and Note 23.

Notes to the Financial Statements

36. RELATED PARTIES (Cont'd)

	Group		Company	
	2021 RM'000	2020 RM'000	2021 RM'000	2020 RM'000
A. Subsidiaries				
Interest income	-	-	14,763	15,706
Dividend income	-	-	19,004	17,204
Break fee	-	-	124	-
Rental expense	-	-	-	53
Rendering of services	-	-	-	1,434
Management fee expense	-	-	2,730	1,976
Waiver of amount due from a subsidiary	-	-	232	-
B. Associates				
Director fees	165	203	-	-
C. Joint ventures				
Dividend income	13,259	2,280	-	-
D. Other related parties				
Companies related to a director:				
- Administration fee	708	-	-	-
- Advisory fee paid	-	110	-	110
- Interest expenses	1,945	3,132	-	-
- Interest income	44	-	-	-
- Rental expense	694	717	-	-
- Share service income	389	441	-	-
- Rendering of services	-	2,913	-	-
Companies related to a person connected to a director:				
- Rental income	268	387	-	-
- Rendering of services	-	1,459	-	-
E. Key management personnel				
Directors				
- Remuneration	17,566	3,158	15,745	1,127
- Fees	280	242	280	242
- Defined contribution plans	1,961	209	1,864	112
- Estimated money value of benefits-in-kind	10	10	6	6
	19,817	3,619	17,895	1,487
Other key management personnel				
- Remuneration	56,934	45,624	-	-
- Defined contribution plans	2,793	2,481	-	-
	59,727	48,105	-	-

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

Notes to the Financial Statements

37. INTEREST IN JOINT OPERATIONS

Details of the joint operations are as follows:

Name of entity	Country of incorporation	Principal activities	Proportion of ownership interest	
			2021 %	2020 %
Held through Mulpha Education Group Pty. Limited				
The Hotel School Sydney	Australia	Education	57	57
The Hotel School Melbourne	Australia	Education	51	51
The Hotel School Brisbane	Australia	Education	51	51
The Hotel School Hayman Island	Australia	Education	51	51
Held through Circa 1 Pty Limited				
The Bond (formerly known as JV6014)	Australia	Commercial property development	50	50
Held through Mulpha Menangle Pty. Limited				
MPlace	Australia	Integrated land development and subdivision	50	50

38. SIGNIFICANT EVENTS DURING THE FINANCIAL YEAR

38.1 Disposal of an associate

On 22 June 2021, Mulpha Credit Sdn Bhd ("MCSB"), an indirect wholly-owned subsidiary of the Company, which owns 37.81% in Education Perfect Group Limited ("EPGL"), a company incorporated in New Zealand that is involved in the online education sector, has entered into a transaction to dispose of its entire equity interest in EPGL ("the Disposal"). Approval for the disposal was obtained from the Overseas Investment Office in New Zealand ("OIO") on 14 September 2021. Pursuant to the terms of the Share Sale Agreement dated 22 June 2021, the completion and settlement of the Disposal took place on 30 September 2021, being the last business day of the month in which the approval of OIO is received.

Upon completion, MCSB received the total proceeds of NZD156.37 million (equivalent to RM450.35 million) after net debt of EPGL and EPGL has ceased to be an associated company of MCSB.

38.2 Disposal of an aircraft

On 14 September 2021, a subsidiary of the Group entered into an Aircraft Purchase Agreement with third parties to dispose of an aircraft for a cash consideration amounting to RM66.50 million (equivalent to USD16.50 million). The transaction was completed on 29 September 2021.

Notes to the Financial Statements

39. SUBSEQUENT EVENTS

39.1 Extension of loan facilities

In February 2022, the Group jointly with JMJ Properties Australia Pty Ltd as trustee for the JMJ Trust ("JMJ"), accepted a loan facility of RM203.62 million (equivalent to AUD67.20 million) from National Australia Bank Limited, Australia. The purpose of the loan is to fund the development of a 7-storey strata office and healthcare building located at 8, Elizabeth Macarthur Drive, Bella Vista, NSW, Australia, known as "The Bond" project, the joint venture between the Group with JMJ.

In February 2022, the Group entered two facility extensions with Westpac Banking Corporation (Westpac). The RM218.16 million (equivalent to AUD72.00 million) term loan facility secured by Norwest Marketown shopping centre was extended to May 2022. The RM242.40 million (equivalent to AUD80.00 million) revolving development loan and bank guarantee facility secured by Norwest and Sanctuary Cove development lands was extended for three months also expiring May 2022. These short-term extensions allow for a future restructuring of the security pool for each facility prior to entering long-term extensions.

39.2 Cancellation of treasury shares

On 1 April 2022, the Directors of the Company approved the proposal to cancel the entire treasury shares of 8,288,000 units held by the Company pursuant to Section 127(4) of the Companies Act 2016.

40. MATERIAL LITIGATION

In September 2012, the Company disposed of the entire equity interest in its wholly-owned subsidiary, Bestari Sepang Sdn Bhd ("Bestari") for a cash consideration of RM1.0 million to Mula Holdings Sdn Bhd ("Mula"). As part of this transaction, the Company also entered into a Settlement Agreement with Mula whereby Mula shall pay a settlement sum ("Settlement Sum") of RM104.0 million on or before 15 December 2012, as full and final settlement of the advances that the Company had previously made to Bestari and its subsidiaries, Spanstead Sdn Bhd ("Spanstead") and Seri Ehsan (Sepang) Sdn Bhd ("Seri Ehsan"), failing which, additional payments will apply until the final settlement date of 15 December 2013 ("final settlement date").

Mula failed to pay the Settlement Sum on the final settlement date. Accordingly, the Settlement Agreement automatically terminated and the Company's right to receive payment of the full amount of RM301,506,429 as at 30 June 2012 ("Full Outstanding Amount") that the Company had previously advanced to Bestari, Spanstead and Seri Ehsan (collectively "Bestari Group") was reinstated, the Full Outstanding Amount is secured by land titles belonging to Seri Ehsan ("the Land") and an irrevocable Power of Attorney to deal with the Land.

As Bestari Group failed to settle the Full Outstanding Amount, the Company filed a Writ of Summons and Statement of Claim against Mula and Bestari Group on 30 January 2015 claiming for, amongst others, a declaration that the Full Outstanding Amount of RM301,506,429 as at 30 June 2012 together with interest thereon is due and owing by Bestari Group.

Mula and Bestari Group then filed their Defence and Counterclaim on 9 February 2015. Thereafter, the Company filed its Reply and Defence to Counterclaim on 18 February 2015. The Trial commenced on 15 February 2016 until 1 August 2019 with a total of 17 days of trial. Both parties have closed their case on 1 August 2019 and thus ending the Trial. The parties have filed and exchanged their written submissions. Subsequently, the parties have completed the oral submissions on 24 February 2020 and 25 February 2020. The judgment was delivered on 17 July 2020, subject to any appeals and further legal proceedings. The judge found that Mula had breached the Settlement Agreement and that the said agreement was terminated on 15 December 2013. The Judge declared the amount due and payable to the Company to be RM301 million plus interest and held that the Power Attorney is valid. Further, the defendants are restrained from dealing with the Sepang Land. The Company was successful in defending the relevant counterclaim and the Judge dismissed Mula's counterclaim with costs. On 30 July 2020, Mula has filed a notice of appeal against the entire decision made by the High Court. The Court of Appeal hearing has been fixed for 24 June 2022. In addition, the High Court has issued their written grounds of judgment to the parties.

Notes to the **Financial Statements**

40. MATERIAL LITIGATION (Cont'd)

The Directors after obtaining advice from the Company's solicitors are of the opinion that the Company has reasonably fair chance in respect of the appeal filed by Mula against the entire decision made by High Court.

41. COMPARATIVE FIGURES

Certain comparatives in the notes to the financial statements were restated to conform with current year presentation.

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 74 to 188 are drawn up in accordance with Malaysian Financial Reporting Standards, International Financial Reporting Standards and the requirements of the Companies Act 2016 in Malaysia so as to give a true and fair view of the financial position of the Group and of the Company as of 31 December 2021 and of their financial performance and cash flows for the financial year then ended.

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

Lee Seng Huang
Director

Lee Eng Leong
Director

Date: 7 April 2022

Statutory Declaration

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

I, **Lim Say Kien**, the officer primarily responsible for the financial management of Mulpha International Bhd., do solemnly and sincerely declare that the financial statements set out on pages 74 to 188 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 Notaries Public Act 1984.

Subscribed and solemnly declared by the abovenamed Lim Say Kien, NRIC: 680222-07-5422, MIA CA 9788, at Sydney, New South Wales, Australia on 7 April 2022.

Lim Say Kien

I, **Martin Joseph O'Connor, Notary Public**, duly authorised admitted and sworn and practising in the city of Sydney in the State of New South Wales in the Commonwealth of Australia, do hereby certify that Lim Say Kien appeared before me today, identified herself to me to my satisfaction, swore and made the declaration according to Australia Law, and I witnessed her signature appearing above.

Before me:

Martin Joseph O'Connor,
Notary Public

Independent Auditors' Report

To the Members of Mulpha International Bhd.

REPORT ON THE AUDIT OF THE FINANCIAL STATEMENTS

Opinion

We have audited the financial statements of Mulpha International Bhd., which comprise the statements of financial position as at 31 December 2021 of the Group and of the Company, and the statements of profit or loss and other comprehensive income, statements of changes in equity and statements of cash flows of the Group and of the Company for the year then ended, and notes to the financial statements, including a summary of significant accounting policies, as set out on pages 74 to 188.

In our opinion, the accompanying financial statements give a true and fair view of the financial position of the Group and of the Company as at 31 December 2021, and of their financial performance and their cash flows for the 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.

KEY AUDIT MATTERS

Key audit matters are those matters that, in our professional judgement, were of most significance in our audit of the financial statements of the Group and of the Company for the current year. These matters were addressed in the context of our audit of the financial statements of the Group and of the Company as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

Valuation of property, plant and equipment

Refer to Note 2(d) - Significant accounting policy: Property, plant and equipment and Note 3 - Property, plant and equipment.

The key audit matter

The Group's property, plant and equipment are predominantly hotels across Australia, which form a significant component of property, plant and equipment with a total carrying amount of RM1,494,013,000 as at 31 December 2021.

An assessment of the carrying value of these assets compared against its recoverable amount is required to be performed where indications of impairment exist. The Directors and management performed a value-in-use calculation and/or obtained a valuation from an external independent expert to support the recoverable amounts of the assets.

The valuation process involves significant judgement in determining the appropriate valuation methodology to be used, and in estimating the appropriate key underlying assumptions to be applied.

Independent Auditors' Report

To the Members of Mulpha International Bhd.

KEY AUDIT MATTERS (Cont'd)

How the matter was addressed in our audit

We performed the following audit procedures, among others:

For property, plant and equipment valued by external experts engaged by the Group:

- Assessed the competence and objectivity of external independent experts engaged by the Directors and management;
- Assessed whether the valuation methodology was appropriate and in accordance with the requirements of accounting standards;
- Corroborated key assumptions, such as forecast cash flows, discount rate and growth rate with available market data and our knowledge of historical performance of the asset, adjusted for expected market conditions; and
- Considered whether there is any significant valuation limitations or disclaimers due to market disruption caused by COVID-19 that may be attached to the external valuation report.

For internally valued property, plant and equipment:

- Evaluated Directors' and management's processes and controls for preparing, reviewing and approving the Group's valuations based on Group policies;
- Assessed whether the underlying calculation methodology was performed in accordance with the requirements of the accounting standards; and
- Benchmarked key assumptions used in the discounted cash flows, such as revenue growth, capital expenditure and discount rate, against external market data and the historical performance of the asset, adjusted for expected market conditions.

Valuation of investment properties

Refer to Note 2(h) - Significant accounting policy: Investment property and Note 5 - Investment properties.

The key audit matter

The Group's investment properties are predominantly commercial properties across Australia, which form a significant component of investment properties with a total carrying amount of RM928,902,000 as at 31 December 2021.

These investment properties are stated at their fair values based on independent external and internal valuations.

The valuation process involves significant judgement in determining the appropriate valuation methodology to be used, and in estimating the appropriate key underlying assumptions to be applied. The valuations are highly sensitive to key assumptions applied in deriving at the capitalisation rates i.e. a small change in the assumptions can have a significant impact to the valuation.

How the matter was addressed in our audit

We performed the following audit procedures, among others:

For investment properties valued by external experts engaged by the Group:

- Assessed the competence and objectivity of external independent valuer engaged by the Directors and management;
- Assessed whether the valuation methodology was appropriate and in accordance with the requirements of accounting standards; and
- Corroborated key assumptions, such as capitalisation rate and annual net market growth rate with available market data and our knowledge of historical performance of the asset, adjusted for expected market conditions.

Independent

Auditors' Report

To the Members of Mulpha International Bhd.

KEY AUDIT MATTERS (Cont'd)

For internally valued investment properties:

- Evaluated Directors' and management's processes and controls for preparing, reviewing and approving the Group's valuations based on Group policies;
- Assessed whether the underlying calculation methodology was performed in accordance with the requirements of the accounting standards; and
- Assessed key valuation and the underlying assumptions, including:
 - Comparing the capitalisation rate to market data; and
 - Agreeing passing rental income to the property manager's retail tenancy schedule as well as major tenants to the underlying lease agreements.

Recoverability of development inventory

Refer to Note 2(i) - Significant accounting policy: Inventories and Note 12 - Inventories.

The key audit matter

The Group capitalises development costs into inventory over the life of its projects including the purchase of land, site infrastructure costs, construction costs and borrowing costs. Development inventory is carried at the lower of cost and net realisable value.

Recoverability of development inventory is identified as a key audit matter because of the significant judgement involved in applying the key underlying assumptions on which the feasibility of the projects are premised upon.

Accordingly, a change in the key underlying assumptions of Group's project feasibility could have a material impact on the carrying value of development inventory in the Group's financial statements.

How the matter was addressed in our audit

We performed the following audit procedures, among others:

- Selected sample of development projects based on quantitative and qualitative factors such as size and risk.
- For the sample selected, depending on the size and risk of the project, we performed some or all of the following procedures in relation to the key judgements in Group's assessment of development inventory recoverability:
 - made an independent assessment of expected sales prices using benchmarking to external data sources and actual results in the period;
 - made an assessment of expected sales volumes by benchmarking to historical sales rates; and
 - tested forecast costs to complete the development project to underlying supplier contracts and/or historical experience of similar costs.

Valuation of investment securities

Refer to Note 2(c) – Significant accounting policy: Financial instruments and Note 9 – Investment securities.

The key audit matter

The Group invests in unquoted shares and loan notes. These investments in unquoted shares and loan notes are classified as Level 2 and 3 financial instruments, measured at fair value through other comprehensive income and amortised cost respectively.

Valuation on these investments is performed based on methodologies that applied unobservable inputs, which involves significant degree of estimation uncertainty and management judgment.

Independent Auditors' Report

To the Members of Mulpha International Bhd.

KEY AUDIT MATTERS (Cont'd)

How the matter was addressed in our audit

We performed the following audit procedures, among others:

- Updated our understanding of management's processes and control over valuation model used.
- Ascertained the accounting policies applied is in accordance with requirements of relevant accounting standards.
- Evaluated the reasonableness of management's key judgements and estimates made to determine the fair value of investments in unquoted shares, and tested the post-fair value adjustment.
- Assessed recoverability of investments in unquoted loan notes and reasonableness of expected credit losses provided for, if any.

We have determined that there are no key audit matters in the audit of the separate financial statements of the Company to communicate in our auditors' report.

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 and Statement of Risk Management and Internal Control but does not include the financial statements of the Group and of the Company and our auditors' report thereon, which we obtained prior to the date of this auditors' report, and the remaining parts of the annual report, which are expected to be made available to us after that date.

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

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

When we read the remaining parts of the annual report, if we conclude that there is a material misstatement therein, we are required to communicate the matter to the Directors of the Company and take appropriate actions in accordance with approved standards on auditing in Malaysia and International Standards on Auditing

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.

Independent

Auditors' Report

To the Members of Mulpha International Bhd.

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.
- 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.

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

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

Independent
Auditors' Report

To the Members of Mulpha International Bhd.

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 6 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

Petaling Jaya, Selangor

Date: 7 April 2022

Lam Shuh Siang
Approval Number: 03045/02/2023 J
Chartered Accountant

Material Properties of The Group

as at 31 December 2021

Location/Address	Year of Acquisition/ Completion/ Revaluation (R)	Tenure	Year Lease Expiring	Age of Building	Land Area/ Built Up Area	Description/ Existing Use	Net Book Value RM'000
1. 117 Macquarie Street Sydney New South Wales Australia	2004	Freehold	N/A	36 years	3,909.00 sq. metres	5-star hotel	689,687
2. Lot 7, 8, 679 Mukim Pulau Lot 1141, 1541 Tanjung Kupang Daerah Johor Bahru	1991	Freehold	N/A	N/A	366.73 hectares	Land being used for a resort & recreation, residential and commercial developments	568,771
3. Sanctuary Cove Gold Coast Queensland Australia	2002 and 2018 2021 (R)	Freehold	N/A	33 to 34 years	69.90 hectares	Integrated resort with hotel, shopping precinct, retail/office, clubs & marina and residential development	502,463*
4. Norwest Marketown Norwest Boulevard Norwest New South Wales Australia	2015 2021 (R)	Freehold	N/A	22 years	4.40 hectares	Shopping centre	447,683*
5. Hayman Island Great Barrier Reef Queensland Australia	2004 2019 (R)	Leasehold	Perpetuity	33 years	291.48 hectares	5-star island resort and residential development	331,479
6. 99-113 Macquarie Street Sydney New South Wales Australia	2004 2020 (R)	Freehold	N/A	83 years	1,600.00 sq. metres	Commercial property	304,153
7. Nesuto Stadium Apartment Hotel Auckland New Zealand	2018 2021 (R)	Leasing	2146	13 years	2,450.00 sq. metres	4-star hotel	251,756*
8. Norwest Quarter, Haven and Neo Norwest New South Wales Australia	2014 and 2016	Freehold	N/A	N/A	4.14 hectares	High density residential development	182,940
9. Essentia 23a-29 Fairway Drive Bella Vista New South Wales Australia	2016	Freehold	N/A	N/A	1.99 hectares	Medium density residential development	110,107
10. Carlile Swim Centre 6 Century Circuit (Norwest Business Park) Norwest New South Wales Australia	2020 2021 (R)	Freehold	N/A	19 years	3,680.00 sq. metres	Swimming centre	62,115*

Note: The list of properties above shows the particulars of the top 10 properties in terms of highest net book value as at the end of the financial year.

* Included an investment property carried at fair value.

Analysis of Shareholdings

As at 21 March 2022

Total Number of Issued Shares	:	319,466,430 ordinary shares (including 8,288,200 treasury shares)
Class of Shares	:	Ordinary shares
Voting Rights	:	One vote per ordinary share on a poll

DISTRIBUTION OF SHAREHOLDINGS BASED ON RECORD OF DEPOSITORS

Size of Shareholdings	No. of Shareholders	% of Shareholders	No. of Shares Held	% of Shareholdings
Less than 100	1,233	6.86	25,245	0.01
100 - 1,000	12,141	67.57	4,433,198	1.42
1,001 - 10,000	3,823	21.28	12,836,301	4.13
10,001 - 100,000	633	3.52	17,911,548	5.76
100,001 - 15,558,910 (Less than 5% of issued shares)	134	0.75	106,774,890	34.31
15,558,911 (5%) and above	3	0.02	169,197,048	54.37
Total	17,967	100.00	311,178,230*	100.00

* Excludes 8,288,200 treasury shares retained by the Company as per the Record of Depositors.

THIRTY LARGEST SECURITIES ACCOUNT HOLDERS BASED ON RECORD OF DEPOSITORS

No.	Name of Shareholders	No. of Shares	%*
1.	Nautical Investments Limited	75,507,000	24.26
2.	Magic Unicorn Limited	50,019,948	16.07
3.	Alliancegroup Nominees (Asing) Sdn Bhd - Exempt AN for Sun Hung Kai Investment Services Limited	43,670,100	14.03
4.	HSBC Nominees (Tempatan) Sdn Bhd - Exempt AN for Credit Suisse AG (HK-CLT-T-OS PR)	12,000,000	3.86
5.	JF Apex Nominees (Tempatan) Sdn Bhd - Pledged Securities Account for Paramjit Singh Gill (Margin)	7,344,900	2.36
6.	Klang Enterprise Sendirian Berhad	6,690,660	2.15
7.	Amsec Nominees (Tempatan) Sdn Bhd - Pledged Securities Account for Vista Power Sdn Bhd	6,463,833	2.08
8.	HSBC Nominees (Tempatan) Sdn Bhd - Exempt AN for Credit Suisse (SG BR-TST-TEMP)	5,696,200	1.83
9.	Lee Ming Tee	4,815,300	1.55
10.	Alliancegroup Nominees (Asing) Sdn Bhd - Sun Hung Kai Investment Services Limited for Lee Ming Tee	4,000,000	1.29
11.	HSBC Nominees (Asing) Sdn Bhd - Exempt AN for Bank Julius Baer & Co. Ltd. (Singapore Bch)	3,485,410	1.12
12.	UOB Kay Hian Nominees (Asing) Sdn Bhd - Exempt AN for UOB Kay Hian Pte Ltd (A/C Clients)	3,152,068	1.01
13.	Nautical Investments Limited	2,617,200	0.84
14.	Neoh Choo Ee & Company Sdn Berhad	2,600,000	0.84

Analysis of Shareholdings

As at 21 March 2022

THIRTY LARGEST SECURITIES ACCOUNT HOLDERS BASED ON RECORD OF DEPOSITORS (cont'd)

No.	Name of Shareholders	No. of Shares	%*
15.	Vista Power Sdn Bhd	2,536,370	0.82
16.	First Positive Sdn Bhd	2,494,345	0.80
17.	Oh Aik Teong Michael	2,160,700	0.69
18.	Yap Thai Choy	1,979,700	0.64
19.	HSBC Nominees (Asing) Sdn Bhd - Exempt AN for The Hongkong and Shanghai Banking Corporation Limited (PB-HKDIV-ACCL)	1,305,000	0.42
20.	HLB Nominees (Tempatan) Sdn Bhd - Pledged Securities Account for Tan Chang Joon	1,100,000	0.35
21.	UOB Kay Hian Nominees (Tempatan) Sdn Bhd - Exempt AN for UOB Kay Hian Pte Ltd (A/C Clients)	1,055,203	0.34
22.	RHB Nominees (Tempatan) Sdn Bhd - Pledged Securities Account for Ong Ngoh Ing @ Ong Chong Oon	889,100	0.29
23.	Kenanga Nominees (Tempatan) Sdn Bhd - Pledged Securities Account for Cheong Chen Yue	854,400	0.27
24.	Citigroup Nominees (Asing) Sdn Bhd - CBNY for Dimensional Emerging Markets Value Fund	852,260	0.27
25.	Alliancegroup Nominees (Tempatan) Sdn Bhd - Pledged Securities Account for Loh Kuan Fong (8078549)	817,000	0.26
26.	RHB Nominees (Asing) Sdn Bhd - Pledged Securities Account for Lee Sui Hee	815,855	0.26
27.	Chin Kian Fong	806,000	0.26
28.	Citigroup Nominees (Asing) Sdn Bhd - Exempt AN for OCBC Securities Private Limited (Client A/C-NR)	741,496	0.24
29.	Wilfred Koh Seng Han	703,400	0.23
30.	Cimsec Nominees (Asing) Sdn Bhd - CIMB for Loh Kim Kah (PB)	700,300	0.23

* Excludes 8,288,200 treasury shares retained by the Company as per the Record of Depositors.

Analysis of Shareholdings

As at 21 March 2022

SUBSTANTIAL SHAREHOLDERS BASED ON REGISTER OF SUBSTANTIAL SHAREHOLDERS

Name of Substantial Shareholders	Direct		Indirect	
	No. of Shares	%*	No. of Shares	%*
Nautical Investments Limited	78,124,200	25.11	-	-
Magic Unicorn Limited	50,019,948	16.07	-	-
Mountbatten Corporation	-	-	78,124,200 ^a	25.11
Mount Glory Investments Limited	-	-	128,144,148 ^b	41.18
Lee Ming Tee	8,815,300	2.83	134,834,808 ^c	43.33
Lee Seng Huang	12,000,000	3.86	143,650,108 ^d	46.16
Many Merit Asia Limited	23,242,900	7.47	-	-

DIRECTORS' SHAREHOLDINGS IN MULPHA INTERNATIONAL BHD. AND ITS SUBSIDIARIES BASED ON REGISTER OF DIRECTORS' SHAREHOLDINGS

Name of Directors	Direct		Indirect	
	No. of Shares	%*	No. of Shares	%*
Lee Seng Huang	12,000,000	3.86	143,650,108 ^d	46.16
Lee Eng Leong	-	-	-	-
Chew Hoy Ping	-	-	-	-
Loong Caesar	-	-	-	-
Geoffrey Earl Grady	-	-	-	-

By virtue of Lee Seng Huang's substantial interest in the shares of Mulpha International Bhd., he is also deemed interested in the shares of all the subsidiaries to the extent that Mulpha International Bhd. has an interest.

Notes:

- ^a Deemed interest pursuant to Section 8 of the Companies Act 2016 by virtue of its shareholding in Nautical Investments Limited.
- ^b Deemed interest pursuant to Section 8 of the Companies Act 2016 by virtue of its shareholdings in Mountbatten Corporation and Magic Unicorn Limited.
- ^c Deemed interest pursuant to Section 8 of the Companies Act 2016 by virtue of his shareholdings in Mount Glory Investments Limited and Klang Enterprise Sdn Bhd.
- ^d Deemed interest pursuant to Section 8 of the Companies Act 2016 by virtue of his family relationship with Mr Lee Ming Tee and his shareholding in Klang Enterprise Sdn Bhd.
- * Excludes 8,288,200 treasury shares retained by the Company as per the Record of Depositors.

Notice of 48th Annual General Meeting

NOTICE IS HEREBY GIVEN THAT the 48th Annual General Meeting (“AGM”) of Mulpha International Bhd. (“the Company”) will be held as a virtual meeting on the following date, time and venue for the following purposes:

Day and Date	: Thursday, 9 June 2022
Time	: 2.30 p.m.
Broadcast Venue	: Bale Club, Multi-Purpose Hall, No. 1, Jalan Polo, Leisure Farm, 81560 Gelang Patah, Johor Darul Takzim, Malaysia
Online Meeting Platform	: Lumi AGM provided by Boardroom Share Registrars Sdn Bhd in Malaysia at https://meeting.boardroomlimited.my

AS ORDINARY BUSINESS

- To receive the Audited Financial Statements for the financial year ended 31 December 2021 together with the Directors’ and Auditors’ Reports thereon. *(Please refer to Explanatory Note 1)*
- To re-elect Mr Lee Seng Huang who retires by rotation pursuant to Clause 106 of the Company’s Constitution and being eligible, has offered himself for re-election. *(Ordinary Resolution 1)*
- To re-elect Mr Loong Caesar who retires by rotation pursuant to Clause 106 of the Company’s Constitution and being eligible, has offered himself for re-election. *(Ordinary Resolution 2)*
- To approve the payment of Directors’ fees and benefits to the Non-Executive Directors of the Company for the period from 10 June 2022 until the conclusion of the next AGM of the Company to be held in 2023. *(Ordinary Resolution 3)*
- To re-appoint Messrs KPMG PLT as Auditors of the Company for the ensuing year and to authorise the Directors to fix their remuneration. *(Ordinary Resolution 4)*

AS SPECIAL BUSINESS

To consider and if thought fit, to pass the following Resolutions:-

- ORDINARY RESOLUTION:
Authority to Issue and Allot Shares pursuant to Sections 75 and 76 of the Companies Act 2016**

“THAT subject always to the Companies Act 2016 (“the Act”), the Main Market Listing Requirements of Bursa Malaysia Securities Berhad (“Bursa Securities”), the Company’s Constitution and the approvals of the relevant government and/or regulatory authorities, the Directors be and are hereby authorised and empowered pursuant to Sections 75 and 76 of the Act:

- to issue and allot new shares in the Company; and/or
- to grant rights to subscribe for shares in the Company; and/or
- to convert any security into shares in the Company; and/or
- to allot shares under an agreement or option or offer,

at any time and from time to time at such price, upon such terms and conditions, for such purposes and to such person(s) whomsoever as the Directors may in their absolute discretion deem fit and expedient in the interest of the Company, provided that the aggregate number of new shares issued pursuant to this resolution, when aggregated with the total number of any such shares issued during the preceding 12 months does not exceed 20% of the total number of issued shares of the Company for the time being (excluding treasury shares) (“20% General Mandate”) and THAT such approval of the 20% General Mandate shall continue to be in force until 31 December 2022.

Notice of 48th Annual General Meeting

THAT with effect from 1 January 2023, the general mandate shall be reinstated from a 20% limit to a 10% limit provided that the aggregate number of such new shares to be issued, to be subscribed under any rights granted, to be issued from conversion of any security, or to be issued and allotted under an agreement or option or offer by the Company pursuant to this resolution, when aggregated with the total number of any such shares issued during the preceding 12 months does not exceed 10% of the total number of issued shares of the Company for the time being (excluding treasury shares) ("**10% General Mandate**").

THAT such approval of the 10% General Mandate shall continue to be in force until:

- (a) the conclusion of the next AGM of the Company held after the approval was given;
- (b) the expiration of the period within which the next AGM of the Company is required to be held after the approval was given; or
- (c) revoked or varied by resolution passed by the shareholders of the Company in a general meeting,

whichever is the earlier.

THAT the Directors be and are hereby empowered to obtain the approval from Bursa Securities for the listing of and quotation for such new shares on the Main Market of Bursa Securities.

AND THAT the Directors be further authorised to implement, finalise, complete and take all necessary steps and to do all acts, deeds and things as may be necessary or expedient (including executing such documents as may be required) in order to give full effect to the 20% General Mandate and 10% General Mandate, with full powers to assent to any conditions, modifications, variations and/or amendments as they may deem fit in the best interest of the Company and/or as may be imposed by the relevant authorities."

(Ordinary Resolution 5)

7. **ORDINARY RESOLUTION:**

Authority to Issue and Allot New Securities in the Company under the Proposed General Mandate for Rights Issue on a Pro Rata Basis ("Proposed Rights Issue Mandate")

"THAT subject to the approval of the relevant authorities and/or parties (if required) being obtained, approval be and is hereby given to the Directors of the Company to:

- (a) provisionally issue and allot by way of a rights issue on a pro rata basis of new securities ("**new securities**") to the shareholders of the Company whose names appear in the Record of Depositors of the Company at the close of business on an entitlement date to be determined and announced later by the Company;
- (b) issue such new securities as may be required to give effect to the Proposed Rights Issue Mandate, including any persons entitled on renunciation of the provisional allotments;
- (c) determine and fix the entitlement basis and issue price of the new securities which shall be announced later by the Company;
- (d) utilise the proceeds to be derived from the Proposed Rights Issue Mandate for the purposes as determined and announced later by the Company; and
- (e) vary the manner and/or purpose of utilisation of such proceeds as the Directors may deem fit and in the best interest of the Company,

Notice of 48th Annual General Meeting

provided that:

- (i) such new securities to be issued pursuant to this resolution, does not exceed 50% of the total number of issued shares of the Company for the time being (excluding treasury shares); and
- (ii) the new securities are not priced at more than 30% discount to the theoretical ex-rights price.

THAT such approval of the Proposed Rights Issue Mandate shall continue to be in force until 31 December 2022.

THAT the Directors be and are hereby empowered to obtain the approval from Bursa Securities for the listing of and quotation for such new securities on the Main Market of Bursa Securities.

AND THAT the Directors be further authorised to implement, finalise, complete and take all necessary steps and to do all acts, deeds and things as may be necessary or expedient (including executing such documents as may be required) in order to give full effect to the Proposed Rights Issue Mandate, with full powers to assent to any conditions, modifications, variations and/or amendments as they may deem fit in the best interest of the Company and/or as may be imposed by the relevant authorities.”

(Ordinary Resolution 6)

8. **ORDINARY RESOLUTION:
Proposed Renewal of Authority to Issue and Allot Shares pursuant to the Company's Dividend Reinvestment Plan**

“THAT pursuant to the Dividend Reinvestment Plan as approved by the shareholders at the Extraordinary General Meeting held on 27 June 2011 and renewed at the AGM held on 3 June 2021, the Directors be and are hereby authorised to issue and allot new ordinary shares in the Company from time to time as may be required under the Company's Dividend Reinvestment Plan until the conclusion of the next AGM of the Company, upon such terms and conditions and to such persons as the Directors may, in their absolute discretion, deem fit and in the interest of the Company.

THAT the Directors and the Secretary be and are hereby authorised to do all such acts and enter into all such transactions, agreements, arrangements and documents as may be necessary or expedient in order to give full effect to the Dividend Reinvestment Plan, with full power to assent to any conditions, modifications, variations and/or amendments (if any) as may be imposed or agreed to by any relevant authorities or at the discretion of the Directors in the best interest of the Company.”

(Ordinary Resolution 7)

Notice of 48th Annual General Meeting

9. **ORDINARY RESOLUTION: Proposed Renewal of Authority for the Purchase by the Company of its Own Shares**

“THAT subject to compliance with the Act, the Company’s Constitution, the Main Market Listing Requirements of Bursa Securities and any other relevant rules and regulations that may be in force from time to time, the Company be and is hereby authorised to purchase such number of ordinary shares in the Company as may be determined by the Directors of the Company from time to time through Bursa Securities, upon such terms and conditions as the Directors may deem fit and expedient in the interest of the Company PROVIDED THAT:

- (a) the aggregate number of ordinary shares in the Company which may be purchased and/or held by the Company shall not exceed 10% of the total number of issued shares of the Company at any point in time; and
- (b) the maximum funds to be allocated by the Company for the purpose of purchasing the ordinary shares shall not exceed the latest audited retained profits of the Company.

THAT such authority shall commence upon the passing of this ordinary resolution and shall remain in force until:

- (i) the conclusion of the next AGM of the Company at which time such authority shall lapse unless by ordinary resolution passed at that meeting, the authority is renewed, either unconditionally or subject to conditions; or
- (ii) the expiration of the period within which the next AGM after that date is required by law to be held; or
- (iii) revoked or varied by ordinary resolution passed by the shareholders of the Company in a general meeting,

whichever occurs first.

THAT authority be and is hereby given to the Directors of the Company to decide in their discretion to retain the ordinary shares in the Company so purchased by the Company as treasury shares and/or to cancel them and/or to resell the treasury shares and/or to distribute them as share dividends and/or subsequently cancel them or such other manner as may be allowed under the Act and the Main Market Listing Requirements of Bursa Securities.

AND THAT the Directors of the Company be and are hereby authorised to take all such steps as are necessary or expedient to implement, finalise or to give full effect to the aforesaid with full power to assent to any conditions, modifications, variations and/or amendments as may be required or imposed by the relevant authorities and to do all such acts and things (including executing all documents) as the Directors may deem fit and expedient in the best interest of the Company.”

(Ordinary Resolution 8)

Notice of 48th Annual General Meeting

10. **ORDINARY RESOLUTION: Continuing in Office as Independent Non-Executive Director**

“THAT subject to the passing of Ordinary Resolution 2, approval be and is hereby given to Mr Loong Caesar, who has served as an Independent Non-Executive Director of the Company for a cumulative term of more than 9 years, to continue to serve as an Independent Non-Executive Director of the Company, in accordance with the Malaysian Code on Corporate Governance 2021.”

(Ordinary Resolution 9)

11. **ORDINARY RESOLUTION: Continuing in Office as Independent Non-Executive Director**

“THAT approval be and is hereby given to Mr Chew Hoy Ping, who has served as an Independent Non-Executive Director of the Company for a cumulative term of more than 9 years, to continue to serve as an Independent Non-Executive Director of the Company, in accordance with the Malaysian Code on Corporate Governance 2021.”

(Ordinary Resolution 10)

By Order of the Board

LEE ENG LEONG (MIA 7313) (SSM PC No. 201908003732)
LEE SUAN CHOO (MAICSA 7017562) (SSM PC No. 202008003634)
Company Secretaries

Johor Darul Takzim
29 April 2022

NOTES:

1. The AGM will be conducted on a virtual basis through live streaming and online remote voting via Remote Participation and Electronic Voting facilities (“**RPV**”). Please follow the procedures as set out in the Administrative Guide for the AGM in order to register, participate and vote remotely via RPV.
2. The Broadcast Venue is strictly for the purpose of complying with Section 327(2) of the Act which requires the Chairman of the Meeting to be present at the main venue. No members/proxies from the public shall be physically present at nor admitted to the Broadcast Venue.
3. A member of the Company who is entitled to attend, participate and vote at a general meeting of the Company, may appoint not more than 2 proxies to attend, participate and vote instead of the member at the meeting. A proxy need not be a member of the Company. There shall be no restriction as to the qualification of the proxy and the proxy shall have the same rights as the member.
4. Where a member is an authorised nominee as defined in the Securities Industry (Central Depositories) Act, 1991 (“**SICDA**”), it may appoint not more than 2 proxies in respect of each securities account it holds in ordinary shares of the Company standing to the credit of the said securities account.
5. Where a member is an exempt authorised nominee which holds ordinary shares in the Company for multiple beneficial owners in 1 securities account (“**omnibus account**”), there is no limit to the number of proxies which the exempt authorised nominee may appoint in respect of each omnibus account it holds. An exempt authorised nominee refers to an authorised nominee defined under the SICDA which is exempted from compliance with the provisions of subsection 25A(1) of the SICDA.
6. Where a member or the authorised nominee appoints 2 proxies, or where an exempt authorised nominee appoints 2 or more proxies, the proportion of shareholdings to be represented by each proxy must be specified in the instrument appointing the proxies, otherwise the appointment shall be invalid. An exempt authorised nominee which intends to appoint multiple proxies, must submit separate instruments of proxy.
7. The instrument appointing a proxy shall be in writing under the hand of the appointer or of his attorney duly authorised in writing, or if such appointer is a corporation, either under its common seal or under the hand of its officer or attorney duly authorised.

Notice of 48th Annual General Meeting

8. The instrument appointing a proxy must be deposited at the office of the Company's Share Registrar, Boardroom Share Registrars Sdn Bhd at Ground Floor or 11th Floor, Menara Symphony, No. 5, Jalan Prof. Khoo Kay Kim, Seksyen 13, 46200 Petaling Jaya, Selangor Darul Ehsan, Malaysia either personally, by fax at (603) 7890 4670, by electronic mail to BSR.Helpdesk@boardroomlimited.com, by sending it through the post, or submitted electronically through the Boardroom Smart Investor Portal at <https://investor.boardroomlimited.com> not less than 48 hours before the time appointed for holding the meeting or any adjournment thereof.
9. For the purpose of determining who shall be entitled to attend this AGM, the Company shall be requesting Bursa Malaysia Depository Sdn Bhd to issue a Record of Depositors as at **1 June 2022** and only members whose names appear in the Record of Depositors shall be entitled to attend, participate and vote at this AGM via RPV.
10. Pursuant to Paragraph 8.29A(1) of the Main Market Listing Requirements of Bursa Securities, all resolutions set out in the Notice of AGM shall be put to vote by way of poll.

Personal Data Privacy:

By submitting an instrument appointing a proxy(ies) and/or representative(s) to attend, participate and vote at the AGM and/or any adjournment thereof, a member of the Company (i) consents to the collection, use and disclosure of the member's personal data by the Company (or its agents) for the purpose of the processing and administration by the Company (or its agents) of proxies and representatives appointed for the AGM (including any adjournment thereof), and the preparation and compilation of the attendance lists, minutes and other documents relating to the AGM (including any adjournment thereof), and in order for the Company (or its agents) to comply with any applicable laws, listing rules, regulations and/or guidelines (collectively, the "Purposes"); (ii) warrants that where the member discloses the personal data of the member's proxy(ies) and/or representative(s) to the Company (or its agents), the member has obtained the prior consent of such proxy(ies) and/or representative(s) for the collection, use and disclosure by the Company (or its agents) of the personal data of such proxy(ies) and/or representative(s) for the Purposes; and (iii) agrees that the member will indemnify the Company in respect of any penalties, liabilities, claims, demands, losses and damages as a result of the member's breach of warranty.

EXPLANATORY NOTES ON ORDINARY AND SPECIAL BUSINESS

1. Item 1 of the Agenda – Audited Financial Statements for the financial year ended 31 December 2021

This agenda item is meant for discussion only as the provision of Section 340(1)(a) of the Act requires the Audited Financial Statements to be laid at the AGM. As such, this agenda item does not require shareholders' approval and hence, is not put forward for voting.

2. Ordinary Resolutions 1 & 2 – Re-Election of Retiring Directors pursuant to Clause 106 of the Company's Constitution

Pursuant to Clause 106 of the Company's Constitution, one-third or the number nearest to one-third of the Directors of the Company shall retire from office by rotation annually and subject to re-election at the AGM. All Directors shall retire from office once at least in each 3 years but shall be eligible for re-election.

Mr Lee Seng Huang and Mr Loong Caesar are standing for re-election as Directors of the Company and being eligible, have offered themselves for re-election at this AGM.

For the purpose of determining the eligibility of the Directors to stand for re-election at this AGM and in line with Practice 5.1 of the Malaysian Code on Corporate Governance 2021 issued by the Securities Commission Malaysia, the Nomination Committee has reviewed and assessed each of the retiring Directors from the annual assessment and evaluation of the Board for the financial year 2021. The Nomination Committee has recommended the re-election of the retiring Directors based on the following considerations:

- (a) satisfactory performance and have met the Board's expectation in discharging their duties and responsibilities;
- (b) met the criteria of character, experience, integrity, competence and time commitment in discharging their roles as Directors of the Company;
- (c) their ability to act in the best interest of the Company in decision-making; and
- (d) level of independence demonstrated by the Independent Director, Mr Loong Caesar.

Notice of 48th Annual General Meeting

The Board has endorsed the Nomination Committee's recommendation subject to the shareholders' approval at this AGM.

The profiles of Mr Lee Seng Huang and Mr Loong Caesar are set out in the Profile of Board of Directors section of the Annual Report 2021.

3. Ordinary Resolution 3 – Payment of Directors' Fees and Benefits

Section 230(1) of the Act provides amongst others, that the fees and benefits ("**Remuneration**") payable to the Directors of a listed company shall be approved by the shareholders at a general meeting. The Remuneration payable to the Non-Executive Directors of the Company comprises Directors' fees, fixed allowance and meeting attendance allowance, which are the same amount as approved at the previous AGM held in 2021.

This Resolution is to seek shareholders' approval for payment of the Remuneration to the Non-Executive Directors for the period from 10 June 2022 until the conclusion of the next AGM of the Company to be held in 2023, in accordance with the remuneration structure as set out below:

Directors' Fees / Allowances	Amount
Directors' Fees (<i>payable on monthly basis</i>):	
• For Chairman of Audit and Risk Management Committee (" ARMC ")	RM100,000 per annum
• For other Non-Executive Directors	RM90,000 per annum
Fixed Allowance (<i>payable on quarterly basis</i>):	
• For Chairman of ARMC	RM50,000 per annum
• For Chairman of other Board Committees	RM15,000 per annum
Meeting Allowance for attendance of Board and Board Committee Meetings (<i>payable after each meeting</i>)	RM3,000 per meeting

4. Ordinary Resolution 4 – Re-Appointment of Auditors

The ARMC has undertaken an annual assessment of the suitability and independence of Messrs KPMG PLT ("**KPMG**") as Auditors of the Company based on the criteria prescribed under Paragraph 15.21 of the Main Market Listing Requirements of Bursa Securities.

The ARMC was satisfied with the suitability of KPMG based on the quality of audit, performance, competency and sufficiency of resources that KPMG provided to the Group. The ARMC was also satisfied in its review that the provision of non-audit services by KPMG to the Company for the financial year 2021 did not in any way impair their objectivity and independence as the external auditors.

The Board has approved the ARMC's recommendation for the re-appointment of KPMG as Auditors of the Company at this AGM.

5. Ordinary Resolution 5 – Authority to Issue and Allot Shares pursuant to Sections 75 and 76 of the Act

Pursuant to the letter dated 16 April 2020 issued by Bursa Securities, listed issuers are allowed to seek a higher limit of general mandate to issue shares of not more than 20% of the total number of issued shares (excluding treasury shares) ("**20% General Mandate**") to facilitate capital raising in a timely and cost effective manner during this challenging time due to the COVID-19 pandemic. The 20% General Mandate may be utilised by listed issuers to issue shares until 31 December 2021.

Notice of 48th Annual General Meeting

Subsequently on 23 December 2021, Bursa Securities had issued a letter to extend the implementation and utilisation of the 20% General Mandate for another 12 months until 31 December 2022, subject to compliance with the requirements as spelt out in the said letter. The 20% General Mandate may be utilised by listed issuers to issue shares until 31 December 2022.

With effect from 1 January 2023, the 20% General Mandate will be reinstated to a 10% limit (“**10% General Mandate**”) pursuant to Paragraph 6.03 of the Main Market Listing Requirements of Bursa Securities. The authority for the 10% General Mandate will, unless revoked or varied by the Company in a general meeting, expire at the conclusion of the next AGM or the expiration of the period within which the next AGM is required by law to be held, whichever is earlier.

Having considered the current economic climate and future financial needs of the Group to ensure the long-term sustainability and interest of the Company and its shareholders, the Board would like to seek approval for this general mandate from its shareholders at the AGM. This Resolution, if passed, will empower the Directors to issue and allot shares in the Company, grant rights to subscribe for shares in the Company, convert any security into shares in the Company and/or allot shares under an agreement or option or offer, at any time at such price, upon such terms and conditions, for such purposes and to such person(s) as they consider would be in the interest of the Company.

The Board is of the view that the general mandate would be in the best interest of the Company and its shareholders as it would allow the Company to raise funds efficiently and expeditiously to meet its funding requirements, should the Company be required to do so. It will provide flexibility to the Company for any possible fund raising activities, including but not limited to placement of shares for the purpose of funding current and future investment(s), project(s), acquisition(s) and/or working capital. The general mandate is sought to avoid any delay and cost involved in convening a general meeting merely to approve such issue of shares.

6. **Ordinary Resolution 6 – Authority to Issue and Allot New Securities in the Company under the Proposed General Mandate for Rights Issue on a Pro Rata Basis (“Proposed Rights Issue Mandate”)**

Bursa Securities had on 10 November 2020, issued a letter to introduce further flexibility to facilitate secondary fund raising by listed issuers through an enhanced rights issue framework, subject to complying with the requirements as set out in the said letter. Listed issuers are allowed to undertake a rights issue on a pro rata basis through a higher general mandate, which must not exceed 50% of the total number of issued shares of the Company (excluding treasury shares) (“**new securities**”), and such new securities are not priced at more than 30% discount to the theoretical ex-rights price. The Proposed Rights Issue Mandate may be utilised by listed issuers to issue new securities until 31 December 2021.

Subsequently on 23 December 2021, Bursa Securities had issued a letter to extend the implementation and utilisation of the Proposed Rights Issue Mandate for another 12 months until 31 December 2022, subject to compliance with the requirements as spelt out in the said letter. The Proposed Rights Issue Mandate may be utilised by listed issuers until 31 December 2022.

Having considered the current economic climate and future financial needs of the Group to ensure the long-term sustainability and interest of the Company and its shareholders, the Board would like to seek approval for the Proposed Rights Issue Mandate from its shareholders at the AGM.

The Board is of the view that the Proposed Rights Issue Mandate would be in the best interest of the Company and its shareholders as the Proposed Rights Issue Mandate would allow the Company to raise funds efficiently and expeditiously to meet its funding requirements, should the Company be required to do so. It will provide flexibility to the Company for any possible fund raising activities for the purpose of funding current and future investment(s), project(s), acquisition(s), working capital and/or such other application as the Directors may deem fit in the best interest of the Company. The Proposed Rights Issue Mandate is sought to avoid any delay and cost involved in convening a general meeting merely to approve such issue of new securities.

This Resolution, if passed, will give authority to the Company to undertake a rights issue exercise on a pro rata basis and the Directors of the Company to issue and allot new securities in the capital of the Company, which does not exceed 50% of the total number of issued shares of the Company for the time being (excluding treasury shares), and such new securities are not priced at more than 30% discount to the theoretical ex-rights price.

Notice of 48th Annual General Meeting

7. Ordinary Resolution 7 – Proposed Renewal of Authority to Issue and Allot Shares pursuant to the Company’s Dividend Reinvestment Plan

This Resolution is to give authority to the Directors to issue and allot new ordinary shares in the Company from time to time as may be required under the Company’s Dividend Reinvestment Plan until the conclusion of the next AGM of the Company. A renewal of this authority will be sought at the subsequent AGM.

8. Ordinary Resolution 8 – Proposed Renewal of Authority for the Purchase by the Company of its Own Shares

The details on the proposed renewal of authority for the purchase by the Company of its own shares are set out in the Share Buy-back Statement dated 29 April 2022.

9. Ordinary Resolution 9 – Continuing in Office as Independent Non-Executive Director

This Resolution is to seek the shareholders’ approval to retain Mr Loong Caesar (“**Mr Loong**”), who has served on the Board for a cumulative term of more than 9 years, as an Independent Non-Executive Director of the Company.

The Board has via the Nomination Committee, assessed the independence of Mr Loong and recommended him to continue to serve as an Independent Non-Executive Director based on the following justifications:-

- (a) Mr Loong fulfilled the criteria under the definition of “Independent Director” as stated in the Main Market Listing Requirements of Bursa Securities and thus, he would be able to function as a check and balance to the Board.
- (b) Mr Loong performed his duties diligently and in the best interest of the Company, and brings an element of objectivity and independent judgement to the Board without being subject to influence of the Management.
- (c) Based on the Director’s Peer Evaluation undertaken by the Board, Mr Loong has performed satisfactorily in fulfilling his duties and responsibilities, including among others, contribution to Board deliberations, regular and timely attendance of Board meetings and understanding of the roles and responsibilities of an Independent Director.
- (d) Mr Loong has extensive experience garnered from his professional experience in legal advisory for a diverse range of businesses and therefore would be able to offer constructive comments and objective review of proposals. Throughout his tenure of service, he has acted in the best interest of the Company and has continued to exercise independent judgement and due care.
- (e) Mr Loong’s length of service with the Company enhanced his knowledge and developed valuable insights of the business operations of the Group, which enabled him to participate actively and contribute effectively during deliberations at Board and Board Committee meetings.

Pursuant to the Malaysian Code on Corporate Governance 2021, the Company will seek shareholders’ approval through a two-tier voting process at the AGM for the retention of Mr Loong as an Independent Non-Executive Director of the Company.

10. Ordinary Resolution 10 – Continuing in Office as Independent Non-Executive Director

This Resolution is to seek the shareholders’ approval to retain Mr Chew Hoy Ping (“**Mr Chew**”), who has served on the Board for a cumulative term of more than 9 years, as an Independent Non-Executive Director of the Company.

Notice of 48th **Annual General Meeting**

The Board has via the Nomination Committee, assessed the independence of Mr Chew and recommended him to continue to serve as an Independent Non-Executive Director based on the following justifications:-

- (a) Mr Chew fulfilled the criteria under the definition of "Independent Director" as stated in the Main Market Listing Requirements of Bursa Securities and thus, he would be able to function as a check and balance to the Board.
- (b) Mr Chew performed his duties diligently and in the best interest of the Company, and brings an element of objectivity and independent judgement to the Board without being subject to influence of the Management. He consistently challenges Management in an effective and constructive manner, and continues to advocate professional views without fear or favour.
- (c) Based on the Director's Peer Evaluation undertaken by the Board, Mr Chew has performed satisfactorily in fulfilling his duties and responsibilities, including among others, contribution to Board deliberations, regular and timely attendance of Board meetings and understanding of the roles and responsibilities of an Independent Director. He has devoted time and commitment, and continued to exercise his independence and due care in discharging his duties and responsibilities as an Independent Non-Executive Director.
- (d) Mr Chew, who is Chairman of the ARMC, has vast experience in the accounting and audit industry, which enabled him to provide constructive advice, expertise and independent judgement.
- (e) Mr Chew's length of service with the Company enhanced his knowledge and developed valuable insights of the business operations of the Group, which enabled him to participate actively and contribute effectively during deliberations at Board and Board Committee meetings.

Pursuant to the Malaysian Code on Corporate Governance 2021, the Company will seek shareholders' approval through a two-tier voting process at the AGM for the retention of Mr Chew as an Independent Non-Executive Director of the Company.

Statement Accompanying **Notice of 48th Annual General Meeting**

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

1. Details of persons who are standing for election as Directors (excluding Directors standing for re-election)

No individual is seeking for election as a Director at the 48th AGM of the Company.

2. A statement relating to general mandate for issue of securities in accordance with Paragraph 6.03(3) of the Main Market Listing Requirements of Bursa Securities

The proposed Ordinary Resolutions 5 and 6 on the general mandates for issue of securities are renewal mandates. As at the date of this Notice, no new shares or securities were issued pursuant to the said mandates granted to the Directors at the last AGM held on 3 June 2021.

MULPHA INTERNATIONAL BHD.

Registration No. 197401002704 (19764-T)
INCORPORATED IN MALAYSIA

No. of Shares held	
CDS Account No.	

PROXY FORM

I/We _____ NRIC No./Company No. _____

Tel No. _____ of _____

_____ being a member of the Company, hereby appoint

_____ NRIC No. _____ Email: _____

of _____

and/or _____ NRIC No. _____ Email: _____

of _____

or failing him/her, the Chairman of the Meeting as my/our proxy to attend and vote on my/our behalf at the 48th Annual General Meeting ("AGM") of the Company to be held virtually from the Broadcast Venue at Bale Club, Multi Purpose Hall, No. 1, Jalan Polo, Leisure Farm, 81560 Gelang Patah, Johor Darul Takzim, Malaysia and via Lumi AGM at <https://meeting.boardroomlimited.my> on **Thursday, 9 June 2022 at 2.30 p.m.** and at any adjournment thereof.

Please indicate with 'X' in the space below how you wish your votes to be cast. If no specific direction as to voting is given, the proxy/proxies will vote or abstain from voting at his/their discretion.

ORDINARY RESOLUTIONS		FOR	AGAINST
Resolution 1	Re-election of Mr Lee Seng Huang		
Resolution 2	Re-election of Mr Loong Caesar		
Resolution 3	Payment of Directors' fees and benefits		
Resolution 4	Re-appointment of KPMG PLT as Auditors		
Resolution 5	Authority to issue and allot shares pursuant to Sections 75 and 76 of the Companies Act 2016		
Resolution 6	Authority to issue and allot new securities in the Company under the proposed general mandate for rights issue on a pro rata basis		
Resolution 7	Proposed renewal of authority to issue and allot shares pursuant to the Company's Dividend Reinvestment Plan		
Resolution 8	Proposed renewal of authority for the purchase by the Company of its own shares		
Resolution 9	Continuing in office as Independent Non-Executive Director – Mr Loong Caesar		
Resolution 10	Continuing in office as Independent Non-Executive Director – Mr Chew Hoy Ping		

Dated this _____ day of _____, 2022

Signature of Member _____

For appointment of 2 proxies, the percentage of shareholdings to be represented by the proxies:		
	No. of Shares	Percentage
1st Proxy		%
2nd Proxy		%
Total:		100%

Common Seal
(for Corporate
Members)

NOTES:

- The AGM will be conducted on a virtual basis through live streaming and online remote voting via Remote Participation and Electronic Voting facilities ("RPV"). Please follow the procedures as set out in the Administrative Guide for the AGM in order to register, participate and vote remotely via RPV.
- The Broadcast Venue is strictly for the purpose of complying with Section 327(2) of the Companies Act 2016 which requires the Chairman of the Meeting to be present at the main venue. No members/proxies from the public shall be physically present at nor admitted to the Broadcast Venue.
- A member of the Company who is entitled to attend, participate and vote at a general meeting of the Company, may appoint not more than 2 proxies to attend, participate and vote instead of the member at the meeting. A proxy need not be a member of the Company. There shall be no restriction as to the qualification of the proxy and the proxy shall have the same rights as the member.
- Where a member is an authorised nominee as defined in the Securities Industry (Central Depositories) Act, 1991 ("SICDA"), it may appoint not more than 2 proxies in respect of each securities account it holds in ordinary shares of the Company standing to the credit of the said securities account.
- Where a member is an exempt authorised nominee which holds ordinary shares in the Company for multiple beneficial owners in 1 securities account ("omnibus account"), there is no limit to the number of proxies which the exempt authorised nominee may appoint in respect of each omnibus account it holds. An exempt authorised nominee refers to an authorised nominee defined under the SICDA which is exempted from compliance with the provisions of subsection 25A(1) of the SICDA.
- Where a member or the authorised nominee appoints 2 proxies, or where an exempt authorised nominee appoints 2 or more proxies, the proportion of shareholdings to be represented by each proxy must be specified in the instrument appointing the proxies, otherwise the appointment shall be invalid. An exempt authorised nominee which intends to appoint multiple proxies, must submit separate instruments of proxy.
- The instrument appointing a proxy shall be in writing under the hand of the appointer or of his attorney duly authorised in writing, or if such appointer is a corporation, either under its common seal or under the hand of its officer or attorney duly authorised.
- The instrument appointing a proxy must be deposited at the office of the Company's Share Registrar, Boardroom Share Registrars Sdn Bhd at Ground Floor or 11th Floor, Menara Symphony, No. 5, Jalan Prof. Khoo Kay Kim, Seksyen 13, 46200 Petaling Jaya, Selangor Darul Ehsan, Malaysia either personally, by fax at (603) 7890 4670, by electronic mail to BSR.Helpdesk@boardroomlimited.com, by sending it through the post, or submitted electronically through the Boardroom Smart Investor Portal at <https://investor.boardroomlimited.com> not less than 48 hours before the time appointed for holding the meeting or any adjournment thereof.
- For the purpose of determining who shall be entitled to attend this AGM, the Company shall be requesting Bursa Malaysia Depository Sdn Bhd to issue a Record of Depositors as at **1 June 2022** and only members whose names appear in the Record of Depositors shall be entitled to attend, participate and vote at this AGM via RPV.

Personal Data Privacy:

By submitting an instrument appointing a proxy(ies) and/or representative(s), the member accepts and agrees to the Personal Data Privacy terms set out in the Notice of AGM dated 29 April 2022.

FOLD THIS FLAP TO SEAL

2ND FOLD HERE

**AFFIX
STAMP
HERE**

MULPHA INTERNATIONAL BHD.

Registration No. 197401002704 (19764-T)

c/o Boardroom Share Registrars Sdn Bhd

Registration No. 199601006647 (378993-D)

11th Floor, Menara Symphony
No. 5, Jalan Prof. Khoo Kay Kim
Seksyen 13, 46200 Petaling Jaya
Selangor Darul Ehsan
Malaysia

1ST FOLD HERE

Corporate Directory

- Mulpha International Bhd.**
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Malaysia
T: (+603) 7718 6288
www.mulpha.com.my
- Leisure Farm Resort**
D'Rimbunan
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Leisure Farm
81560 Gelang Patah, Johor
Malaysia
T: (+607) 556 3003
www.leisurefarm.com.my
- Mulpha Australia Limited**
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Australia
T: (+612) 9239 5500
www.mulpha.com.au
- Mulpha Sanctuary Cove**
Jabiru House, Masthead Way
Sanctuary Cove, Queensland 4212
Australia
T: (+617) 5577 6500
www.sanctuarycove.com
- Mulpha Norwest Pty. Ltd.**
Level 6, 99 Macquarie Street
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Australia
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www.mulphanorwest.com.au
- Hayman Island**
1 Raintree Avenue
Hayman Island
Great Barrier Reef
Australia
T: (+617) 4940 1234
www.hayman.com.au
- InterContinental Sydney**
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Australia
T: (+612) 9253 9000
www.icsydney.com.au
- InterContinental
Sanctuary Cove Resort**
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T: (+617) 5530 1234
[www.intercontinental
sanctuarycove.com](http://www.intercontinental
sanctuarycove.com)
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T: (+612) 4998 4600
www.bimbadgen.com.au
- Transport House**
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Australia
T: (+612) 9239 5500
- The Hotel School Sydney**
60 Philip Street
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Australia
T: (+612) 8249 3200
www.hotelschool.scu.edu.au
- The Hotel School Melbourne**
Level 3, 399 Lonsdale Street
Melbourne, Victoria 3000
Australia
T: (+613) 9601 3400
www.hotelschool.scu.edu.au
- The Hotel School Brisbane**
Level 13, 127 Creek Street
Brisbane City, Queensland 4000
Australia
T: (+617) 3739 2400
www.hotelschool.scu.edu.au
- The Hotel School Hayman Island**
1 Raintree Avenue
Hayman Island
Great Barrier Reef
Australia
T: 1800 870 816
www.hotelschool.scu.edu.au
- Marritz Hotel**
12 Porcupine Road, Perisher Valley
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Australia
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www.marritzsalzburg.com.au
- Salzburg Apartment**
24 Porcupine Road, Perisher Valley
New South Wales 2624
Australia
T: (+612) 6457 5220
www.marritzsalzburg.com.au
- Enacon Carparks**
Level 6, 99 Macquarie Street
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Australia
T: (+612) 9239 5500
www.enacon.com.au
- Norwest Marketown**
4 Century Circuit
Norwest
New South Wales 2153
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T: (+612) 8850 6444
www.norwestmarketown.com.au
- Multiple Capital**
Level 6, 99 Macquarie Street
Sydney, New South Wales 2000
Australia
T: (+612) 9239 5500
www.multiplecapital.com.au
- Pindari Capital**
Level 6, 99 Macquarie Street
Sydney, New South Wales 2000
Australia
T: (+612) 9958 9008
www.pindaricapital.com.au
- Nesuto Stadium Apartment Hotel**
40 Beach Road
Auckland City 1010
New Zealand
T: 0800 700 001
www.nesuto.com
- Brimbank Shopping Centre**
Corner Neale and Station Roads
Deer Park, Victoria 3023
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T: (+613) 9363 5188
www.brimbankshoppingcentre.com.au
- Vera Wang Bride Australia**
InterContinental Sydney
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www.verawang.com
- Bimbadgen Palmers Lane**
409 Palmers Lane, Hunter Valley
Pokolbin, New South Wales 2320
Australia
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[https://www.bimbadgen.com.au/
weddings/](https://www.bimbadgen.com.au/
weddings/)
- Signal Group**
7/2 Gateway Court
Coomera, Queensland
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T: (+617) 5665 6222
www.signalgroup Holdings.com
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<https://emmascottage.com.au>
- Kinda-Mindi Early Learning
Centre Norwest**
T37/4 Century Circuit
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[https://www.kinda-mindi.com.au/
norwest-marketown/](https://www.kinda-mindi.com.au/
norwest-marketown/)
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Level 6, 99 Macquarie Street
Sydney, New South Wales 2000
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<https://pindariprivatewealth.com.au/>
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www.soakcity.com.au

www.mulpha.com.my

MULPHA INTERNATIONAL BHD.

Registration No. 197401002704 (19764-T)

PH1, Menara Mudajaya, No. 12A, Jalan PJU 7/3, Mutiara Damansara,
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