

i-Berhad

ANNUAL
REPORT
2021



COVER RATIONALE



i-City's Finance Avenue (金融区), comprises Mercu Maybank, DoubleTree by Hilton Hotel, International Convention Centre, Premium office/retail suites and BeCentral residences.

By attracting large financial corporations and rising stars to i-City comprising established financial institutions, insurance companies, multi-national companies (MNC) such as Maybank, Prudential and Shopee to Mercu Maybank corporate office tower, the Finance Avenue in i-City is poised to become the preferred destination as an integrated financial hub within the heart of the capital city of Selangor.

It will house a variety of Financial Services Institutions and other related supporting services and offer the most fitting solution as a strategic location, given its smart infrastructure already in place, allowing businesses to seamlessly relocate and operate at i-City. This upcoming development will elevate i-City to greater heights by introducing new ways for its community to live, play and work.



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55TH

ANNUAL
GENERAL MEETING



Date

Tuesday, 28 June 2022

Time

4.30 p.m.

Venue

Level 33, Mercu Maybank
i-City, Selangor Golden Triangle
40000 Shah Alam, Selangor, Malaysia

CORPORATE INFORMATION

BOARD OF DIRECTORS

TAN SRI LIM KIM HONG

Non-Executive Chairman

PUAN SRITEY SIEWTHUAN

Executive Director/
Chief Executive Officer

LIM BOON SOON, RICKY

Executive Director

DATO' EU HONG CHEW

Non-Independent
Non-Executive Director

NG CHEE KIET

Independent
Non-Executive Director

PECK BOON SOON

Independent
Non-Executive Director

GOH YEANG KHENG

Independent
Non-Executive Director

COMPANY SECRETARY

Madam Too Yet Lan
SSM Practicing Certificate No.
202008000523
(MAICSA No. 0817992)

REGISTERED OFFICE

Level 31, Mercu Maybank
i-City, Selangor Golden Triangle
40000 Shah Alam
Selangor

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Web : www.i-bhd.com
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SHARE REGISTRAR

Tricor Investor & Issuing House
Services Sdn Bhd
Unit 32-01, Level 32, Tower A
Vertical Business Suite, Avenue 3
Bangsar South
No. 8, Jalan Kerinchi
59200 Kuala Lumpur
Wilayah Persekutuan

Tel : 603-2783 9299
Fax : 603-2783 9222

AUDITORS

Deloitte PLT
Level 16, Menara LGB
1 Jalan Wan Kadir
Taman Tun Dr. Ismail
60000 Kuala Lumpur
Wilayah Persekutuan

PRINCIPAL BANKER

Malayan Banking Berhad

STOCK EXCHANGE LISTING

Listed on the Main Market of
Bursa Malaysia Securities Berhad
on 29 September 1969

STOCK NAME/STOCK CODE

IBHD/4251
IBHD-PA/4251PA

> PROFILE OF DIRECTORS

TAN SRI LIM KIM HONG

Non-Executive Chairman

Age	71
Nationality	Malaysian
Gender	Male

Tan Sri Lim Kim Hong was appointed to the Board on 15 July 1999. He is currently the Group's Non-Executive Chairman and has vast experience in business, marketing and corporate matters as well as has a keen sense of business acumen.

Tan Sri Lim was responsible for the successful listing of Sumurwang Sdn Bhd's ("Sumurwang") manufacturing arm, Dreamland Holdings Berhad on The Kuala Lumpur Stock Exchange (now known as Bursa Malaysia Securities Berhad) in 1987 while he was the Chief Executive Officer of Dreamland Holdings Berhad.

In 1991, he diversified Dreamland Holdings Berhad into the steel industry and subsequently changed its name to Kanzen Berhad ("Kanzen"). In late 1993, he divested Sumurwang's interest in Kanzen to reorganise Sumurwang's corporate structure to focus on three business areas – property development, manufacturing and financial services.

In 1999, Tan Sri Lim acquired I-Berhad through Sumurwang and steered the Group into property development, property investment, leisure and ICT solutions businesses through the i-City Golden Triangle, a smart integrated freehold ultrapolis development with MSC Malaysia Cybercentre Status with gross development value of RM10 billion. i-City Golden Triangle has been endorsed as an International Park by the Selangor State Government and a unique Tourism Destination by Tourism Malaysia.

PROFILE OF DIRECTORS (CONT'D)



PUAN SRITEY SIEW THUAN

Executive Director/ Chief Executive Officer

Age	68
Nationality	Malaysian
Gender	Female

Puan Sri Tey Siew Thuan was appointed to the Board on 15 July 1999 and to the position of Chief Executive Officer on 27 February 2008. Subsequently, Puan Sri Tey retired as the Chief Executive Officer on 10 February 2009 but remained as Executive Director of the Company. She was re-appointed to the position of Chief Executive Officer on 1 January 2020.

Puan Sri Tey is currently spearheading the Property Development and Property Investment segments of the Group, where in addition to formulating the strategic and financial direction, she also oversees the operation of all business segments of the Group.

Puan Sri Tey was formerly the Executive Director of Kanzen Berhad and whilst with Kanzen, she was responsible for the Company's investments into China. These investments cover bedding, steel and air-conditioning businesses as well as power industries. She was also responsible for the development of Kanzen's steel exports business.

Puan Sri Tey also sits on the Board of several private companies.



LIM BOON SOON, RICKY

Executive Director

Age	45
Nationality	Malaysian
Gender	Male

Mr Lim Boon Soon, Ricky, has been appointed as Executive Director of I-Berhad effective 1 January 2022 to spearhead the Group's Technology Division. He was appointed as the Group's Chief Technology Officer on 2 May 2019.

Mr Lim graduated with a Bachelor of Commerce in Accounting and Finance from the University of Melbourne, Australia in 1998. He started his training as an Auditor with KPMG Malaysia in 1999. He joined WOW CRM in 2011 as an Automation Consultant and CRM specialist for approximately 8 years where he also consulted on Cloud and Salesforce technologies as well as accumulated a wealth of experience in sales and marketing.

In his current role, Mr Lim is responsible for overseeing all aspects of technology of the Group. This includes amongst others, technology strategy, development and as well as digitalisation, smart city solutions and innovation. Additionally, he has been driving technology innovations which includes bringing new services to the mobile app dubbed i-City SuperApp.

He is also responsible for the new 400G capable network upgrade for i-City enabling High Availability network which provides Multi-Path enterprise grade internet with auto switchover capability. In addition to all that, he has been instrumental in the setting-up of i-City's first Tier-3 Data Centre more than 10 years ago.

In his new role as I-Berhad's Executive Director, Mr Lim would be spearheading the Group's Data Centre Zone expansion which includes the setting-up of 2 new hyperscale Data Centres of 100,000 sq ft each at i-City South to meet the exponential demand for Data Centres due to the surging needs for Cloud Computing arising from the increase in digitalisation.

PROFILE OF DIRECTORS (CONT'D)



DATO' EU HONG CHEW

Non-Independent Non-Executive Director

Age	69
Nationality	Malaysian
Gender	Male

Dato' Eu Hong Chew was re-appointed as Non-Independent Non-Executive Director of I-Berhad effective 1 January 2022. He is also the member of the Audit, Nomination, Remuneration and Risk Management Committees of the Board. He was previously appointed to the Board on 15 July 1999 but retired on 25 June 2020.

Dato' Eu was educated at the Royal Military College and graduated with a first class honours degree in Mechanical Engineering from the University of Glasgow, United Kingdom (UK) in 1976. Subsequently, in 1980, he obtained his Masters in Business Administration from the University of Bradford, UK.

Dato' Eu has been associated with Sumurwang and its Group of Companies ("Sumurwang Group") as its Chief Executive with many years of experience including charting the path for Sumurwang's manufacturing arm, firstly under Dreamland Holdings Berhad and its subsequent venture into the steel business and thereafter, the acquisition of I-Berhad.

Prior to joining Dreamland, Dato' Eu was with PA Management Consulting (PA Consulting) for 10 years where he was appointed as the Director of Studies for the Cranfield PA MBA Programme in Malaysia.



NG CHEE KIET

Independent Non-Executive Director

Age	52
Nationality	Malaysian
Gender	Male

Mr Ng Chee Kiet was appointed to the Board as an Independent Non-Executive Director on 17 May 2021. He is also the Chairman of the Audit, Nomination and Remuneration Committees as well as a member of the Risk Management Committee of the Board.

Mr Ng graduated from Monash University, Australia with Bachelor of Economics (Accounting) in 1991. He is currently a Chartered Accountant of the Malaysian Institute of Accountants (MIA). He has 30 years of working experience in tax consultancy, finance and accounts, corporate finance, investment banking and corporate management strategy. During his career, he has held senior positions in both investment banks and public listed companies.

He started his career in tax consulting with Arthur Andersen HRM (Tax Services) Sdn Bhd in 1992 before moving into corporate finance and investment banking with Aseambankers Malaysia Berhad, PM Securities Sdn Bhd and later MIMB Investment Bank Berhad (MIMB). After leaving MIMB in 2012 as the Head of Investment Banking, he joined Malton Berhad as the Director of Corporate Finance and later joined WCT Holdings Berhad as the Director of Corporate Strategy from 2016 to 2020. In January 2021, he joined WYNCORP Advisory Sdn Bhd, a licensed corporate finance advisory firm as the Director of Corporate Finance.

He is currently holding directorships in New Hoong Fatt Holdings Berhad and SAM Engineering & Equipment (M) Berhad, as Independent Non-Executive Director.

PROFILE OF DIRECTORS (CONT'D)



PECK BOON SOON

Independent Non-Executive Director

Age	60
Nationality	Malaysian
Gender	Male

Mr Peck Boon Soon KMN, AMN, was appointed to the Board on 17 May 2021 as Independent Non-Executive Director and is the Chairman of the Risk Management Committee as well as a member of the Audit, Nomination and Remuneration Committees of the Board.

Mr Peck graduated from University Malaya in 1986 with a first class honours degree in Economics. He started his career as an Economist with Bank Negara Malaysia in 1987 where he analysed monetary and banking development and assisted in the formulation of monetary and banking policies. He left to join Worldsec Securities Advisors Sdn Bhd as Senior Manager in June 1996, after serving Bank Negara for about 10 years.

Subsequently, in 2002, he joined OSK Research followed by KAF Research Sdn Bhd as Senior Manager and rose to the position of Vice President when he joined RHB Research Institute Sdn Bhd until December 2020. During his tenure with RHB Research, he headed a team of economists covering 5 major ASEAN economies (Indonesia, Malaysia, Philippines, Singapore & Thailand) as well as provided views on the US, Euroland, Japan and China economic developments for fund managers and RHB top management.

He is currently the Advisor of Socio-Economic Research Consultative Committee and a Director of the Research Unit (SERC) of Associated Chinese Chambers of Commerce and Industry of Malaysia (ACCCIM).



GOH YEANG KHENG

Independent Non-Executive Director

Age	57
Nationality	Malaysian
Gender	Female

Madam Goh Yeang Kheng was appointed to the Board as Independent Non-Executive Director on 1 July 2013 and is currently a member of the Audit, Nomination, Remuneration and Risk Management Committees of the Board.

Madam Goh graduated from The Institute of Chartered Secretaries and Administrators (ICSA), United Kingdom (now known as The Chartered Governance Institute UK & Ireland) in 1990.

She has more than 30 years of experience in finance and operations in the retail, manufacturing and leisure industries.

Notes:

None of the Directors of the Company has:

- Any family relationship with other Directors or substantial shareholders of the Company save for Y. Bhg. Tan Sri Lim Kim Hong who is the spouse of Y. Bhg. Puan Sri Tey Siew Thuan (Y. Bhg. Tan Sri Lim is the Non-Executive Chairman and major shareholder of the Company) and Mr Lim Boon Soon, Ricky, being the son of both Y. Bhg. Tan Sri Lim Kim Hong and Y. Bhg. Puan Sri Tey Siew Thuan
- Any conflict of interest with the Company
- Any conviction for offences within the past 5 years other than traffic offences, if any
- Save for Mr Ng Chee Kiet, none of the other Directors has any Directorships in public companies and listed issuers
- Any sanctions and penalty imposed by regulatory bodies

➤ PROFILE OF KEY SENIOR MANAGEMENT

TANG KOK CHIN

Head of Corporate Planning

Age	43
Nationality	Malaysian
Gender	Male

Mr Tang Kok Chin, joined the Group as Head of Corporate Planning on 16 April 2018. He graduated from Monash University, Australia with a Bachelor of Business (Accounting) in the year 2000. He is a member of the Certified Practising Accountant, Australia and a member of the Malaysian Institute of Accountants.

His current portfolio at I-Berhad includes the strategic planning and development of the Group. He is also overseeing the corporate finance, investor relations and treasury functions of the Group. He works closely with the Board of Directors in creating, communicating, executing and sustaining short to long term strategic initiatives for the Group.

Prior to joining I-Berhad, he has spent more than 10 years in an Investment Bank advising a wide range of corporate finance activities including mergers and acquisitions, valuations, restructuring of corporate debts, the preparation of independent advice and fund raising, covering clients in various sectors of the economy. He was also attached to a big four accounting firm in assurance services prior to his stint at the Investment Bank.

OON KHAI FEN

Head of Business Strategy & Investment

Age	35
Nationality	Malaysian
Gender	Female

Ms Oon Khai Fen joined the Group as an Accountant in 2011 prior to assuming her current role. She graduated with a Bachelor of Accounting (Honours) from Universiti Putra Malaysia in 2010 and is a member of the Malaysia Institute of Accountants (MIA).

She is spearheading the Group's hospitality segment, which includes amongst others, 8Kia Peng Suites, Best Western Hotel and DoubleTree by Hilton Hotel (slated to be opened in 2022), both located at i-City Golden Triangle. Additionally, she oversees the Group's tax division.

Her current role also includes the overall management of business research and development activities to achieve growth and profitability, developing strategies to identify and venture into new potential businesses and/or markets, and continuously improve the policies and procedures with regards to business research and development.

PROFILE OF KEY SENIOR MANAGEMENT (CONT'D)

KOAY CHOW LIANG

Head of Finance

Age	36
Nationality	Malaysian
Gender	Male

Mr Koay Chow Liang, joined the Group as Senior Manager, Finance and Accounting on 1 October 2014.

He graduated from Oxford Brookes University with a first class honours degree in Bachelor of Science in Applied Accounting in 2006 and obtained his professional accounting qualification from Association of Chartered Certified Accountants in 2006. He is also a Fellow Member of the Association of Chartered Certified Accountants (ACCA) and a member of the Malaysian Institute of Accountants (MIA).

He is currently responsible for the entire finance and accounting functions of the Group. He started his career as an Associate with PricewaterhouseCoopers PLT (PwC) in 2007 rising to the position of Senior Manager and left PwC in 2014 to join the Group. In PwC, he was responsible in leading audit assignments, conducting independent statutory financial audits and due diligence for financial institutions.

RAYMOND LAI KOK LEONG

Head of Property

Age	54
Nationality	Malaysian
Gender	Male

Mr Raymond Lai Kok Leong, joined the Group as Head of Property on 1 February 2022. He graduated from Imperial College, University of London in 1991 with a Bachelor in Civil Engineering. Subsequently, he obtained his Masters in Business Administration from Heriot Watt University in 1996.

Mr Raymond is currently heading the Group's property division from inception to completion and handing over of projects. His experience encompasses all aspects of property development including planning, alienation, feasibility studies, design, budgeting, tendering, authority approvals, construction and handover of projects.

His extensive experience includes working with housing developers and construction firms covering project and construction management of diverse projects ranging from large developments, high rise building projects, highway construction, bridge, river channelisation to terrace houses and bungalow developments and has successfully implemented many development projects over a span of more than 30 years.

He was previously with the Group from 2013 to 2016 when he was the Senior General Manager successfully in charge of property development and construction management of several projects in i-City. Prior to rejoining the Group, he held the position of Project Director of Malaysia Land Properties Sdn Bhd ("Mayland"), where he was overall in charge of its Project Department and responsible for all property developments and construction matters within Mayland.

PROFILE OF KEY SENIOR MANAGEMENT (CONT'D)

TANG SOKE CHENG

Head of Leisure Park @i-City

Age	44
Nationality	Malaysian
Gender	Female

Ms Tang Soke Cheng is currently the Head of Leisure Park @i-City. She joined the Group on 1 December 2001 upon graduation from Curtin University, Australia majoring in Management & Information System. Having climbed the ranks within the group as a Management Trainee, Tang has a good overview of matters concerning operations and its related supporting services.

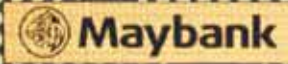
When the Group first ventured into the property industry, she was the authorities liaison officer and subsequently when the first phase of the MSC Malaysia Cybercentre Offices was completed at i-City, she was responsible for leasing of units to both MSC Malaysia status companies as well as F&B operators.

She had also taken on several marketing and operations positions in Leisure Park since it first opened to the public in December 2009. Other leadership role she had held within the Group includes being the Head of the i-Home retail business during digital appliances days. She also holds the position as Head of Corporate Communications.

Notes:

None of the above key Senior Management:-

- holds any directorship in public companies and listed issuers
- has any conflict of interests with the Company
- has any conviction for offences, other than traffic offences (if any), within the past five (5) years
- has any public sanction or penalty imposed by the relevant regulatory bodies during the financial year



I-Berhad

Launch of Mercu Maybank



Tan Sri Zamzamzairani Mohd Isa, Chairman, Maybank and Tan Sri Lim Kim Hong, Chairman, I-Berhad

MANAGEMENT DISCUSSION AND ANALYSIS

YEAR 2021 CONTINUES TO BE A CHALLENGING YEAR FOR THE GROUP AS WE CONTINUE TO BE IMPACTED BY COVID-19 PANDEMIC. THE GROUP HAS MAINTAINED A CONSOLIDATION STRATEGY DURING THESE TIMES IN PREPARATION FOR THE ECONOMIC RECOVERY.

MANAGEMENT DISCUSSION AND ANALYSIS

Premised on the steadfastness in the Group's strategy and coupled with confidence that as global economy recovers, the underlying strength of the Group's business will continue to prevail. The Group maintained its net assets at RM1.14 billion as at 31 December 2021 (2020 restated: RM1.14 billion) with the goal to deliver sustainable long term shareholders' value. The resilience of the balance sheet, along with continued capital partnering, provides the financial flexibility to capitalise on growth opportunities generated by the Group's business model.

The Group continues to build-up a highly capable and motivated team of professional managers to strengthen the Group's organisation structure and drive businesses in order to realise the strategic direction of the Group which revolves around the key business segments i.e. property development, property investment, technology and leisure. Besides, the Group has adapted and moved towards a transformative organisational change to become a vital hub for local and international connections and the nucleus of telecommunications organisations, financial institutions, and high-technology firms, including multinational corporations (MNCs).

BUSINESS DIRECTION AND OPERATIONAL STRATEGY

The business direction remains unchanged, namely to be a property group but blended in with IT infrastructure to facilitate the development of Finance and Information Technology in the services industry, which is rather unique in Malaysia and could pave the way for the Group to ride on the country's Digital Economy Blueprint. The Group is likely to see continued strong contribution from both the Property Development and Property Investment segments as well as to be complemented by the Leisure segment. Thus, the plans and strategies adopted by the Group involve i-City as the building block to establish a strong property development business as well as building-up a portfolio of properties that can be used to either generate sustainable income (e.g. Corporate Office Tower (Grade A, GBI), i-City Convention Centre, Data Centre and Car Parks under the Property Investment segment) or to support other operations of the Group (e.g. Best Western Hotel and DoubleTree by Hilton Hotel (slated to open during the second half of the year 2022) under the Leisure segment).

Following the entry of Malayan Banking Berhad (Maybank) to the Corporate Office Tower (ie Sumurwang Tower, renamed as Mercu Maybank). Maybank has occupied 14 floors which is about 162,000 sq ft of space as a permanent alternate office location at the Corporate Office Tower, increasing occupancy rates to 80 percent. The completion of Hill10 Residence in the current year and DoubleTree by Hilton Hotel in the year of 2022 are the latest addition to i-City's mixed development benefiting the leisure segment. The launch of BeCentral during the year which is situated adjacent to Central i-City Mall and neighbouring DoubleTree by Hilton Hotel with an estimated gross development value (GDV) of RM700 million, will also be contributing positively to the Property Development segment.



BeCentral 5 Stars Drop-off Area

MANAGEMENT DISCUSSION AND ANALYSIS (CONT'D)



Property Investment

2021 FINANCIAL PERFORMANCE

For the financial year ended 31 December 2021 ("FY 2021"), the Group recorded revenue of RM80.2 million (2020: RM80.1 million) and profit before tax of RM1.3 million (2020 restated: RM0.8 million) representing an increase of 0.1% and 62.5% respectively as compared to the previous financial year ended 31 December 2020. The Property Development segment continues to be the main contributor to the Group's revenue. The Property Development segment contributed revenue of RM47.6 million (2020: RM55.3 million) to the Group's revenue for FY 2021. The pre-tax losses of RM0.7 million (2020 restated: RM5.3 million) was attributed to the impairment of some receivables held by the Group.

The Leisure segment contributed revenue of RM21.1 million (2020: RM14.0 million) for FY 2021. The improved pre-tax profit from the Leisure segment of RM0.8 million (2020: pre-tax loss of RM10.0 million) was due to turnaround in the theme park and hotel during 4th Quarter 2021 arising from the reopening of the economy.

The Property Investment segment contributed revenue of RM8.3 million (2020: RM7.9 million) for FY 2021 and has recorded a pre-tax profit of RM4.7 million (2020 restated: RM17.1 million) as a result of fair value gains recognised from the investment property held by the associate.

MANAGEMENT DISCUSSION AND ANALYSIS (CONT'D)

Property Development

The Group has two major development projects in 2021:

The **RM10 billion GDV** **i-City in Selangor**

The iconic, **8Kia Peng** in the vicinity of KLCC

I-CITY

i-City, an integrated ultrapopolis, has 13 million sq ft gross floor area (GFA), is an international business hub by day and lifestyle haven by night, with office, commercial, residential, and leisure components. i-City is also a MSC Malaysia Cybercentre certified development, a Ministry of Tourism and Culture endorsed Tourism Destination, and an International Park as declared by the Selangor State Government with a proposed iconic 78-storey (height of about 1,250 feet) skyscraper i.e. i-City Golden Triangle Tower ("IGT Tower").

About 73% of the 13 million sq ft GFA is allocated to the development of properties for sale while the balance would be developed under the Property Investment portfolio.

As at the end of 2021, only about 6.6 million sq ft of the approved GFA (comprising Central i-City Mall, Corporate Office Tower (Grade A, GBI), Hill10 Residence, the MSC Malaysia offices, Data centre, i-SOVO, Best Western Hotel, i-Residence and centralWalk developments) has been completed. Meanwhile, another 1.1 million sq ft of development (DoubleTree by Hilton Hotel and BeCentral) is under construction, leaving the balance of about 5 million sq ft as a strong development pipeline for the Group.

The Hill10 Residence is located at Level 24 to 42 above the 300-rooms DoubleTree by Hilton Hotel, has a double-volume lobby on the main floor and a cantilever rooftop infinity pool on Level 43. There are 204 apartment suites with a take up rate of approximately 95%, whilst the owners have already received their keys at the end of 2021.

Construction works were less impacted by Covid-19 which resulted in improved construction progress in 2021 as compared to the previous financial year. During the year 2021, Hill10 Residence was fully completed whilst the construction works for DoubleTree by Hilton Hotel is still on-going. Unbilled sales of the Group in 2021 is RM39.3 million (2020: RM41.3 million).

8KIA PENG @KLCC

The iconic 8Kia Peng @KLCC is made up of 442 fully furnished luxurious residential units. The serviced apartments ranged from 660 sq ft to 1,140 sq ft. This development has been completed in 2020. Amidst the slowdown in demand from foreign investors, the Group is working to innovate the product by re-branding the product with an internationally renowned hotel chain that includes managed services.



8Kia Peng @KLCC

MANAGEMENT DISCUSSION AND ANALYSIS (CONT'D)

8Kia Peng offers accommodations strategically located in The Golden Triangle, Kuala Lumpur while still being a stone's throw away from the vibrant shopping, dining and entertainment hub. The 8Kia Peng also features an Olympic-sized infinity pool, outdoor Jacuzzi, kids pool and mini playground at Level 8, with a panoramic view of the Kuala Lumpur city skyline. For fitness enthusiasts, there is also a 24-hour gymnasium on the same level, with the latest cardio and weightlifting equipment. Guests can enjoy daily buffet breakfasts and evening cocktails at the Sky Lounge @ Level 46 and the modern contemporary Sky Lounge also offers a private space for guests who need privacy.

Leisure Segment

Revenue 2021
RM21.1 million

Revenue 2020
RM14.0 million

Pre-tax profit 2021
RM0.8 million

Pre-tax loss 2020
RM10.0 million

Leisure

The Leisure segment comprises Leisure Park @ i-City and Best Western hotel operations.

Accoladed by CNN Travel amongst the Top 25 world's most brightest and colourful places, the Leisure Park @ i-City boasts 5 notable precincts – City of Digital Lights (with over 1.0 million LED lightscape and outdoor park rides); SnoWalk (an Arctic environment below 5 degrees Celsius); CityWalk (consisting of Red Carpet Interactive Wax Museum, Trick Art Museum, an award winner of the Guinness Book of Records and House of Horror); WaterWorld (featuring the 1st tornado ride in Southeast Asia) and FunWorld (for family-oriented activities and games).

The above which coupled with the attractions at centralWalk namely Snow Village, Circuit de Monaco, an exhilarating indoor go cart ride and Bowl America which provides full fledge non-assisted bowling experience to visitors provide a better integration between all the Tourism Destination attractions and the various properties in i-City. As part of the Group's technology transformation effort, the Group is tapping into 3D Metaverse technology in enhancing visitors' experience of the attractions in Leisure Park @ i-City.

With the launch of the DoubleTree by Hilton Hotel, the second hotel in i-City, 2022 will be a momentous year for I-Berhad. The hotel's debut coincides with the Hilton Hotels and Resorts Group's expansion plans in Malaysia. It is expected to be a game-changer, setting a new standard for luxury hotels and transforming Malaysia's MICE (meeting, incentive, convention, and exhibition) industry. A 43-storey

building will house the 300-rooms DoubleTree by Hilton Hotel. It will have two specialty restaurants, Makan Kitchen and Tosca, a 1,000-seat grand ballroom and a corporate networking space called the Axis Lounge.

From an operations perspective, the financial performance of the leisure segment stood at a revenue of RM21.1 million in 2021 from RM14.0 million in 2020, while pre-tax profit came in at RM0.8 million (2020: pre-tax loss of RM10.0 million).

Property Investment Segment

Revenue 2021
RM8.3 million

Revenue 2020
RM7.9 million

Property Investment

As at the end of 2021, the Group's Property Investment portfolio stood at RM785.3 million (including the Group's 40% share of the shopping centre investment). The operating assets in 2021 comprise:

- The Smart Corporate Office Tower (Grade A, GBI) – Mercu Maybank
- Central i-City Mall
- Block M Data Centre
- i-City Convention Centre ("ICCC")
- Car parks from the 1st phase of the MSC Malaysia Cybercentre/ centralWalk & Finance Avenue developments



MANAGEMENT DISCUSSION AND ANALYSIS (CONT'D)

Mercu Maybank is a 33-storey Grade A Smart Corporate Office Tower with MSC Malaysia status and GBI Certified. The occupancy rate has increased to 80% upon the entry of Maybank occupying 14 floors or 162,000 sq ft of space as a permanent alternate office location at the Smart Corporate Office Tower.

Central i-City Mall which opened its doors to the public in March 2019 has committed tenancies of approximately 90% and is targeted to attract up to 12 million visitors per annum.

From an operations perspective, a portion of the car park revenue is closely associated with the theme park operations and as such, its financial performance was reported as part of Leisure Park performance with the balance of the revenue accounted for under Property Investment.

In terms of performance, the Group achieved a segment revenue of RM8.3 million (2020: RM7.9 million)

and a segment pre-tax profit of RM4.7 million (2020 restated: segment pre-tax profit of RM17.1 million). The segment profit was predominantly contributed by the fair value gains from valuation of investment properties held by the associate. The Group equity accounts the share of result of the associated company.

FUTURE OUTLOOK

Year 2022 is still impacted by Covid-19, however, the economy is expected to sustain its recovery with rebound in domestic demand as the government resumed most of the economic activities in Q4 2021. This is attributed to the successful roll-out of vaccination and booster shots by the government which has helped in reducing severity of the cases. With higher vaccination rates worldwide and gradual opening of international border lanes, the reopening of the national borders will further benefit our businesses.

The challenges faced by many companies during the pandemic has presented another opportunity for the Group where companies are decentralising their offices and workplaces from one location for better risk management. i-City Golden Triangle, located in the capital city of Selangor, presents the most fitting solution as a strategic location, given similar infrastructures (technology, economic and connectivity) already in place, allowing businesses to seamlessly relocate and operate.

Mercu Maybank, nestled within i-City's Finance Avenue, the first Smart Corporate Office Tower is now home to reputable financial institutions, MNC, international logistic and technology companies. Maybank, which is expected to move in during the first half of 2022 with more than 1,500 employees, will further enhance the property investment segment and surrounding area of the development.



Finance Avenue

MANAGEMENT DISCUSSION AND ANALYSIS (CONT'D)

The Finance Avenue in i-City comprising BeCentral residences, Mercu Maybank, DoubleTree by Hilton Hotel, Hill10, International Convention Centre, and Premium office/retail suites are connected via Pedestrian Link and at basement car park with the following retail lots:

- 8 units of boutique retail to be allocated for Banks/Financial Institutions (6,400 to 10,500 sq ft) located at same podium of BeCentral; and
- 28 units of retail to be allocated for supporting services for the above Banks/Financial Institutions (510 to 1,500 sq ft) located at same podium of the International Convention Centre.

In addition, with the expected opening of DoubleTree by Hilton Hotel, the 300-rooms property will complement the Leisure segment and i-City Golden Triangle masterplan providing deluxe service and experience to the guests.

The much anticipated opening of the 300-room upper upscale DoubleTree by Hilton Hotel as part of the i-City Golden Triangle's integrated development will redefine meetings, incentives, conferencing and exhibitions (MICE) experiences.

With the growing importance of decentralisation, i-City Golden Triangle presents the most ideal strategic location in the capital city of Selangor with the state-of-the-art technology infrastructure allowing businesses to seamlessly locate and operate. The strategic location of i-City Golden Triangle is a key strength when it comes to attracting new investments in high value added industries such as finance and information technology (Fintech) offering high standards of quality and sustainability at a prime location. Being digitally driven with world class infrastructure, i-City Golden Triangle is a destination of choice for conglomerates looking to locate to this ultrapopolis.

Arising from this, higher quality and higher income job opportunities are envisaged to benefit knowledge based workers within this Next Generation AI Smart City which is envisaged to accommodate 25,000 residents and 30,000 knowledge workers upon its completion.

This Malaysia No. 1 Technology City is empowered by the "Mother of Internet" technology related infrastructure, dedicated internet access (DIA) powered by 400G capable High Availability network to facilitate the development of finance and information technology in the services industry.

The Group aims to achieve its vision of being the Next Generation AI Smart City by 2030 in line with Majlis Bandaraya Shah Alam (MBSA) Draft Local Plan 2035 (DRTMBSA 2035) which aims to transform Selangor State's development into a global technological centre by driving technological innovation and collaboration/joint ventures with Tech Giants and conglomerates driven by the accelerated digitalisation trend triggered by the Covid-19 pandemic and the increase in popularity of digital services.

In addition to its existing Tier-3 Data Centre operating since 2008, with the exponential increase in the demand for data centres, the emerging sector, the Group will be expanding its Data Centre Zone with 2 new hyperscale Data Centres at i-City South accommodating 100,000 sq ft each to meet the surging needs for Cloud computing facilities arising from the rise in digitalisation, collaborating with renowned data centre operators. The proposed Data Centres will feature dual power source and direct fibre connectivity to the existing Tier-3 data centre.

With the reopening of economic and social sectors both locally and internationally, there is evidence that positive momentum is beginning to build and along these lines, there is expectation of a more broad-based recovery for the Group moving forward. Barring unforeseen circumstances, the Management believes the underlying strength of the Group's business in particular the flagship of i-City Golden Triangle will become more apparent in positioning the Group to create sustainable long-term value.



Hyperscale Data Centre

MANAGEMENT DISCUSSION AND ANALYSIS (CONT'D)



AI Central Park

The Group has continued to be relentless in its efforts and vigour to keep in step with the changing times and move into the year 2023 and beyond. i-City as the Next Generation AI Smart City will be the centerpiece of modern society, and as such, efforts will be made to accelerate the AI Smart City with smart infrastructure within the next few years.

The Group will be collaborating with Tech Giants to build its next AI Smart Corporate Office Tower at AI Central Park.

On the digital front, an allocation of RM10 million has been made for Theme Park enhancement project to entwine i-City's Theme Park with an immersive Metaverse experience to be unveiled beginning with the 2023 New Year Countdown so that visitors can enjoy the digital lightscapes with interactive virtual reality. i-City is also extending the Metaverse experience to its SnoWalk attraction, showcasing the "Aurora".

Over the years, the Group has successfully developed i-City Golden Triangle in accordance with its master plan of the development based on the concept "where it is the experience that makes the place". The Group is confident about the future of its master plan with a balance of 5 million sq ft GFA to be developed and strives to continuously enhance value within the integrated development. As technology is part of i-City's DNA, the Group is always on the lookout for modern technology to be incorporated in the development to strengthen its competitive position in the market.

The Group is incredibly optimistic about the future of i-City and remained cautious for the year 2022 given short term uncertainty in the market.



i-City, Next Generation AI Smart City

FINANCIAL HIGHLIGHTS

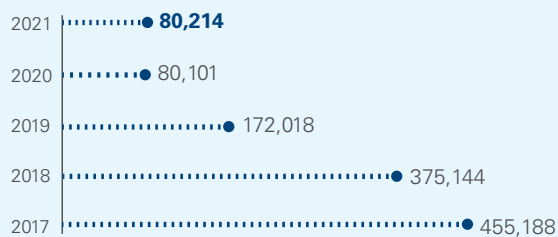
FIVE-YEAR GROUP FINANCIAL HIGHLIGHTS

FINANCIAL YEAR ENDED 31 DECEMBER	2021 RM'000	2020 RM'000	2019 RM'000	2018 RM'000	2017 RM'000
Revenue	80,214	80,101	172,018	375,144	455,188
Profit Before Tax	1,343	802	72,626	76,781	89,840
Profit After Tax	424	1,629	58,264	58,736	61,672
Profit Attributable to Shareholders	369	1,665	58,207	58,679	61,692
Total Assets	1,906,876	1,926,621	1,893,940	1,714,029	1,527,654
Shareholders' Equity	1,142,043	1,139,154	1,146,252	1,007,858	937,643
EBITDA	20,332	11,303	85,461	90,348	99,142
Earnings Per Share (Sen)	0.03	0.15	5.47	5.53	5.81
Net Assets Per Share (RM)	1.00	1.02	1.04	1.00	0.93
Return on Equity (%)	0.04	0.14	4.92	5.83	6.58

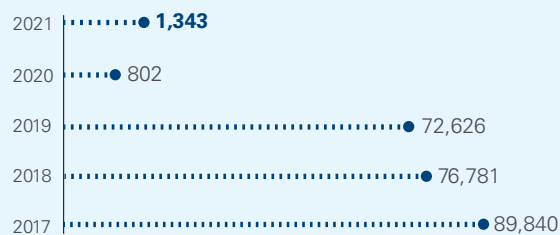
Note:

* The figures for FY2020 and FY2019 have been restated to reflect the adjustments pursuant to IFRIC Agenda Decision on Borrowing Costs

REVENUE (RM'000)



PROFIT BEFORE TAX (RM'000)



PROFIT ATTRIBUTABLE TO SHAREHOLDERS (RM'000)



SHAREHOLDERS' EQUITY (RM'000)

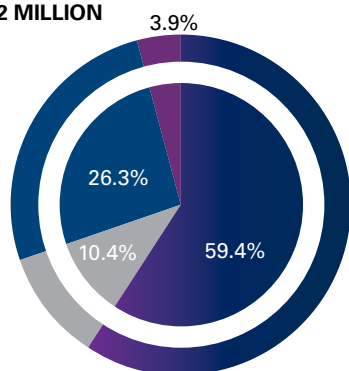


FINANCIAL HIGHLIGHTS (CONT'D)

SEGMENTAL REVENUE

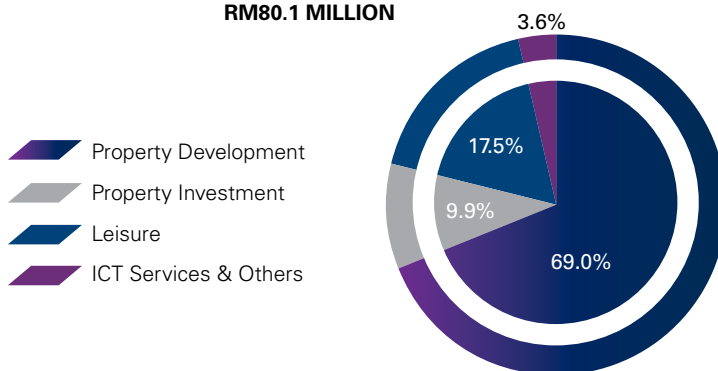
FY2021

RM80.2 MILLION



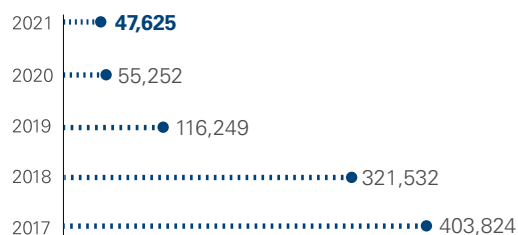
FY2020

RM80.1 MILLION

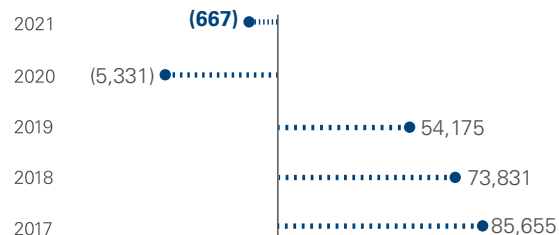


PROPERTY DEVELOPMENT

REVENUE
(RM'000)

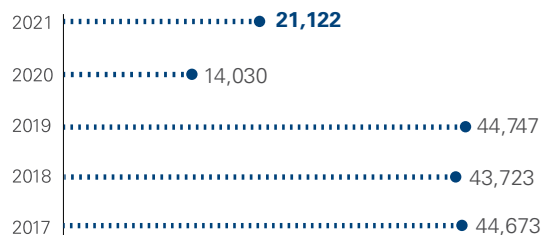


PROFIT/(LOSS) BEFORE TAX
(RM'000)

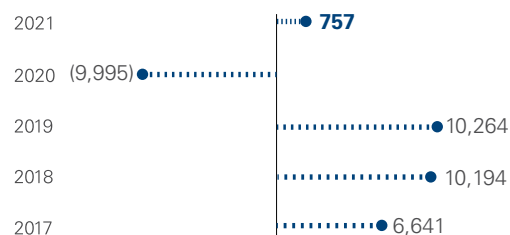


LEISURE

REVENUE
(RM'000)

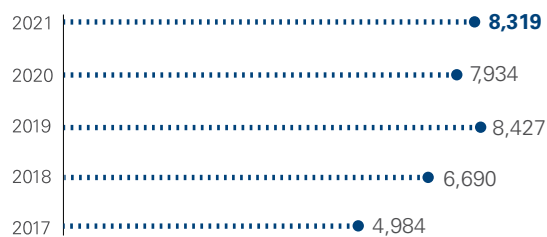


PROFIT/(LOSS) BEFORE TAX
(RM'000)

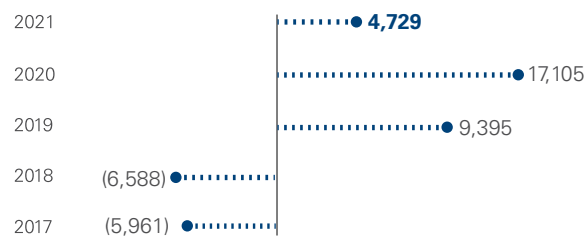


PROPERTY INVESTMENT

REVENUE
(RM'000)



PROFIT/(LOSS) BEFORE TAX
(RM'000)



CORPORATE GOVERNANCE OVERVIEW STATEMENT

The Board of Directors of the Company recognises the importance of adopting high standards of corporate governance as a fundamental part of its responsibility, in protecting and enhancing shareholders' value and financial performance of the Group. The Board is pleased to report to the shareholders on the manner in which the Group has applied the following principles as set out in the Malaysian Code on Corporate Governance 2021 throughout the financial year ended 31 December 2021:-

- (i) Board leadership and effectiveness;
- (ii) Effective audit and risk management; and
- (iii) Integrity in corporate reporting and meaningful relationship with stakeholders.

Corporate governance practices will form the fundamental aspect in managing the business and affairs of the Group in a responsible and ethical manner.

A. BOARD LEADERSHIP AND EFFECTIVENESS

(1) Roles and Responsibilities of the Board

- (a) An effective Board leads and controls the Group whereby all Directors participate fully in decision making process on keys issues faced by the Group. The Executive Director is responsible for implementing the policies and decisions of the Board, overseeing the operations as well as coordinating the development and implementation of business and corporate strategies while the Independent Non-Executive Directors play a key role in providing unbiased and independent views, advice and contributing their knowledge and experience towards the formulation of policies and in the decision making process.

The responsibilities of the Board include defining and determining the strategic direction, ensuring that the necessary resources are in place for the Company to meet its objectives, review management performance, directing future expansion, implementing corporate governance, identifying principal risk and ensuring the implementation of appropriate systems to manage these risk, human resource planning and development, reviewing investments made by the Company, overseeing the proper conduct of business, reviewing the adequacy and the integrity of the Company's internal control system and management information system. Towards this end, the Directors have demonstrated their ability to devote sufficient time and commitment to their roles and responsibilities.

- (b) The Board composition is listed in the Corporate Information section and the profiles of the members of the Board are provided in the Profile of Directors section of this Annual Report. The Chairman of the Board is responsible to instill good corporate governance practices, leadership and effectiveness of the Board.
- (c) The Executive Director is responsible for implementing the Group's policies, business plans and executive decision making and leads the discussion at Board level. The Executive Director is assisted by the Senior Management of the Company.
- (d) The Board has adopted the Board Charter as well as the Code of Ethics and Conduct on 13 May 2013 which are published on the Group's website at www.i-bhd.com. The Board Charter sets out the role, functions, composition, operation and processes of the Board and is to ensure that all Board members acting on behalf of the Company are aware of their duties and responsibilities as Board members, whilst the Code of Ethics and Conduct is formulated to enhance the standard of corporate governance and corporate behavior with the intention of establishing a standard of ethical behavior for Directors based on trustworthiness and values that can be accepted or upheld by any person and to uphold the spirit of social responsibility in line with the legislation, regulations and guidelines for administrating the Company.

The Board Charter also spells out the issues and decisions reserved for the Board which are as follows:-

- (i) Approval of corporate plans and programmes;
- (ii) Approval of annual budgets, including major capital commitments;
- (iii) Approval of new ventures;
- (iv) Approval of material acquisitions and disposals of undertakings and properties;
- (v) Changes to the management and control structure within the Company and its subsidiaries ("the Group") including key policies and delegated authority limits; and

CORPORATE GOVERNANCE OVERVIEW STATEMENT (CONT'D)

- (vi) Participation in the adjudication of tenders for property projects in excess of established limit of RM20 million for local projects. The threshold will be reviewed if the Board deems appropriate.

Major investment decisions and management's proposals above certain limits are reserved for decision by the Board.

The Board will review the Board Charter from time to time, if necessary, to ensure that it remains consistent with the Board's objectives and is in line with current laws, regulations and best practices.

The Board has also established together with management, the policies and procedures on whistleblowing and anti-corruption policy in relation to all forms of bribery and corruption, improper conduct, fraud, abuse consisting of practices which caused unnecessary costs to the Company and wastage on goods or resources.

- (e) The Board is aware of the importance of business sustainability and promotes sustainability to be embedded in the development of the Group's strategies and business direction, taking into account the environmental and social aspects of its various business operations. These strategies seek to meet the expectations of stakeholders in which the Group operates as it is critical for the long term success of the Group.

The details of the sustainability initiatives of the Group are set-out in the Sustainability Statement in this Annual Report.

(2) Board Composition

During the financial year, the Company had appointed 2 Independent Non-Executive Directors whilst an Independent Director had resigned in March 2021 thereby making the composition of the Board to a total of 5 Directors comprising 1 Executive Director, 1 Non-Executive Director and 3 Independent Non-Executive Directors. As such, the Company has fulfilled the minimum one-third (1/3) independence requirement during the financial year.

At the end of the financial year, the Board undertook an assessment of its Independent Directors. None of its Independent Directors has exceeded a tenure of nine years. The Board will review the size of its members based on the Group's business needs from time to time. The position of Chairman and Chief Executive Officer (CEO) are held by different individuals. To this end, the Senior Management team will be developed and groomed to a stage where they could take on Executive roles on the Board.

(3) Board Committees

The Board is collectively responsible for the proper stewardship of the Group's business and the creation of long term shareholders' value, while taking into account the interests of other stakeholders. In order to ensure the effective discharge of the Board's functions and responsibilities, the Board delegates specific responsibilities and functions to various committees.

The Board is assisted by several Board Committees which operate within clearly defined terms of reference namely:-

- Audit Committee
- Nomination Committee
- Remuneration Committee
- Risk Management Committee

The Chairman of the Board is not a member of the above Board Committees.

(4) Conduct of Board Meetings

The Board met a total of 4 times during the financial year ended 31 December 2021. Details of attendance of each individual Director in respect of the meetings held is disclosed under the "Statement accompanying notice of annual general meeting" in this Annual Report. The Board will hold additional meetings as and when necessary to consider business issues that require the urgent decision of the Board. Urgent matters would also be circulated for Board approval via written resolutions.

CORPORATE GOVERNANCE OVERVIEW STATEMENT (CONT'D)

The Directors are required to disclose and update their directorships in other companies as and when necessary. The Directors are also expected to comply with Paragraph 15.06 of the Main Market Listing Requirement ("MMLR") of Bursa Malaysia Securities Berhad ("Bursa Securities") on the maximum number of five (5) directorships they could hold in public listed companies to ensure that all Directors are able to commit sufficient time for the Company. For the financial year under review, all Directors complied with the said requirement of the MMLR.

Board meetings are conducted with a structured pre-set Agenda and are not held together with the Audit Committee meetings. For all major financial, operational and corporate matters which require the Board's decision, all Directors are provided with sufficient and timely reports and supporting documents which are circulated 7 days in advance of each meeting to ensure sufficient time is given to understand the key issues and contents. The Directors' materials for meeting include, among others, information on the Group's financial and operational performance, corporate proposals, annual budgets, significant acquisitions and disposals, minutes of Board Committees, securities transactions of the Directors and substantial shareholders and other related matters that require the Board's deliberation and due approval.

In the event of any potential conflict of interest, the Director in such position is required make a declaration in the meeting and abstain from deliberation and decision of the Board on the subject proposal. A record of the Board's deliberations of the issues discussed and conclusions reached in discharging its duties and responsibilities is captured in the minutes of each meeting. Minutes of each Board meeting are circulated to each Director prior to confirmation of the minutes in the next meeting. Senior Management is invited to present and provide explanation on the Board reports.

Directors have unrestricted access to the advice and services of the Company Secretary. The Company Secretary organises and attends all Board Meetings thus ensuring that Board meeting procedures are followed and that applicable rules and regulations are complied with. All matters arising therefrom and conclusions of the Board meetings are recorded in the minutes of Meetings by the Company Secretary which are thereafter confirmed and signed as correct records of the proceedings thereat by the Chairman.

External independent professional advisers are also made available to render their independent views and advice to the Board, whenever deemed necessary and in appropriate circumstances, at the Company's expense.

The Directors are notified of any corporate announcement released to Bursa Securities and the impending restriction in dealing with the securities of the Company prior to the announcement of financial results or corporate proposals. Directors are also expected to observe insider trading laws at all times when dealing with securities within the permitted trading period. Each Director is required to give notice to the Company of his acquisition of shares or of changes in the number of shares which he holds or in which he has an interest, within three market days after such acquisition or changes in interest outside closed periods and within 1 full market day after dealing during closed periods. All dealings in shares by Directors are announced to Bursa Securities within the required timeframe.

At Board meetings, written resolutions passed and all announcements to Bursa Securities since the last Board meeting were circulated to all members of the Board for notation.

(5) Appointment of Board Members

The Nomination Committee which was set-up on 13 May 2002 is entrusted with the task of reviewing and recommending the appropriate mix of expertise and experience and the appropriate balance of Executive and Non-Executive Directors (including Independent Non-Executive Directors).

(a) Terms of Reference

The terms of reference of the Nomination Committee are as follows:-

- (i) Recommending to the Board, candidates for Directorships to be filled by the shareholders or the Board;
- (ii) Considering candidates for Directorships proposed by the Directors, Senior Management or external parties;

CORPORATE GOVERNANCE OVERVIEW STATEMENT (CONT'D)

- (iii) Recommending to the Board, Directors to seat on Board Committees;
- (iv) Assessing the effectiveness of the Board and Board Committees (including size and composition) and contributions of each individual Director;
- (v) Reviewing and recommending to the Board the required mix of skills, independence and experience, and other qualities, including core competencies which Non-Executive Directors should bring to the Board;
- (vi) To determine the core competencies and skills required of Directors to best serve the business and operations of the Group as a whole;
- (vii) To review Board balance and determine if additional Directors are required and also to ensure that at least one-third (1/3) of the Board is independent;
- (viii) To review the Board's succession plan, in recommending the appropriate Board balance;
- (ix) To facilitate Board's induction and training programmes in areas which Directors could improve on; and
- (x) To introduce such regulations, guidelines and/or procedures to function effectively and fulfill the Committee's objectives.

The terms of reference of the Nomination Committee are available at the Company's website at www.i-bhd.com.

(b) Board Diversity

The Board's composition represents a mix of knowledge, skills and expertise from varied business backgrounds which are vital to the stewardship of the Group.

The Board acknowledge the importance of diversity in its membership including gender and age and strives to maintain the right balance for effective functioning of the Board. The Board is cognizant of the need for gender diversity and towards this end, the 2 women Directors represented 40% of the Board during the year. Similarly, the Company's Senior Management also has more than 30% women representation in support of gender diversity.

(c) Board Nomination and Election Process

The sequence of the Board nomination and election process is summarised as follows:-

- (i) Selection of candidates to be considered for appointment as recommended by the Directors, Senior Management or external parties;
- (ii) The Nomination Committee will meet up with the shortlisted candidates to assess their suitability based on his/her skills, expertise, background, experience and such other relevant factors as may be determined by the Nomination Committee before considering and recommending them for appointment to the Board;
- (iii) Recommendation is then made by the Nomination Committee to the Board which includes the appointment as a member of the various Board Committees, depending on their skills and expertise;
- (iv) Decision would then be made by the Board as a whole on the appointment of the proposed candidate to the Board as well as to the various Board Committees.

(d) Activities of the Nomination Committee

During the financial year, the Nomination Committee met to review the term of office, performance and the effectiveness of the Board and its Committees and each individual Director. The Nomination Committee also reviewed the term of office and performance of the Audit Committee and each of its members to determine whether such Audit Committee and members have carried out their duties in accordance with their terms of reference. The Nomination Committee is satisfied that the Audit Committee has discharged its duty and based on the self assessment of the Audit Committee as well as the peer evaluation of its members which aimed to create a more effective Audit Committee, the Committee is of the view that the Audit Committee had been effective in providing support to the Board in fulfilling its responsibilities and thus adds value to the organisation.

CORPORATE GOVERNANCE OVERVIEW STATEMENT (CONT'D)

An annual evaluation of the effectiveness of the Board, its Committees and individual Directors was also conducted at the said meeting. The evaluation was based on specific criteria such as Board composition and structure, principal responsibilities of the Board, the Board process and Board governance.

The Board acknowledges the importance of Independent Non-Executive Directors, who provide objectivity, impartiality and independent judgement to ensure that there is an adequate check and balance to the Board. They perform a key role by providing unbiased and independent views, advice and judgment, which take into account the interests of the Group and all its stakeholders including shareholders, employees, customers, business associates and the community as a whole.

The Committee also assessed the independence of the Independent Non-Executive Directors and was satisfied that they could continue to bring sound, independent and objective judgment to board deliberations through active participation in discussions on decision making by the Board and their ability to act in the best interest of the Company. None of the Independent Directors has served more than 9 years on the Board during the year. The Company will seek for shareholders' approval using the two-tier voting approach should it wish to retain Independent Directors with tenure of more than 9 years but limited to not more than 12 years tenure.

Following the evaluation, the Nomination Committee concluded that the Board as a whole has performed well, is effective and has all the necessary skills, experiences and qualities to lead the Company.

During the year, the Nomination Committee had also met on 23 December 2021 to consider the appointment of Y. Bhg. Dato' Eu Hong Chew and Mr Lim Boon Soon, Ricky to the Board as Non-Executive Director and Executive Director respectively effective 1 January 2022.

(6) Directors' Training

The Directors will be regularly updated on the latest regulatory requirements as well as accounting standards to enable them to keep abreast with new statutory and regulatory requirements. During the financial year, the Directors has attended the following training:-

Director	Date	Type	Subject	Organiser
Tan Sri Lim Kim Hong	5 November 2021	Webinar	Malaysia Anti-Corruption Laws and Initiatives	Rockwills Business Solutions
Puan Sri Tey Siew Thuan	5 November 2021	Webinar	Malaysia Anti-Corruption Laws and Initiatives	Rockwills Business Solutions
Ng Chee Kiet	17 June 2021	Webinar	Digital Banks to Digital Currencies: Malaysia's Regulatory Outlook	Fintech News Malaysia
	23 June 2021	Webinar	Transfer Pricing Series 3	PKF Malaysia
	29 July 2021	Webinar	Transfer Pricing Series 4	PKF Malaysia
	9 November 2021	Webinar	Invest Malaysia 2021 (Virtual Series 2)	Bursa Malaysia and CGS-CIMB Securities
	26 November 2021	Webinar	Budget 2022	PKF Malaysia
	29 November 2021	Webinar	Audit Oversight Board (AOB) Conversation with Audit Committees	Securities Commission Malaysia
	6 – 8 December 2021	Webinar	Mandatory Accreditation Programme (MAP) for Directors of Public Listed Companies	Asia School of Business, Iclif Executive Education Center
Peck Boon Soon	29 November 2021	Webinar	AOB Conversation with Audit Committees	Securities Commission Malaysia
	6 – 8 December 2021	Webinar	MAP for Directors of Public Listed Companies	Asia School of Business, Iclif Executive Education Center
Goh Yeang Kheng	5 November 2021	Webinar	Malaysia Anti-Corruption Laws and Initiatives	Rockwills Business Solutions
	29 November 2021	Webinar	AOB Conversation with Audit Committees	Securities Commission Malaysia

The Board will undertake the assessment of the training needs of each Director from time to time.

CORPORATE GOVERNANCE OVERVIEW STATEMENT (CONT'D)

(7) Re-election of Directors

In accordance with the Company's Constitution, Directors who are appointed during the year by the Board are subject to re-election by the shareholders at the next Annual General Meeting held following their appointments. The Constitution also provides that one-third (1/3) of the Directors shall retire from office at each Annual General Meeting provided always that all the Directors including the Chairman shall retire from office at least once every three years but shall be eligible for re-election.

B. DIRECTORS' REMUNERATION

(1) The level and make-up of Remuneration

The primary objective of the Remuneration Committee is to act as a Committee of the full Board to assist in assessing the remuneration of the Executive Director to reflect the responsibility and commitment of Board membership so that the Company attracts, motivates and retains the Directors needed to run the Group successfully. The Board has in place, the written Terms of Reference of the Remuneration Committee as disclosed in the Company's website.

The component parts of their remuneration are structured so as to link rewards to corporate and individual performance in the case of Executive Director. In the case of Non-Executive Directors, the level of remuneration reflects the experience and level of responsibilities undertaken by the individual Non-Executive Director concerned. Remuneration practices of comparable companies are taken into consideration in determining the remuneration package of the Executive Director.

(2) Procedure

The Remuneration Committee was formed on 23 July 2001 and its Term of Reference are as follows:-

- (a) Determining and developing the remuneration policy for the Directors and Senior Management;
- (b) Recommending to the Board, the remuneration of the Directors and Senior Management in all its forms, drawing from outside advice where necessary;
- (c) Assisting the Board in ensuring that the remuneration of the Directors reflect the responsibility and commitment of the Directors concerned; determining the policy for and scope of service agreements for the Directors and Senior Management, termination payments and compensation commitments;
- (d) Recommending to the Board, the appointment of the services of such advisers or consultants as it deems necessary to fulfill its responsibilities;
- (e) Ensure that a fair differential between the remuneration of Directors and other levels of management is maintained;
- (f) Conduct continuous assessment of individual Directors and Senior Management to ensure that remuneration is directly related to corporate and individual performance;
- (g) Obtain the advice and information from external source, if necessary, to compare the remuneration currently earned by the Directors and Senior Management and those paid to Directors and Senior Management of other companies of a similar size in a comparable industry sector; and
- (h) To provide an objective and independent assessment of the benefits granted to Directors and Senior Management.

During the financial year, a Nomination and Remuneration Committees' meeting was held on 25 February 2021 to review the terms of office, performance and effectiveness of the Board and its committees. The remuneration packages of the Non-Executive Directors were decided by the Board as a whole. Directors do not participate in decisions on their own remuneration packages.

(3) Disclosure

The details of the remuneration of Directors of the Company on named basis which comprise remuneration received/receivable from the Company and its subsidiary during the financial year ended 31 December 2021 are disclosed in the Corporate Governance Report which is available at the Company's website at www.i-bhd.com.

CORPORATE GOVERNANCE OVERVIEW STATEMENT (CONT'D)

C. INTEGRITY IN CORPORATE REPORTING AND MEANINGFUL RELATIONSHIP WITH STAKEHOLDERS

(1) Company's Annual Publication

The Company recognises the importance of communication with its shareholders through its distribution of the Annual Report.

(2) Bursa Malaysia Securities Berhad Announcements

The various announcements on the corporate developments made during the year coupled with the Group's timely release of unaudited financial results on a quarterly basis, as well as other periodic announcements, provide shareholders with an overview of the Group's performance and operations.

(3) Corporate Disclosure Policy

The Company is committed to ensure that all information such as corporate announcements, circular to shareholders and financial results are disseminated to the general public in a timely and accurate manner.

The Company's quarterly unaudited financial results are released within two (2) months from the end of each financial quarter and the Annual Report, which remains a key channel of communication, is published within four (4) months after the financial year end, barring any unforeseen circumstances. The Annual Report is not merely a factual statement of financial information and performance of the Group; but through the Management Discussion and Analysis provide an insightful interpretation of the Group's performance, operations, and other matters affecting shareholders' interest. It is hoped that such insights will allow shareholders and investors to make more informed investment decisions based not only on past performance but also the future direction of the Group.

(4) Website of the Company

The Company has also established its website (www.i-bhd.com) in which shareholders can access for updated information on the Group.

(5) The General Meetings

The Annual General Meeting (AGM) remains the pivotal means of direct interaction between the Board of Directors and shareholders of the Company. Shareholders are given at least 28 days' notice prior to the AGM.

Leveraging on technology, the Company convened a fully virtual AGM (through live streaming from the broadcast venue) in June 2021 and had adopted online remote voting for the conduct of poll on all its resolutions. All participating shareholders were briefed on the voting procedures by the poll administrator prior to poll voting and an independent scrutineer was appointed to validate the votes cast and the announcement of poll results.

Shareholders are encouraged to attend the Company's general meetings and to participate in its proceedings through the 'questions and answers' session where shareholders are accorded both the opportunity and the time to raise questions on the agenda items of the general meetings. All Directors attend the general meetings. The Directors, the Chair of the Audit, Nomination & Remuneration Committees of the Board are present at general meetings together with Senior Management to provide meaningful response to shareholders' queries. Shareholders who are unable to attend are allowed to appoint proxies to attend and vote on their behalf. Poll voting would be implemented for all resolutions set out in the notice of general meetings. The minutes of the general meetings held (including pertinent questions raised by shareholders and the respective responses and outcome of the voting results) are made available for viewing at the Company's website within 30 business days after the said meetings.

Shareholders' proposals and comments are reviewed and considered for implementation wherever possible. Shareholders and the public can convey their concerns and queries to the Company's Independent Director, Mr Ng Chee Kiet or the Corporate Communications Department.

CORPORATE GOVERNANCE OVERVIEW STATEMENT (CONT'D)

(6) Investor Relations

In addition to the dialogue with invaluable shareholders of the Company, the Board values dialogue with investors.

The Company aims to communicate with fund managers, institutional investors and analysts upon request. During the financial year under review, a briefing session on the Company's latest developments was conducted with some analysts as part of its investor relations programme. The Company's Corporate Planning Department is responsible for investors' relations and attending to communication and meeting with investors and analysts. Information is also disseminated in strict adherence to the disclosure requirements of Bursa Malaysia Securities Berhad. Where a press conference is held after the Annual General Meeting, the Board of Directors together with the relevant Senior Management would advise the media on the resolutions approved by the shareholders and brief the media on the operations, performance and financial results of the Group for the year under review and clarify issues and answer questions posed by the media. Such press conferences are intended not only to promote the dissemination of the financial results of the Group to as wide an audience as possible, but also to keep the investing public and shareholders updated on the progress and development of the business of the Group.

D. EFFECTIVE AUDIT AND RISK MANAGEMENT

(1) Audit Committee

The Board aims to present a balanced, clear and meaningful assessment of the Company and Group's financial performance and prospects via the Company's Annual Report and quarterly announcements of unaudited financial results and the press releases.

The Board, assisted by the Audit Committee, oversees the financial reporting process and the quality of the financial reporting of the Group. The Audit Committee reviews and monitors the integrity of the annual and interim financial statements. It also reviews the appropriateness of the Group's accounting policies and the changes to these policies as well as ensures these financial statements comply with financial reporting standards and regulatory requirements.

(2) Risk Management and Internal Control Framework

Information on the Group's risk management and internal control framework and the adequacy and effectiveness of this framework is set out in the Statement on Risk Management and Internal Control contained in this Annual Report.

The Board has delegated the tasks of implementing the risk management and internal control framework to the Risk Management Committee ("RMC") to identify, assess and monitor operational, financial, compliance and non-financial risks facing the Group.

The RMC which was set-up towards the end of the year is chaired by an Independent Director and will meet periodically to deliberate on the prevailing and emerging risks surrounding the Group. Matters to be deliberated and any recommendations made during the RMC meetings will be escalated to the Board for decision.

(3) Internal Audit

The Group has its own Internal Audit Department during the financial year. The internal audit function is described in the Audit Committee Report set out in this Annual Report. The internal audit function of the Group is currently carried out by the Internal Auditor, Mr Lim Ai Jet with Bachelor of Accounting qualification as well as a member of the Malaysian Institute of Accountants (MIA) who is free from any relationship or conflicts of interest. The internal audit function is carried out in accordance with a recognised framework.

CORPORATE GOVERNANCE OVERVIEW STATEMENT (CONT'D)

(4) Relationship with External Auditors

The Board has established a formal and transparent relationship with the external Auditors via the Audit Committee. The external Auditors attend the Audit Committee meetings where the Group's annual financial statements are considered as well as meetings to review and discuss the Group's accounting policies, audit findings and improvements to be made on existing internal control measures and accounting policies and procedures.

The Audit Committee has assessed the suitability, objectivity and independence of the external Auditors including considering the information presented in the external Auditors' Annual Transparency Report.

(5) Statement of Directors' Responsibility for preparing the Annual Financial Statements for the financial year ended 31 December 2021

The Directors are responsible for ensuring that the financial statements of the Group are drawn up in accordance with applicable approved accounting standards in Malaysia and the provisions of the Companies Act 2016 so as to give a true and fair view of the state of affairs of the Group and the Company as at 31 December 2021 and of the results and cash flows of the Group and the Company for the financial year ended on that date.

In preparing the financial statements, the Directors have:-

- adopted appropriate accounting policies and have applied them consistently;
- made judgments and estimates that are reasonable and prudent;
- ensured adherence to all applicable approved accounting standards; and
- used the going concern basis for the preparation of the financial statements.

The Directors are also responsible for ensuring that the Company and Group maintain accounting records that disclose with reasonable accuracy the financial position of the Company and Group, and which enables them to ensure that the financial statements comply with the Companies Act 2016.

Furthermore, the Directors have the general responsibility of taking such steps necessary to safeguard the assets of the Company and Group and to prevent and detect fraud and other irregularities.

This statement is made in accordance with the resolution of the Board of Directors dated 1 April 2022.

AUDIT COMMITTEE REPORT

The Audit Committee of the Board comprises the following members during the financial year ended 31 December 2021:-

Chairman:

NG CHEE KIET

Independent Non-Executive Director

Members:

PECK BOON SOON

Independent Non-Executive Director

GOH YEANG KHENG

Independent Non-Executive Director

COMPOSITION

The Committee shall be appointed by the Board of Directors amongst the Directors of the Company which fulfils the following requirements:-

1. The Committee must be composed of not fewer than three (3) members;
2. All the Committee members must be Non-Executive Directors with a majority of them being Independent Directors; and
3. At least one (1) member of the Committee:-
 - (i) must be a member of the Malaysian Institute of Accountants; or
 - (ii) if he is not a member of the Malaysian Institute of Accountants, he must have at least three (3) years of working experience; and
 - he must have passed the examinations specified in Part I of the First Schedule of the Accountants Act 1967; or
 - he must be a member of one of the Association of Accountants specified in Part II of the First Schedule of the Accountants Act 1967; or
 - (iii) fulfils such other requirements as prescribed or approved by Bursa Malaysia Securities Berhad ("Bursa Securities").

COMPOSITION COMPLIANCE

Currently, all members of the Audit Committee are Non-Executive Directors with the majority of them being Independent Directors. No alternate Director has been appointed as a member of the Audit Committee. The Chairman of the Committee, Mr Ng Chee Kiet is a member of the Malaysian Institute of Accountants ("MIA") and an Independent Non-Executive Director.

No former key audit partner has been appointed to the Board of the Company. Following the departure of Y. Bhg. Tan Sri Dato' Sri Dr. Lau Ban Tin as the Independent Non-Executive Director and Chairman of the Audit Committee of the Company on 31 March 2021, the vacancy in the Audit Committee was filled within 3 months thereof on 17 May 2021 upon the appointment of both Mr Ng Chee Kiet and Mr Peck Boon Soon as Independent Non-Executive Directors of the Company.

The terms of office and performance of the Committee and each of its members have been reviewed by the Nomination & Remuneration Committee ("NRC") of the Company and the NRC was satisfied that the Audit Committee and its members have carried out their duties in accordance with their terms of reference.

AUDIT COMMITTEE REPORT (CONT'D)

MEETING PROCEDURES

Frequency

Meetings shall be held not less than four (4) times a year, with additional meetings convened as and when necessary. Upon the request of the external or internal Auditors, the Chairman of the Committee shall convene a meeting of the Committee to consider any matter the external or internal Auditors believe should be brought to the attention of the Directors or shareholders.

In the interval between Audit Committee meetings, for exceptional matters requiring urgent decisions, Audit Committee approvals are sought via circular resolutions which are attached with sufficient information required for an informed decision.

Quorum

The quorum for the meeting shall be 2 members, both being Independent Directors.

Secretary

The Company Secretary shall be the Secretary of the Committee or in her absence, another person authorised by the Chairman of the Committee.

Reporting Procedure

The minutes of each meeting of the Committee to be duly circulated to the Committee members and to all members of the Board.

Attendance

Other Directors and employees may attend any particular meeting only at the Audit Committee's invitation, specific to the relevant meeting.

During the financial year ended 31 December 2021, the Committee had met-up with the external Auditors without any Executive Directors and Management present.

Details of attendance of the members of the Audit Committee at the meetings held during the financial year ended 31 December 2021 are as follows:-

Members	Designation	Attendance
Ng Chee Kiet*	Independent Non-Executive Director	5/5
Peck Boon Soon*	Independent Non-Executive Director	5/5
Goh Yeang Kheng	Independent Non-Executive Director	6/6
Tan Sri Dato' Sri Dr. Lau Ban Tin**	Independent Non-Executive Director	1/1

Notes:

* Appointed on 17 May 2021

** Resigned on 31 March 2021

SUMMARY OF WORK OF THE AUDIT COMMITTEE IN DISCHARGING ITS FUNCTIONS AND DUTIES DURING THE YEAR

- Discussed and recommended for Board approval the audited financial statements together with reports thereon for the financial year ended 31 December 2020.
- Reviewed and recommended for Board approval the following reports for inclusion in the Annual Report 2020:-
 - Statement on Risk Management and Internal Control;
 - Audit Committee Report;
 - Corporate Governance (CG) Overview Statement; and
 - CG Report for submission to Bursa Securities.

AUDIT COMMITTEE REPORT (CONT'D)

- Discussed and approved the external Auditors' Audit Report in relation to the statutory audit of I-Berhad and its subsidiaries for the financial year ended 31 December 2020.
- Reviewed and approved the Internal Audit Report in relation to:-
 - (i) i-City Theme Park in relation to its Operations and Maintenance; and
 - (ii) Property Development Operations.
- Reviewed and recommended for Board approval, the unaudited Quarterly Reports prepared by Management for release to Bursa Malaysia Securities Berhad.
- Reviewed and approved the external Auditors' Audit Plan for the financial year ended 31 December 2021.
- Reviewed and approved the Internal Audit Plan for the year 2022.
- Reviewed and recommended for Board approval, the revised Terms of Reference of the Audit Committee.
- Discussed the resignation of the previous Auditors of the Group, Messrs PricewaterhouseCoopers PLT and conducted an exit interview with them.
- Discussed and recommended for Board approval, the appointment of the Group's new Auditors, Messrs Deloitte PLT.

During the year, the Audit Committee conducted a self-assessment on the function of the Audit Committee to ascertain what the Committee could do better or differently to be more effective covering the following areas:-

- (i) Creating and running an effective Audit Committee;
- (ii) Overseeing financial reporting, risk management and internal control; and
- (iii) Overseeing both external and internal audits.

The members of the Committee had also conducted its own peer evaluation during the year focusing on the following:-

- (i) Evaluation of the skills and experience of the Committee member;
- (ii) Evaluation of their understanding of the Company's significant financial and non-financial risks, compliance processes, financial and statutory reporting requirements, significant accounting policies, accounting estimates and financial reporting practices; and
- (iii) Evaluation on their trustworthiness, dynamic participation, integrity, capability to handle conflict constructively, interpersonal skills and enthusiasm to tackle problems proactively.

During the financial year, the Committee also met-up with the external Auditors, Messrs PricewaterhouseCoopers PLT on 25 February 2021 to discuss on the following areas:-

- (i) Issues arising from the course of audit for the financial year ended 31 December 2020; and
- (ii) Unaudited Quarterly Results for the 4th financial quarter ended 31 December 2020.

INTERNAL AUDIT FUNCTION

The Group has in place, its own Internal Audit Department during the financial year. The Internal Auditor reports directly to the Audit Committee on its activities and audit plans for the year. During the financial year, the Internal Auditor conducted audits on the Property Development operations as well as the Theme Park in relation to its operations and maintenance works and presented its Internal Audit Plan for the year 2022 to the Audit Committee for approval. Its audit findings together with its recommendation for improvements were tabled to the Audit Committee for deliberation. The internal audit plan and the results of the internal audit assessments were reviewed by the Audit Committee and reported to the Board of Directors.

The cost of the internal audit function incurred in respect of the financial year ended 31 December 2021 amounted to RM82,900.00.

STATEMENT ON RISK MANAGEMENT AND INTERNAL CONTROL

INTRODUCTION

Pursuant to Paragraph 15.26(b) of the Main Market Listing Requirements of Bursa Malaysia Securities Berhad ("Bursa Securities"), the Board of Directors is committed to maintain a sound risk management framework and internal control system and is pleased to present its Statement on Risk Management and Internal Control of I-Berhad Group for the financial year ended 31 December 2021.

BOARD RESPONSIBILITY

The Board recognises the importance of the Group's sound internal controls as well as risk management practices and affirms its overall responsibility for the Group's approach to assessing risks and the system of internal control, and for reviewing the adequacy and effectiveness of the Group's internal control systems and management information systems, including compliance with applicable laws, regulations, rules, directives and guidelines. The review covers financial, operational and compliance controls, and risk management procedures of the Group. Moreover, the Board has via the Audit Committee obtained the additional assurance on the adequacy and effectiveness of the Group's risk management and internal control systems through ongoing and independent reviews carried out by the internal audit function.

Due to inherent limitations in any system of risk management and internal control, such systems can only manage rather than eliminate all possible risks resulting in Group's inability to achieve its business objectives. Thus, the system can provide reasonable, and not absolute, assurance against material misstatement or loss.

RISK MANAGEMENT PROCESS

The Board has established a risk management framework and communicated the policies on risk management to the management on the risk appetite and tolerance that the Group is willing to accept in pursuit of its objectives. The Board regards risk management as part of business operations and involves an on-going process for identifying, evaluating, managing and reviewing any changes in the significant risks faced by the business in the Group in its achievement of objectives and strategies. Also, the risk management process involved the business and functional units of the Group in identifying significant risks impacting the achievement of business objectives of the Group.

The management of risks in the daily business operation is assigned to management team and significant risks are identified and related mitigating responses as well as the corresponding internal controls are discussed during scheduled operational and management meetings. If there is any matter unresolved at the management level, the matter will be escalated to the Board for discussion.

The abovementioned practices serve as the ongoing process adopted by management to identify, evaluate and manage significant risks faced by the Group in achieving the business objectives and strategies. The Group's internal audit function provides further independent assurance on the adequacy and effectiveness of the risk management and internal control system.

The internal audit function has also assessed the key risks and challenges of the Group and had documented the same in the Strategic Internal Audit plan. Internal audits were subsequently conducted systematically based on the plan.

The Board is of the opinion that the risk management and internal control system of the Group is adequate and effective. The Board endeavors to maintain a sound system of internal control and will periodically evaluate and take precautionary measures to further improve and strengthen the control environment to ensure the achievement of the Group's business objectives.

SYSTEM OF INTERNAL CONTROL

The main features of the Group's internal control system established are summarised as follows: -

- Organisation Structure**
 The Group maintains a defined organisation structure with clear lines of reporting to the operating unit heads and Board, including defined lines of accountability. Key responsibilities are properly segregated in order that no employee has total control of a transaction.
- Authorisation Procedures**
 The Group maintains a defined authority chart with clear authority limits and approval procedures. Changes in authority limits are brought up to the attention of the Board for discussion and approval.
- Standard Operating Procedures**
 Documented standard operating policies and procedures are reviewed and updated, where applicable. Senior Managements are responsible for handling matters that are not within the standard operating policies including seeking guidance and direction from the Board.

STATEMENT ON RISK MANAGEMENT AND INTERNAL CONTROL (CONT'D)

• **Periodic Management Meeting**

Regular meetings are held at operational and management levels to identify and resolve operational and business matters. Deviation in targeted goals and corrective actions implemented where necessary are reported by the Heads of Department in the meetings. Senior Management and each Head of Department who has accumulated years of experience within the Group exercise a hands-on approach on the operational and financial affairs of the Group.

• **Annual Budget**

Budgetary control is implemented for every operation of the Group, where actual performance is closely monitored against budget to identify and address significant variances so that corrective actions can be taken to improve the achievement towards the budgeted results, sustainable operations and achieving the Group's business objectives as a whole.

• **Financial Reporting Timeline**

Financial and operational reports are generated on a timely basis for Management's review and action.

• **Site Visits**

Regular site visits by the Senior Management team members and external consultants are conducted to ensure activities at the sites are running smoothly and in compliance with applicable laws, rules, regulations and directives.

• **Human Resource Structure**

The Group's centralised human resource function sets out the procedures for recruitment, training and appraisal of the employees within the Group.

INTERNAL AUDIT FUNCTION

The Group's Internal Audit function evaluates the effectiveness of the governance, risk management and internal control framework and recommends enhancement, where appropriate. The work of the internal audit function is focused on areas of priority in accordance with the Strategic Internal Audit plan. Internal audit work is prioritised based on current Group risk profile, core activities and the Internal Auditor has direct access to the Audit Committee.

During the financial year, the Group's Internal Audit has reviewed theme park operations and property development department. The review was conducted to address effectiveness of the governance, risk management, internal control processes as well as enhancement of standard operating policies and procedures for the aforesaid operations.

ASSURANCE FROM MANAGEMENT

The Board has received assurances from the Chief Executive Officer and Head of Finance that the Group's risk management and internal control system is operating adequately and effectively in all material aspects, based on the risk management and internal control system of the Group.

REVIEW OF THE STATEMENT BY EXTERNAL

AUDITORS

As required by Paragraph 15.23 of Bursa Securities' Main Market Listing Requirements, the external auditors have reviewed this Statement on Risk Management and Internal Control. Their limited assurance review was performed in accordance with Audit and Assurance Practice Guide ("AAPG") 3 issued by the Malaysian Institute of Accountants. AAPG 3 does not require the external auditors to form an opinion on the adequacy and effectiveness of the risk management and internal control systems of the Group.

CONCLUSION

The Board recognises the importance of maintaining a sound system of internal controls and risk management which is an ongoing process to support the Group's business objective as well as safeguard shareholders' investments and Group's assets. No material losses were incurred during the financial year under review as a result of weaknesses in risk management and the internal control system.

The Group's risk management and internal control system do not apply to its associated companies as the Board does not have control over its operations. Nevertheless, the Group's interest is served through representation on the board of the associated companies, which allow for timely information and decision making with regards to the Group's investment in its associated companies.

The Board and management will continue to take adequate measures to strengthen the control environment in which the Group operates.

➤ ADDITIONAL INFORMATION

1. SHARE BUY-BACK

During the year, the Company re-sold in the open market, the remaining balance of 7,952,200 treasury shares, details of which are as follows:-

Date of Resale	No. of Ordinary Shares Sold	Total Consideration (RM)	Sale Price Per Share (RM)		
			Highest	Lowest	Average
02.03.2021	200,000	47,848.56	0.24000	0.24000	0.24000
03.03.2021	6,250,000	1,656,534.52	0.26565	0.26565	0.26565
04.03.2021	50,000	13,706.37	0.27500	0.27500	0.27500
05.03.2021	1,000,000	279,196.60	0.28000	0.28000	0.28000
08.03.2021	452,200	132,977.52	0.29500	0.29500	0.29500

The above remaining treasury shares were disposed of in the open market from 2 March 2021 to 8 March 2021. As at 31 December 2021, the Company did not hold any treasury shares.

2. AUDIT AND NON-AUDIT FEES PAID/PAYABLE

During the financial year ended 31 December 2021, the amount of audit and non-audit fees paid and payable by the Company and the Group to the external auditors, Deloitte PLT (Deloitte) are as follows:-

	Group (RM'000)	Company (RM'000)
Audit Fees	510	140
Non-Audit Fees	116	18

The amount of non-audit fees payable by the Group to the external auditors, Deloitte amounted to RM17,000 while the balance of RM99,000 was paid to the tax agent, Messrs PricewaterhouseCoopers Taxation Services Sdn Bhd.

3. MATERIAL CONTRACTS

There were no material contracts entered into by the Company and its subsidiaries, involving the Directors and major shareholders' interest which were still subsisting at the end of the financial year or which were entered since the end of the previous financial year save for the following:-

- (i) The Sale and Purchase Agreement (SPA) dated 20 December 2013 entered into between I-Berhad (as the issuer), City Centrepont Sdn Bhd (as the purchaser) and The Peak @ KLCC Sdn Bhd (as the vendor and beneficial owner of Tower Land) together with the Land Proprietors (as the registered proprietors* of Tower Land) and supplemented by a supplemental agreement dated 12 May 2014 in relation to the Tower Land acquisition at a purchase consideration of RM129,000,000 through the issuance of RM105,000,000 ICULS and RM24,000,000 RCULS-B by the Company upon the terms and subject to the conditions of the Tower Land SPA;
- (ii) The Sale and Purchase Agreement (SPA) dated 20 December 2013 entered into between I-Berhad (as the issuer), I-City Properties Sdn Bhd (as the purchaser) and The Peak @KLCC Sdn Bhd (as the vendor and beneficial owner of SOHO Land) together with the Land Proprietors (as the registered proprietors* of the SOHO Land) and supplemented by a supplemental agreement dated 12 May 2014 in relation to the SOHO Land acquisition at a purchase consideration of RM241,300,000 through the issuance of RM196,300,000 ICULS and RM45,000,000 RCULS-B by the Company upon the terms and subject to the conditions of the SOHO Land SPA;

ADDITIONAL INFORMATION (CONT'D)

- (iii) The Sale and Purchase Agreement (SPA) dated 24 October 2013 entered into between I-Berhad (as the issuer), I-Marcom Sdn Bhd (as the purchaser) and Sumuracres Sdn Bhd (as the vendor) in relation to the Kia Peng Land acquisition at a purchase consideration of RM132,000,000 through the issuance of RM132,000,000 RCULS-A by the Company upon the terms and subject to the conditions of the Kia Peng Land SPA;
- (iv) The joint venture agreement dated 10 February 2009 entered into between I-Berhad and The Peak @ KLCC Sdn Bhd for the development of the Master Land (freehold land previously held under Geran 27449, Lot 4598, Mukim Bukit Raja, District of Petaling, Selangor Darul Ehsan) of which the parent title was subsequently subdivided into six (6) block titles;
- (v) The Supplemental Deed Poll dated 16 August 2019 constituting the RM132 million 2014/2022 RCULS-A (which was issued to Sumuracres Sdn Bhd on 27 August 2014) to extend the maturity date of RCULS-A for an additional 3 years to 27 August 2022 upon the same terms and conditions of the Deed Poll dated 18 August 2014; and
- (vi) The Supplemental Deed Poll dated 16 August 2019 constituting the RM69 million 2014/2022 RCULS-B (which was issued to Sumurwang Sdn Bhd on 27 August 2014) to extend the maturity date of RCULS-B for an additional 3 years to 27 August 2022 upon the same terms and conditions of the Deed Poll dated 18 August 2014.

Note:

* Sumur Heights Sdn Bhd, Sumurwang Industries Sdn Bhd, Top Capital Sdn Bhd, Sumur Marketing Sdn Bhd and Sumurwang Development Sdn Bhd, collectively known as "registered proprietors".

4. CONTRACTS RELATING TO LOANS

During the financial year ended 31 December 2021, there were no material contracts relating to loans entered into by the Company and its subsidiaries involving its Directors or major shareholders.

> SUSTAINABILITY STATEMENT

OUR COMMITMENT TO SUSTAINABILITY

Sustainability remains one of the Group's yardsticks of success as we continue to conduct business fairly and ethically and consider the interest of all our stakeholders in achieving long-term, sustainable growth.

The sustainability statement is prepared in accordance with Bursa Malaysia Securities (Bursa Malaysia) Sustainability Reporting Guide which highlights the Group's commitment to undertaking business responsibly and sustainably. The information available in this section focuses primarily on the operations and management of the economic, environmental, and social responsibility of I-Berhad ("the Group") for the financial year ended 31 December 2021.

The scope of the sustainability statement covers material issues arising from its principal activities in Malaysia operating under its subsidiaries which are involved in property development, property investment and leisure cum hospitality businesses.

The Group strives to incorporate sustainable business practices in order to minimise adverse environmental and social impacts arising from its daily operations. To this end, it is guided by long-term sustainability strategies comprising 3 main core focus areas:



ECONOMIC SUSTAINABILITY



ENVIRONMENTAL SUSTAINABILITY

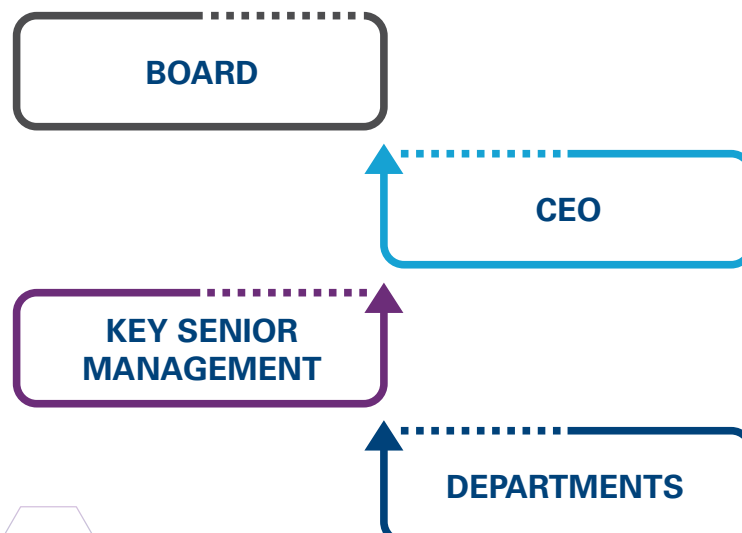


SOCIAL RESPONSIBILITY

SUSTAINABILITY GOVERNANCE

For the year under review, the Group's sustainability commitment, strategy and performance is governed by the Board of Directors and is assisted by Key Senior Management who are responsible for identifying, evaluating, and reviewing the sustainable practices across its businesses continuously and systematically.








The Sustainability Governance Structure is as follows:



SUSTAINABILITY STATEMENT (CONT'D)

STAKEHOLDER ENGAGEMENT

Effective engagement helps translate stakeholders' needs into organisational goals and creates the basis of effective strategy development. Discovering the point of consensus or shared motivation helps the stakeholders to arrive at a decision and ensures an investment has a meaningful outcome. Our engagement is to build a healthy workplace culture and establish a mutually beneficial relationship with our stakeholders.

Stakeholder Group	Engagement Methods	Area of Interest
 BOARD OF DIRECTORS	<ul style="list-style-type: none"> Annual General Meeting and Extraordinary General Meeting Board Meetings 	<ul style="list-style-type: none"> Sustainability and profitability matters Group's performance and targets Compliance with relevant requirements
 INVESTORS & MEDIA	<ul style="list-style-type: none"> Annual General Meeting and Extraordinary General Meeting Annual Report Media Release Press Conference Social Media Analysts Briefing 	<ul style="list-style-type: none"> Group's strategy for growth and value creation Effective communications and timely reporting Prudent risk management Market performance, business outlook and strategies
 EMPLOYEES	<ul style="list-style-type: none"> Regular Townhall Meetings Performance Review Employee Engagement Activities 	<ul style="list-style-type: none"> Group's performance and direction Human capital competencies and capabilities Welfare and remuneration Health and safety practices Workplace and living conditions Career path and progression
 CUSTOMERS	<ul style="list-style-type: none"> Company Website Social Media Events and Activities i-City SuperApp 	<ul style="list-style-type: none"> Product quality Timely and transparent information for business operations Customer service and experience
 LOCAL COMMUNITIES	<ul style="list-style-type: none"> Social Events and Activities 	<ul style="list-style-type: none"> Social and economic development contribution Socio-economic impacts Pollution and cleanliness
 SUPPLIERS	<ul style="list-style-type: none"> Tender interviews Procurement Evaluation 	<ul style="list-style-type: none"> Fair treatment Professional and transparent procurement Timely payments
 GOVERNMENT AUTHORITIES	<ul style="list-style-type: none"> Compliance Working hand in hand on Government initiatives 	<ul style="list-style-type: none"> Compliance with regulations Support for policies of national interest including sustainability initiatives and innovation Implementation of policies and requirements by relevant agencies or professional bodies

SUSTAINABILITY STATEMENT (CONT'D)

MATERIALITY

The Group through internal material assessment and the constant engagement with identified material internal and external stakeholders had sought to establish a clear study to recognise the challenges of its operating environment, as well as the expectations of its various stakeholders and, is committed to continuously evolve and develop a sustainable business that has a positive impact on the community, economy, and environment. This statement outlines the various practices and policies that have been embedded into the Group's core values, business model, operating strategies and corporate culture to create a positive impact on the business, community at large and its stakeholders.

The information and data disclosed in this statement were derived from internal reporting processes, systems and records.



ECONOMIC

A Step Closer Towards a Global Financial Hub

Tech-centric ultrapolis, i-City Golden Triangle (i-City) is edging closer to its ultimate goal of being the preferred destination for conglomerates, both locally and internationally, staying true to being a local blueprint for the global footprint.

With its foundation firmly set for technological sustainability, its next goal is to add in the remaining pieces of the puzzle, with Malayan Banking Berhad (Maybank), Malaysia's largest bank by assets, setting up a permanent alternate office site in i-City.

Alongside the strategic move, Sumurwang Tower has been rebranded to reflect the presence and elevated services offered by the banking giant as well as Malaysia's largest company by market capitalisation. The Grade-A GBI-rated smart corporate office tower has been renamed Mercu Maybank.

Maybank will occupy 14 floors of the smart corporate office tower, totalling 162,000 sq ft, as a permanent alternate office location for the group. Some 1,500 employees are expected here by the 1st half of 2022.



Finance Avenue @i-City

SUSTAINABILITY STATEMENT (CONT'D)

The smart corporate office tower (Mercu Maybank) is also home to financial institutions, multinational companies, international logistic and technology companies.

Befitting its new name, the new outfit will serve as an additional permanent alternate office site for Maybank to accommodate new work arrangements resulting from the Covid-19 pandemic, such as hybrid and remote work considerations for the group's various functions and businesses.

The location could not be more ideal for global financial institutions as i-City has all the right ingredients for becoming a global financial hub and supporting high-value industries such as information technology (IT) and financial technology (fintech) with higher job opportunities and higher income.

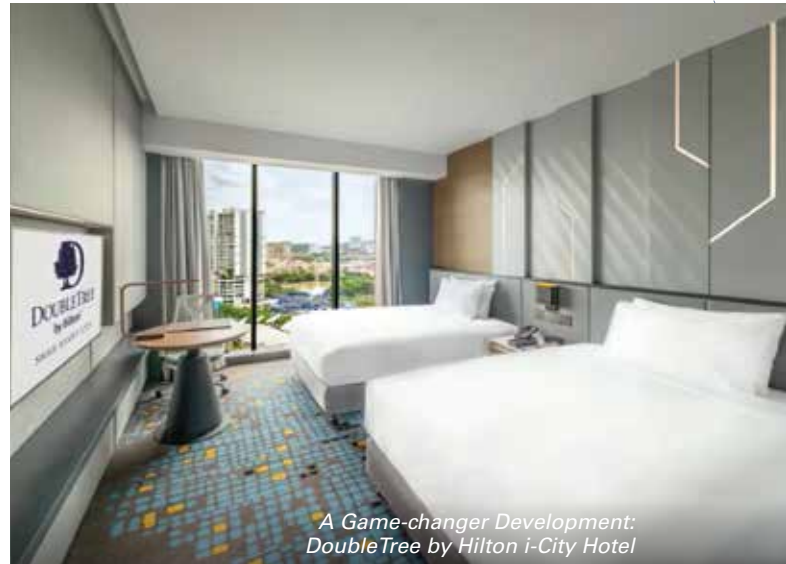
The Covid-19 pandemic has presented new challenges for many companies and organisations to decentralise their offices and workplaces to manage risk by having multiple locations. i-City, located in the capital city of Selangor, presents the most fitting solution as a strategic location, given similar infrastructures (technology, economic and connectivity) already in place, allowing businesses to seamlessly relocate and operate.

Underpinned by its technological advances and having international brand names such as Central i-City Mall by Central Pattana Thailand, DoubleTree by Hilton, Best Western International, the new Grade-A Green Building Index (GBI) corporate office tower will lead i-City's foray into the smart economy.

The proposed iconic 78-storey tower, the IGT Tower on the eastern plot fronting Federal Highway will be in the pipeline. It is envisioned as a global centre for technology and innovation, home to high-tech corporations and driving technopreneur development.

By drawing in more rising stars and large corporations, the wheels of economics will spin smoothly to vitalise the entire ultrapolis. Higher quality and high-income job opportunities are envisaged to benefit knowledge-based workers within this smart city and its surrounding areas. A smart approach to economic activities will improve efficiency, open up new markets, and elevate productivity and economic output.

DoubleTree by Hilton i-City Hotel, the second hotel in I-Berhad's flagship, the i-City mixed development in i-City Golden Triangle, is set to open during the second half of the year 2022.



*A Game-changer Development:
DoubleTree by Hilton i-City Hotel*

DoubleTree by Hilton i-City Hotel is set to be a game-changer and is expected to set a benchmark for luxury hotels and transform the Mice (meeting, incentive, convention and exhibition) sector in Malaysia.

The hotel is three minutes from i-City's International Convention Centre and Central i-City Mall, which is managed by Thailand's Central Group. The properties comprising BeCentral residences, Mercu Maybank, DoubleTree by Hilton Hotel, Hill10, the International Convention Centre and Premium office/retail suites are part of the Finance Avenue in i-City, which is anchored by the 33 storey Mercu Maybank, a GBI-rated corporate skyscraper.

DoubleTree by Hilton i-City Hotel will feature the first 360-degree LED digital canvas in its grand ballroom, supported by state-of-the-art light and sound systems that surround its circumference to provide guests with an unparalleled experience.

With about 11,000 sq ft of function space spread over two floors, the hotel will also have six versatile meeting rooms. For a better guest experience, the hotel will feature smart technology in guest rooms as well as innovative guest room management.

The guest room will be pre-cooled to roughly 25 degrees Celsius when they arrive at the lobby. The room will be chilled to a temperature of roughly 23 degrees Celsius while the guest is being transferred to it.

SUSTAINABILITY STATEMENT (CONT'D)

Another feature is, a door contact system will be engaged as soon as the guest enters the room, and upon detection of body temperature, the entrance-mood lighting system will be turned on, and the room curtains will automatically open to welcome guests with a beautiful view of the i-City skyline.

FUTURE DEVELOPMENT IN I-CITY

Malaysia's first smart green building

i-City will collaborate with a Tech Giant to build the country's first smart green building, the AI Central Park in i-City, Malaysia No. 1 Technology City.

The corporate office tower will be outfitted with 5G internet-enabled cameras and sensors to monitor the environment, energy consumption, and human traffic flow for data collection purposes.

The artificial intelligence (AI) technology will improve sustainability and building tenant experience, which is a top priority, while also emphasising the environment and sustainability of our smart city to ensure that the ultrapolis maintains its position as Malaysia's first and most progressive smart city.

The RM10 billion GDV i-City is one of the ultrapolis with a 400G capable high availability network that is ready for the deployment of 5G technology and has Multimedia Super Corridor Malaysia Cybercentre status.

Built on freehold land by I-Berhad, i-City is also integrated with a data park to meet its tenants' growing data bandwidth needs. Since 2008, i-City has been running its first tier-3 data centre. The 70,000 sq ft data centre serves global ICT firms.

i-City will expand its data park with the addition of two more hyperscale data centres of 100,000 sq ft each on 2.43 hectares of land to meet the surge in demand for cloud computing facilities brought on by the growth of digitalisation that 5G connectivity would bring.

The expansion of the data centres positions i-City to provide ready-to-deploy AI infrastructures to the i-City community and improve the lives of people living, working, and visiting i-City through smart and machine learning connectivity.

Autonomous bus service in i-City

Autonomous buses, also known as driverless buses or automated shuttles, are expected to be introduced in i-City - Malaysia No. 1 Technology City, and the Group may collaborate with a Tech Giant on the project.

The Tech Giant is expected to develop the self-driving bus system within the Group's RM10 billion smart city project, which began in 1995. This could happen as early as 2024, when the i-City LRT3 station in Seksyen 7, Shah Alam, opens.

The autonomous shuttle service is convenient for visitors to move around within i-City, be it for business or leisure.

The shuttle service will connect the important nodes between the central business district (CDB) in i-City, namely Central i-City Mall, DoubleTree by Hilton Hotel, and centralWalk, to Mercu Maybank smart corporate office tower. In addition, it will also serve the residential properties and the theme park.

With the surge in the corporate population at Mercu Maybank, which includes Maybank with approximately 1,500 employees, Prudential, and some other MNCs, and the growing residential population, they will all gain from the extended public transport.

The use of public transportation will significantly reduce traffic congestion and the carbon footprint within i-City as part of its green initiative agenda.

Metaverse concept in i-City

I-Berhad is bolstering its digital offerings in i-City with the metaverse concept in collaboration with its tech partner.

The term "metaverse" refers to a shared interactive 3D virtual world that has been heralded as the next evolution of the internet.

The concept came to the fore during the Covid-19 pandemic as lockdown measures increased demand for online business and entertainment.

The company would invest RM10 million in the metaverse, while its tech partner would provide the technology, infrastructure, and eco-system.

The metaverse is the latest social media buzzword. The Group's objective is to reimagine i-City through the metaverse and improve overall development through new technologies. Thus, the Group also believed that Malaysians will experience something unique.

Community within fingertips

I-Berhad has already begun demonstrating how this infusion of technology is already at work. The recent roll-out of the i-City SuperApp integrating functions for payments, parking, home rental, office tower access and other services within the ultrapolis is a testament to the development's ability to create a cohesive and connected smart living community.

SUSTAINABILITY STATEMENT (CONT'D)

This digital transformation programme which is aimed to create a cashless community within i-City is supported and rolled out in collaboration with Visa Worldwide would enhance customers' experience as well as reduce the amount of plastic and paper usage. The growth in the cashless/ticketless is tabled below:

Year	Percentage of cashless/ticketless	
	Leisure Park@i-City	Carparks
2021	56.0%	53.6%
2020	52.0%	35.0%
2019	25.0%	9.8%
2018	12.0%	1.0%

Coming up, we will enhance the parking system to build a more cashless payment facility such as Touch n Go and License Plate Recognition (LPR) system for customers' convenience, safety and speed in making payment for goods/services.

Branding and reputations

We are committed to building a positive reputation with stakeholders across our footprint. Our stakeholders recognise I-Berhad's ability to create value reliably in changing market conditions.

In the year 2021, we have been awarded by StarProperty as Malaysia's Most Inspiring Property Development - The Proximity Development (Township).



ANOTHER MILESTONE FOR
MALAYSIA NO.1 TECHNOLOGY CITY

Another milestone achievement awarded by The Edge Malaysia Top Property Developers Award 2021, I-Berhad has been recognised as one of the top thirty property developers in Malaysia.

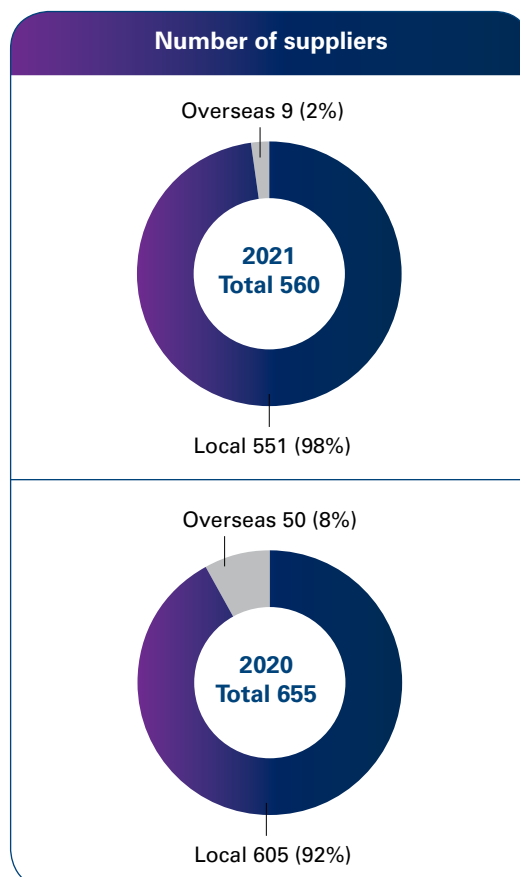
Procurement

The Group's procurement process is not only limited to understanding business requirements but is also focused on supply efficiency (cost-savings) and effectiveness as well as developing a strong relationship with the vendors of the organisation.

For the Group to achieve its strategic goals, it will continuously identify suppliers who can provide the Group with high-quality materials and develop a long-term relationship with suppliers whilst integrating these suppliers as partners in the value creation process.

Support for Local Supplier

I-Berhad does not have a policy requiring the prioritisation of locally based suppliers and all have equal access to purchasing opportunities. The Group carries out a fair and transparent tender/assessment to ensure that all suppliers adhere to our procurement criteria. We have constantly supported the local suppliers in 90% and above in years 2020 and 2021 as tabled below:



SUSTAINABILITY STATEMENT (CONT'D)



ENVIRONMENTAL

Smart Green Buildings

The latest 33 storey tower – Mercu Maybank has evolved from a green building (GBI-certified Grade A office tower) to a smart green building. The smart green building, standing tall between Central i-City Mall and DoubleTree by Hilton Hotel employs facial recognition and QR codes for entry and lift access.

To bolster with the latest technology and smart green building concept, future corporate office towers may be equipped with 5G internet-enabled cameras and sensors to monitor the environment, energy consumption and human traffic flow for data gathering purposes.

With the artificial intelligence (AI) technology incorporated into the building fabric, energy used to power lights, air conditioning and other electrical equipment can be tuned automatically based on the weather and number of people inside the building.

Energy conservation



ENERGY EFFICIENCY (EE)

Improve energy consumption by optimising building orientation, minimising solar heat gain through the building envelope, harvesting natural lighting, adopting the best practices in building services including use of renewable energy, and ensuring proper energy, and ensuring proper testing, commissioning and sustainable regular maintenance.



400G Capable High Availability Network



Smart Corporate Office Tower

SUSTAINABILITY STATEMENT (CONT'D)

In fact, from the aspect of human health, Mercu Maybank is the first of its kind office building which incorporates the technology of facial recognition and QR codes via the i-City SuperApp to prevent the spread of Covid-19 via its all-contactless entry from the carpark, leading to the lifts which bring the office occupants to their respective office floors.

The Group has taken a further step in improving the energy efficiency progressively by ensuring that all lightings within the i-City development are LED lights. This will reduce the CO2 emission and save 50%-60% of energy as compared with fluorescent tube lights.

Material and Waste Management



MATERIALS & RESOURCES (MR)

Promote the use of environmental-friendly materials sourced from sustainable sources and recycling. Implement proper construction and waste management with storage, collection and re-use of recyclables and construction formwork and waste.

From the Leisure and Property Investment landscape, the i-City Super App has successfully replaced the use of theme park reload RFID cards and car park RFID passcards. This digital revolution has reduced plastic usage within i-City by approximately 200,000 cards annually, and the cashless percentage has improved as expected in the year 2021.

Year	Percentage of cashless/ticketless	
	Leisure Park@i-City	Carparks
2021	56.0%	53.6%
2020	52.0%	35.0%
Percentage Improved	4.0%	18.6%

Central i-City Mall ("Central i-City") has also played its role in the environmental landscape with its continuous adoption of a sustainable way to manage food waste by recycling them into animal feed and farm fertilizer. Each F&B outlet is given a white bucket to help with the separation process which collects up to 1.2 million tonnes of food waste daily on weekdays and up to 1.9 million tonnes daily on weekends. Central i-City's commitment to ensuring an effective recycling mechanism was duly recognised by Solid Waste and Public Cleansing Management Corporation ("SWCorp") in November 2019.



SOCIAL

Health and safety

The Group is immensely proud to announce that it has successfully achieved zero fatalities and non-lost time incidents for two consecutive years with a cumulative worked hour of more than 2 million hours. This has clearly outlined the standards of our qualified Safety Officers and Supervisors who supervise project sites with formalised and defined policies & procedures with zero tolerance for compromise. We encourage the highest standards of health and safety, facilitated by our Environmental, Safety and Health Committee and Emergency Response Team.

Environmental, Safety and Health Committee Organisation Chart



SUSTAINABILITY STATEMENT (CONT'D)

The Safety, Health and Environment Committee oversees the health and safety of the project sites to ensure the policies are incorporated into our daily operations, regularly reviewed and updated where required. Regular safety audits, safety training and inspections are conducted to ensure our compliance with the Occupational Safety and Health Act and to help manage safety risk within the project sites.

Safety and health performance

Description	Project Sites	
Year	2021	2020
Total Hours Worked	384,440	1,019,120
Fatalities	0	0
First Aid Case	1	3
Near Miss	0	1
Non-Lost Time Incident	0	0

Covid-19 precautionary measures: back to the workplace

As we are battling a global pandemic, everyone is playing a vital role in preventing and controlling the spread of Covid-19 in the workplace.

We implemented a series of stringent measures for the safety of our employees across all our offices and premises, including corporate offices, management offices, sales galleries, show units, and project sites. The measures along with the usual SOP's "back to workplace" follow the guideline provided by Kementerian Kesihatan Malaysia (KKM).

The Safety, Health and Environment Committee has practised the SOP steps such as:

- Ensure the workplace/site is properly disinfected and sterilised,
- Covid-19 SOP is properly briefed by the officer.
- Ensure MySejahtera check-in is done upon entry.
- Temperature check is done before entering the workplace/site.
- Wearing a mask at all times.
- Maintain social distancing.

As we adapted to the need for operational variability as a result of the Covid-19 pandemic, flexible work arrangements were implemented for the safety of our employees. Our employees worked from home on rotation during the Conditional MCO period. We also provided complimentary Covid-19 screening for our employees.



WORKPLACE

Recruiting/Retaining employee

Staff retention has always been one of the core principles of the Group due to the following reasons:

- The Group has invested time and cost to groom the staff with mission-critical skills to be in line with the Group's objectives and corporate culture.
- Familiarity of staff and loyalty.
- Challenges of hiring the right candidate.

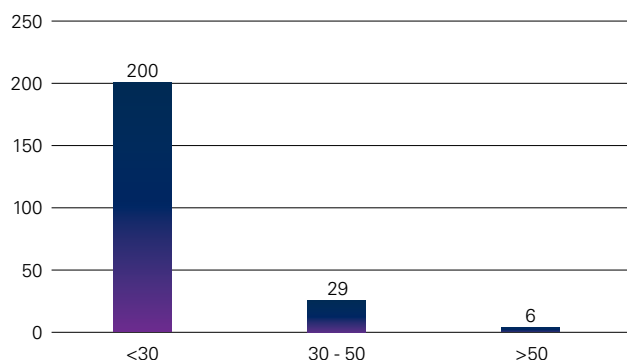
Given the above, the Group has always taken the extra mile to ensure that the personal development with the right skill sets and remuneration of the employees are well provided for. As of 31 December 2021, the Group has successfully retained more than 75% of its permanent staff (more than 2 years) as tabled below:

Duration of service	Number of staffs
Less than 2 years	63
More than 2 years but less than 5 years	124
More than 5 years	63
Total	250

SUSTAINABILITY STATEMENT (CONT'D)

Apart from the above, the Group also believes that effective recruitment of suitable talents can provide new, innovative ideas for management strategies i.e., creating a forward-thinking approach that stimulates the advancement as well as provide quantum leap to the growth of the Group. The Group recruits its employees via web advertising, social media, talent pool database, employee referrals, boomerang employees, recruitment agencies and placements after internship.

New Hire Employee Year 2021 by Age Group



Performance Management

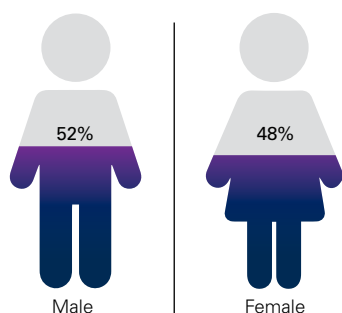
The Group encourages employees to have more communication with their superiors which includes but not limited to regular performance discussion, where ongoing mentoring programmes are provided with subsequent follow-up to ensure that employees meet their objectives and career goals.

Diversity and Inclusiveness

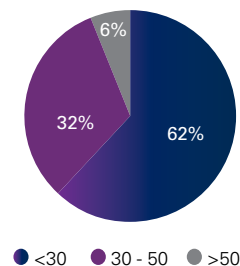
The Group also believes that diversity and inclusiveness could enhance the organisation's responsiveness to increasingly diverse customers, improve relations with its surrounding community; increase the organisation's ability to cope with change, as well as to expand the creativity of the organisation.

The workforce breakdown of the Group is as follows:

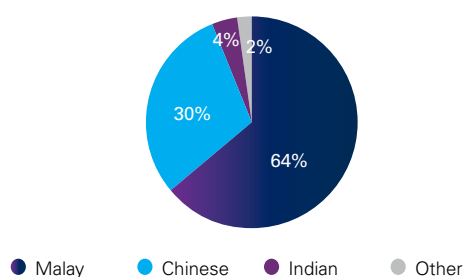
Employee by Gender



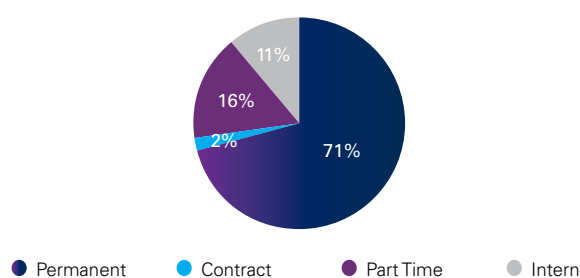
Employee by Age Group



Employee by Ethnicity



Employee by Contract



Moving Forward

The Group is committed to strive for improvement in its sustainability and social responsibility efforts by integrating the above initiatives into every aspect of its business operations and work culture to enrich the lives of the communities it touches and serves.

➤ EVENT HIGHLIGHTS 2021

10 OCT 2021



*Tan Sri Lim Kim Hong,
Datuk Noorliza Awang and Puan Sri Tey Siew Thuan*

i-City welcomed the Mayor of Kota Kinabalu Sabah, Y. Bhg. Datuk Noorliza Awang Alip and her entourage on their study tour of i-City, Malaysia No. 1 Technology City. The purpose of the tour was to experience and have a good understanding on how i-City integrates smart technologies seamlessly into its commercial, residential and leisure components.

During her visit, the Mayor was accompanied by Y. Bhg. Tan Sri Lim Kim Hong, Chairman of I-Berhad and Y. Bhg. Puan Sri Tey Siew Thuan, Chief Executive Officer of I-Berhad.

24 OCT 2021

Y. Bhg. Tan Sri Dr Lim Wee Chai, Executive Chairman and Founder of Top Glove Corporation Bhd visited i-City, to observe the development of the Ultrapolis and its smart city infrastructure.

Tan Sri Lim Kim Hong, Chairman of I-Berhad accompanied Tan Sri Lim Wee Chai on a tour of Mercu Maybank, a grade A GBI certified smart corporate office tower at the Finance Avenue in i-City.



Tan Sri Lim Wee Chai and Tan Sri Lim Kim Hong

17 DEC 2021



*Tan Sri Lim Kim Hong and
Huawei's Managing Director, Mr David Li*

I-Berhad entered into a strategic partnership with Huawei Technologies ("Huawei") to develop autonomous shuttle system for I-Berhad. With the partnership, i-City is looking to start a fully autonomous shuttle services by 2024, when the LRT3 station at i-City becomes fully operational. The autonomous shuttle will enhance i-City's smart city status as a transit-oriented Ultrapolis as well as provide greater connectivity to the various public transportation points.

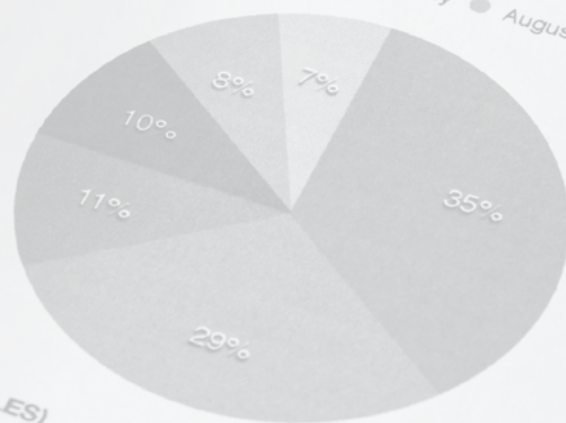
Huawei, with its experience in smart city solutions is primed to boost the acceleration of i-City's smart infrastructure which includes optimising artificial intelligence (AI) powered services and the deployment of 5G.

➤ FINANCIAL STATEMENTS



FINANCIAL YEAR ENDED 31 DECEMBER 2021

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DIRECTORS' REPORT

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

PRINCIPAL ACTIVITIES

The principal activity of the Company is investment holding. The principal activities and details of the subsidiaries are set out in Note 12 to the financial statements. There have been no significant changes in the nature of these activities during the financial year.

RESULTS

	Group RM'000	Company RM'000
Net profit/(loss) for the financial year attributable to:		
- Owners of the Company	369	(2,940)
- Non-controlling interests	55	–
Net profit/(loss) for the financial year	424	(2,940)

In the opinion of the Directors, the results of the Group and of the Company during the financial year have not been substantially affected by any item, transaction or event of a material and unusual nature, other than as disclosed in Note 40 to the financial statements.

DIVIDENDS

In respect of financial years ended 31 December 2021 and 31 December 2020:

In view of the prolonged Covid-19 pandemic/current market uncertainties, no dividend has been declared for the Redeemable Cumulative Convertible Preference Shares ("RCCPS") in respect of the RCCPS 1st year and 2nd year anniversary dividend. However, the RCCPS holders will be entitled to receive cumulative preferential dividend.

Accordingly, no distribution of dividend will be made on the ordinary shares.

RESERVES AND PROVISIONS

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

ISSUE OF SHARES AND DEBENTURES

During the financial year, the issued and paid-up share capital of the Company was increased from RM643,249,000 to RM646,686,000 by way of issuance of 18,344,862 new ordinary shares pursuant to conversion of RM3,437,000 RCCPS as disclosed in Note 22 to the financial statements.

The new ordinary shares issued rank pari passu in all respects with the existing ordinary shares of the Company. There were no other issues of shares or debentures during the financial year.

During the financial year, the Company has sold 7,952,200 shares at an average price of RM0.27 per share at a total consideration of RM2,134,000. In 2020, the cumulative number of shares repurchased was 7,952,200 at a total consideration of RM1,341,000. The average price paid for the shares repurchased was approximately RM0.17 per share as disclosed in Note 22 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 (CONT'D)

OTHER STATUTORY INFORMATION

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

- (a) to ascertain that proper action had been taken in relation to the writing off of bad debts and the making of allowance for doubtful debts, and satisfied themselves that there were no known bad debts to be written off and that adequate allowance had been made for doubtful debts; and
- (b) to ensure that any current assets which were unlikely to be realised in the ordinary course of business including the values of current assets as shown in the accounting records of the Group and of the Company had been written down to an amount which the current assets might be expected so to realise.

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

- (a) which would require any amount to be written off as bad debts or the amount of the allowance for doubtful debts in the financial statements of the Group and of the Company inadequate to any substantial extent; or
- (b) which would render the values attributed to the current assets in the financial statements of the Group and of the Company misleading; or
- (c) which have arisen which would render adherence to the existing method of valuation of assets or liabilities of the Group and of the Company misleading or inappropriate; or
- (d) not otherwise dealt with in this report or the financial statements which 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:

- (a) any charge on the assets of the Group and of the Company which has arisen since the end of the financial year which secures the liability of any other person; or
- (b) any contingent liability of the Group and of the Company which has arisen since the end of the financial year.

No contingent or other liability has become enforceable, or is likely to become enforceable within the period of twelve months after the end of the financial year which, 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, no item, transaction or event of a material and unusual nature has arisen in the interval between the end of the financial year and the date of this report which is likely to affect substantially the results of operations of the Group and of the Company for the financial year in which this report is made.

DIRECTORS

The Directors of the Company in office during the financial year and during the period from the end of the financial year to the date of the report are:

Y. Bhg. Tan Sri Lim Kim Hong
Y. Bhg. Puan Sri Tey Siew Thuan
Madam Goh Yeang Kheng
Mr Ng Chee Kiet (Appointed on 17 May 2021)
Mr Peck Boon Soon (Appointed on 17 May 2021)
Y. Bhg. Dato' Eu Hong Chew (Appointed on 1 January 2022)
Mr Lim Boon Soon (Appointed on 1 January 2022)

DIRECTORS' REPORT (CONT'D)

LIST OF DIRECTORS OF SUBSIDIARIES

The list of Directors of the subsidiaries during the financial year and during the period from the end of the financial year to the date of the report are:

Y. Bhg. Puan Sri Tey Siew Thuan
 Madam Goh Yeang Kheng
 Lee Ming Suan
 Ong Poh Ling
 Tengku Ahmad Shah Ibni Sultan A. Aziz

The name of directors of subsidiaries are set out in the respective subsidiary's statutory financial statements and the said information is deemed incorporated herein by such reference and made a part hereof.

DIRECTORS' BENEFITS

Since the end of the previous financial year, no Director has received or become entitled to receive a benefit (other than the benefits shown under "Directors' Remuneration" as set out in Note 35(b)(i) to the financial statements) by reason of a contract made by the Company or by 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.

Neither during nor at the end of the financial year was the Company or any of its subsidiaries a party to any arrangements whose object was to enable the Directors to acquire benefits by means of the acquisition of shares in, or debentures of, the Company or any other body corporate.

DIRECTORS' INTERESTS

According to the Register of Directors' Shareholdings required to be kept under Section 59 of the Companies Act 2016, none of the Directors who held office at the end of the financial year held any shares or debentures in the Company or its subsidiaries or its holding company or subsidiaries of the holding company during the financial year except as follows:

	←	Number of ordinary shares		→
	Balance as at 1.1.2021	Acquired	Disposed	Balance as at 31.12.2021
Shares in the Company				
Y. Bhg. Tan Sri Lim Kim Hong				
- direct interests	2,470,500	33,196,300	–	35,666,800
- indirect interests [#]	699,815,884	42,506,000	–	742,321,884
Y. Bhg. Puan Sri Tey Siew Thuan				
- direct interests	1,793,566	–	–	1,793,566
Peck Boon Soon				
- direct interests	–	170,000	–	170,000

[#] Deemed interest through Sumur Ventures Sdn. Bhd., Sumurwang Sdn. Bhd., Sumurwang Capital Sdn. Bhd. and Sumurwang Corporate Services Sdn. Bhd..

DIRECTORS' REPORT (CONT'D)

DIRECTORS' INTERESTS (CONTINUED)

By virtue of his interest in Sumur Ventures Sdn. Bhd., a company incorporated in Malaysia, Y. Bhg. Tan Sri Lim Kim Hong is deemed interested in the shares of the Company and all its subsidiaries to the extent Sumur Ventures Sdn. Bhd. has an interest.

Number of Redeemable Convertible Unsecured Loan Stocks - A ('RCULS-A') & Loan Stocks - B ('RCULS-B') 2014/2022			
Balance as at 1.1.2021	Issued	Conversion	Balance as at 31.12.2021
Redeemable Convertible Unsecured Loan Stocks - A			
Y. Bhg. Tan Sri Lim Kim Hong			
- indirect interests*	264,000,000	—	— 264,000,000
Redeemable Convertible Unsecured Loan Stocks - B			
Y. Bhg. Tan Sri Lim Kim Hong			
- indirect interests**	138,000,000	—	— 138,000,000

* Deemed interest in RCULS-A by virtue of his interest in Sumuracres Sdn. Bhd.

** Deemed interest in RCULS-B by virtue of his interest in Sumurwang Sdn. Bhd.

By virtue of his interests in the ordinary shares of the Company, Y. Bhg. Tan Sri Lim Kim Hong is also deemed to be interested in the ordinary shares of all the subsidiaries to the extent the Company has an interest.

Number of RCCPS			
Balance as at 1.1.2021	Issued	Conversion	Balance as at 31.12.2021
Redeemable Cumulative Convertible Preference Shares			
Y. Bhg. Tan Sri Lim Kim Hong			
- direct interests	1,974,500	20,411,600	— 22,386,100
- indirect interests [#]	551,302,100	25,940,600	— 577,242,700
Y. Bhg. Puan Sri Tey Siew Thuan			
- direct interests	1,345,174	—	— 1,345,174

[#] Deemed interest through Sumur Ventures Sdn. Bhd., Sumurwang Sdn. Bhd., Sumurwang Capital Sdn. Bhd. and Sumurwang Corporate Services Sdn Bhd..

Y. Bhg. Tan Sri Lim Kim Hong is the spouse of Y. Bhg. Puan Sri Tey Siew Thuan. By virtue of their relationship, they are also deemed to have interests in shares held by each other, both direct and indirect.

Other than disclosed above, none of the other Directors holding office at the end of the financial year held any interest in ordinary shares of the Company and of its related corporations during the financial year.

DIRECTORS' REPORT (CONT'D)

INDEMNITY AND INSURANCE FOR DIRECTORS, OFFICERS AND AUDITORS

There were no indemnity given to or insurance effected for any Director, officer or auditors of the Company during the financial year in accordance with Section 289 of the Companies Act 2016.

HOLDING COMPANIES

The Directors regard Sumur Ventures Sdn. Bhd. and Sumurwang Sdn. Bhd., as the ultimate and immediate holding companies respectively. Both companies are incorporated in Malaysia.

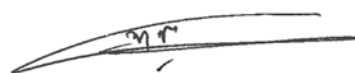
AUDITORS' REMUNERATION

Details of auditors' remuneration for the financial year ended 31 December 2021 are set out in Note 6 to the financial statements.

AUDITORS

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

Signed on behalf of the Board
in accordance with a resolution of the Directors, dated 8 April 2022



PUAN SRI TEY SIEW THUAN



GOH YEANG KHENG

➤ INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF I-BERHAD

Report on the Audit of the Financial Statements

Opinion

We have audited the financial statements of **I-BERHAD**, which comprise the statements of financial position as at 31 December 2021 of the Group and of the Company, and statements of comprehensive income, statements of changes in equity and statements of cash flows of the Group and of the Company for the year then ended, and notes to the financial statements, including a summary of significant accounting policies, as set out on pages 58 to 144.

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 the Malaysian Financial Reporting Standards, International Financial Reporting Standards and the requirements of the Companies Act 2016 in Malaysia.

Basis for opinion

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

Independence and other ethical responsibilities

We are independent of the Group and of the Company in accordance with the *By-Laws (on Professional Ethics, Conduct and Practice)* of the Malaysian Institute of Accountants ("*By-Laws*") and the International Code of Ethics for Professional 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.

<i>Key audit matter</i>	<i>How the scope of our audit responded to the key audit matter</i>
<p><u>Revenue recognition from property development activities</u></p> <p>Property development revenue is recognised over the period of the contract by reference to the progress towards complete satisfaction of the performance obligation.</p>	<p>Our audit procedures included, among others:</p> <ul style="list-style-type: none"> Obtained an understanding of the relevant controls put in place by the Group in respect of revenue recognition for property development activities and performed procedures to evaluate design and implementation and tested operating effectiveness of such controls.

INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF I-BERHAD (CONT'D)

Key Audit Matters (continued)

Key audit matter	How the scope of our audit responded to the key audit matter
<p><u>Revenue recognition from property development activities (continued)</u></p> <p>The progress towards complete satisfaction of the performance obligation is measured based on the Group's efforts or inputs to the satisfaction of the performance obligation (e.g. by reference to the property development costs incurred to date as a percentage of the budgeted total costs of development of the contract). In making the estimate, management relies on opinion/service of experts, past experience and the continuous monitoring mechanism.</p> <p>Refer to "Key sources of estimation uncertainty" in Note 3(i) to the financial statements.</p>	<p>Our audit procedures included, among others: (continued)</p> <ul style="list-style-type: none"> • Verified gross development value and assessed the terms and conditions of major sales transactions, in particular non-routine transactions, to ensure that revenue recognised conforms with the Group policy and the requirements of MFRS 15 Revenue from Contract with Customers. • Evaluated management prepared budgets for property development projects and ensured that budgets are appropriate and reflected current costs of operations and cost to complete. Challenged the reasonableness of management's assumptions and estimations on the budgeted total cost of development projects. • Tested samples of cost incurred to date to supporting documents such as contractor's claim certificates or supplier invoices. Where costs have not been billed or certified, determined adequacy of management's accruals of such costs by reviewing subsequent contractors' claims certificates, supplier invoices or approved architect's certificates. • Checked the mathematical accuracy of revenue and profit by recomputing stage of completion percentages by computing the proportion of property development costs incurred for work performed to date to the estimated total property development costs. • Performed site visit to assess the status of the development projects to arrive at an overall assessment as to whether information provided by management is reasonable.
<p><u>Valuation of investment properties</u></p> <p>As at 31 December 2021, the Group's investment properties which are carried at fair value amounted to RM554 million, which represents approximately 29% of the Group's total assets.</p> <p>The fair value of investment properties is estimated either by reference to market evidence of transaction prices for similar properties or the latest valuation carried out by independent professional valuer firms in December 2021.</p>	<ul style="list-style-type: none"> • Understood the management control process for determination of fair value of investment properties and evaluated the design and implementation of controls. • Performed site-visit to assess the physical condition of investment properties, especially the occupancy of the investment properties.

INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF I-BERHAD (CONT'D)

Key Audit Matters (continued)

Key audit matter	How the scope of our audit responded to the key audit matter
<p><u>Valuation of investment properties (continued)</u></p> <p>We focused on this area due to complexities in determining the fair value of the investment properties, which involved significant estimates and judgements in determining the appropriate valuation methodologies and estimating the underlying assumptions to be applied.</p> <p>Refer to "Key sources of estimation uncertainty" in Note 3(iii) to the financial statements.</p>	<ul style="list-style-type: none"> • Held discussion with independent external valuer to develop an understanding of the methodologies and assumptions used in performing the valuation. Challenged the basis of methodologies and assumptions used, which included verifying the property related input data applied by external valuer. • Assessed the independent external valuers' competency, capabilities and objectivity by checking the independent external valuers' qualification and declarations. • Obtained and verified the source information provided by management to the said independent valuer. Considered the appropriateness of the valuation techniques and challenged the basis and assumption used. • Recomputed the sensitivity analysis prepared by management underpinning the valuation, where applicable. • Assessed the adequacy and appropriateness of the related disclosures in the financial statements.
<p><u>Recoverability of completed inventories held for sale</u></p> <p>The Group recorded RM596 million of completed inventories as at 31 December 2021 as disclosed in Note 16 to the financial statements, which represents approximately 31% of the Group's total assets.</p> <p>Completed inventories are stated at the lower of cost and net realizable value ("NRV"). The recoverability of completed inventories held for sale are assessed based on estimation of the NRV of the underlying properties. This involves considerable analyses of expected future selling price based on prevailing market conditions such as current market prices of comparable properties and locations.</p> <p>Management applies significant judgement in estimating the underlying assumptions in determining the net realizable values of completed inventories.</p> <p>Refer to "Key sources of estimation uncertainty" in Note 3(v) to the financial statements.</p>	<ul style="list-style-type: none"> • Evaluated the Group's policy for valuation of completed properties through discussion with management and considered management's basis for determining the net realisable value. • Tested management's assessment of net realisable value by comparing it to recent transacted prices of similar or comparable completed property units and taking into consideration the estimated selling costs. Challenged the reasonableness of management's assumptions and estimation for determining the net realisable value. • Performed site visit to assess the condition of the inventories to arrive at an overall assessment as to whether information provided by management is reasonable and to ascertain if any write-down is warranted on long-aged property units due to physical obsolescence and deterioration of the units.

We have determined that there are no key audit matters in the audit of the financial statements of the Company to be communicated in our auditors' report.

INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF I-BERHAD (CONT'D)

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 information included in the annual report of the Group, but does not include the financial statements of the Group and of the Company and our auditors' report thereon.

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

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

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

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

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

Auditors' responsibilities for the audit of the financial statements

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

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

- 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 Group's and of the Company's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the Directors.

INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF I-BERHAD (CONT'D)

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

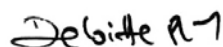
We communicate with Directors regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

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 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 auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

Other Matters

1. 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.
2. The financial statements of the Company for the financial year ended 31 December 2020 were audited by another firm of auditors whose report dated 12 May 2021 expressed an unmodified opinion.



DELOITTE PLT (LLP0010145-LCA)
Chartered Accountants (AF 0080)



MURALI A/L SAMY
Partner - 03377/06/2022 J
Chartered Accountant
8 April 2022

STATEMENTS OF COMPREHENSIVE INCOME

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2021

		Group		Company	
	Note	2021 RM'000	2020 RM'000 (Restated)	2021 RM'000	2020 RM'000
Revenue	4	80,214	80,101	–	1,200
Cost of sales	5	(43,672)	(56,235)	–	–
Gross profit		36,542	23,866	–	1,200
Other income		2,784	7,449	89	212
Finance income		361	2,609	11,757	13,650
Finance costs		(12,323)	(4,868)	(11,692)	(12,031)
Fair value (loss)/gain on investment properties		(5,151)	4,861	–	1,255
Fair value loss on assets held for sale		(799)	–	(462)	–
Sales and marketing expenses		(1,043)	(9,086)	–	–
Administrative and office expenses		(26,922)	(32,357)	(1,397)	(1,529)
Other operating expenses		–	–	(1,267)	(6,503)
Impairment losses on trade and other receivables - Net		(5,321)	(3,429)	–	–
Share of results of associates	13	13,215	11,757	–	–
Profit/(Loss) before tax	6	1,343	802	(2,972)	(3,746)
Taxation	8	(919)	827	32	(4,472)
Profit/(Loss)/Total comprehensive income/(loss) for the financial year		424	1,629	(2,940)	(8,218)
Profit/(Loss) for the financial year attributable to:					
Owners of the Company		369	1,665	(2,940)	(8,218)
Non-controlling interests		55	(36)	–	–
		424	1,629	(2,940)	(8,218)
Total comprehensive income/(loss) for the financial year attributable to:					
Owners of the Company		369	1,665	(2,940)	(8,218)
Non-controlling interests		55	(36)	–	–
		424	1,629	(2,940)	(8,218)
Earnings per ordinary share attributable to owners of the Company (sen):					
Basic	9 (a)	0.03	0.15		
Diluted	9 (b)	0.03	0.08		

The accompanying notes form an integral part of the financial statements.

STATEMENTS OF FINANCIAL POSITION

AS AT 31 DECEMBER 2021

	Note	31.12.2021 RM'000	Group 31.12.2020 RM'000 (Restated)	1.1.2020 RM'000 (Restated)	Company 2021 RM'000	2020 RM'000
ASSETS						
Non-current Assets						
Property, plant and equipment	10	232,775	208,653	161,847	*	78
Investment properties	11	554,004	555,706	509,376	—	—
Investment in subsidiary companies	12	—	—	—	1,001,236	1,147,570
Associates	13	231,298	218,083	206,326	—	—
Goodwill	14	—	—	—	—	—
Intangible assets	15	85	91	—	—	—
Deferred tax assets	26	13,141	16,594	5,272	—	—
Total Non-current Assets		1,031,303	999,127	882,821	1,001,236	1,147,648
Current Assets						
Inventories	16	769,852	794,989	780,085	—	—
Receivables and contract assets	17	56,539	72,843	84,719	83	—
Amounts due from subsidiary companies, related companies and ultimate holding	18	928	928	928	219,211	235,276
Current tax assets		7,356	1,994	6,218	262	262
Short-term funds with licensed financial institutions	19	2,028	15,245	119,766	2,024	15,241
Cash and bank balances	20	21,304	23,130	19,403	61	647
		858,007	909,129	1,011,119	221,641	251,426
Assets classified as held for sale	21	17,566	18,365	—	10,163	10,625
Total Current Assets		875,573	927,494	1,011,119	231,804	262,051
TOTAL ASSETS		1,906,876	1,926,621	1,893,940	1,233,040	1,409,699
EQUITY AND LIABILITIES						
Equity attributable to owners of the Company						
Share capital	22	646,686	643,249	640,035	646,686	643,249
Treasury shares	22	—	(1,341)	—	—	(1,341)
Retained earnings	23	358,560	357,398	363,547	120,672	122,819
RCCPS - equity component	24	122,001	125,107	127,893	122,001	125,107
RCULS - equity component	25	14,547	14,547	14,547	14,547	14,547
		1,141,794	1,138,960	1,146,022	903,906	904,381
Non-controlling interests		249	194	230	—	—
TOTAL EQUITY		1,142,043	1,139,154	1,146,252	903,906	904,381

* Amount is less than RM1,000.

STATEMENTS OF FINANCIAL POSITION (CONT'D)

AS AT 31 DECEMBER 2021

	Note	31.12.2021 RM'000	Group 31.12.2020 RM'000 (Restated)	1.1.2020 RM'000 (Restated)	Company 2021 RM'000	2020 RM'000
Non-current Liabilities						
Deferred tax liabilities	26	10,652	10,969	11,784	568	614
RCCPS - liability component	24	–	6,104	12,257	–	6,104
RCULS - liability component	25	–	192,668	191,666	–	192,668
Payables and contract liabilities	27	50,763	57,767	–	50,763	57,767
Hire purchase liability	28	–	52	127	–	–
Lease liabilities	29	11	1,097	2,817	–	–
Bank borrowings	30	79,102	17,585	20,313	–	–
Total Non-current Liabilities		140,528	286,242	238,964	51,331	257,153
Current Liabilities						
RCCPS - liability component	24	6,557	7,019	7,372	6,557	7,019
RCULS - liability component	25	203,749	10,050	10,050	203,749	10,050
Payables and contract liabilities	27	375,708	429,200	405,605	14,743	7,674
Amounts due to holding companies	31	2,517	19,604	50,849	–	18,000
Amounts due to subsidiary companies and a related party	31	–	–	–	52,754	205,340
Current tax liabilities		122	2,242	2,933	–	–
Hire purchase liability	28	52	75	71	–	–
Lease liabilities	29	1,267	1,785	2,157	–	82
Bank borrowings	30	34,333	31,250	29,687	–	–
Total Current Liabilities		624,305	501,225	508,724	277,803	248,165
Total Liabilities		764,833	787,467	747,688	329,134	505,318
TOTAL EQUITY AND LIABILITIES		1,906,876	1,926,621	1,893,940	1,233,040	1,409,699

The accompanying notes form an integral part of the financial statements.

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2021

Group	Note	Non-distributable reserves				Distributable reserve		Total attributable to owners of the Company RM'000	Non-controlling interest RM'000	Total equity RM'000
		Share capital RM'000	Treasury shares RM'000	RCCPS-equity component RM'000	RCULS-equity component RM'000	Retained earnings RM'000				
At 1 January 2021, as previously reported		643,249	(1,341)	125,107	14,547	397,239		1,178,801	194	1,178,995
Effects of adoption of Agenda Decision	39	–	–	–	–	(39,841)		(39,841)	–	(39,841)
At 1 January 2021 (Restated)		643,249	(1,341)	125,107	14,547	357,398		1,138,960	194	1,139,154
Profit/Total comprehensive income for the financial year		–	–	–	–	369		369	55	424
Transactions with owners:										
Conversion of RCCPS	22,24	3,437	–	(3,106)	–	–		331	–	331
Disposal of treasury shares	22(b)	–	1,341	–	–	793		2,134	–	2,134
Total transactions with owners		3,437	1,341	(3,106)	–	793		2,465	–	2,465
At 31 December 2021		646,686	–	122,001	14,547	358,560		1,141,794	249	1,142,043

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY (CONT'D)

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2021

Group	Note	Share capital RM'000	Non-distributable reserves			Distributable reserve		Total attributable to owners of the Company RM'000	Non- controlling interest RM'000	Total equity RM'000
			Treasury shares RM'000	RCCPS- equity component RM'000	RCULS- equity component RM'000	Retained earnings RM'000				
At 1 January 2020, as previously reported		640,035	–	127,893	14,547	401,741		1,184,216	230	1,184,446
Effects of adoption of Agenda Decision	39	–	–	–	–	(38,194)		(38,194)	–	(38,194)
At 1 January 2020 (Restated)		640,035	–	127,893	14,547	363,547		1,146,022	230	1,146,252
Profit/Total comprehensive income for the financial year		–	–	–	–	1,665		1,665	(36)	1,629
Transactions with owners:										
Dividends paid	34	–	–	–	–	(7814)		(7814)	–	(7814)
Conversion of RCCPS	22,24	3,214	–	(2,786)	–	–		428	–	428
Acquisition of treasury shares	22(b)	–	(1,341)	–	–	–		(1,341)	–	(1,341)
Total transactions with owners		3,214	(1,341)	(2,786)	–	(7814)		(8,727)	–	(8,727)
At 31 December 2020 (Restated)		643,249	(1,341)	125,107	14,547	357,398		1,138,960	194	1,139,154

The accompanying notes form an integral part of the financial statements.

STATEMENT OF CHANGES IN EQUITY

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2021

Company	Note	Share capital RM'000	Non-distributable reserves			Distributable reserve	Total equity RM'000
			Treasury shares RM'000	RCCPS- equity component RM'000	RCULS- equity component RM'000		
At 1 January 2021		643,249	(1,341)	125,107	14,547	122,819	904,381
Loss/Total comprehensive loss for the financial year		–	–	–	–	(2,940)	(2,940)
Transactions with owners:							
Conversion of RCCPS	22,24	3,437	–	(3,106)	–	–	331
Acquisition of treasury shares	22(b)	–	1,341	–	–	793	2,134
Total transactions with owners		3,437	1,341	(3,106)	–	793	2,465
At 31 December 2021		646,686	–	122,001	14,547	120,672	903,906
At 1 January 2020		640,035	–	127,893	14,547	138,851	921,326
Loss/Total comprehensive loss for the financial year		–	–	–	–	(8,218)	(8,218)
Transactions with owners:							
Dividends paid	34	–	–	–	–	(7,814)	(7,814)
Conversion of RCCPS	22,24	3,214	–	(2,786)	–	–	428
Acquisition of treasury shares	22(b)	–	(1,341)	–	–	–	(1,341)
Total transactions with owners		3,214	(1,341)	(2,786)	–	(7,814)	(8,727)
At 31 December 2020		643,249	(1,341)	125,107	14,547	122,819	904,381

The accompanying notes form an integral part of the financial statements.

STATEMENTS OF CASH FLOWS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2021

	Group		Company	
	2021 RM'000	2020 RM'000 (Restated)	2021 RM'000	2020 RM'000
CASH FLOWS FROM OPERATING ACTIVITIES				
Profit/(Loss) before tax	1,343	802	(2,972)	(3,746)
Adjustments for:				
Depreciation of:				
- Property, plant and equipment	6,464	7,704	—	*
- Right-of-use assets	530	530	78	78
Amortisation of intangible assets	33	7	—	—
Finance costs	12,323	4,868	11,692	12,031
Write-off of property, plant and equipment	—	161	—	—
Write down of inventories	—	5,852	—	—
Fair value loss/(gain) on investment properties	5,151	(4,861)	—	(1,255)
Fair value loss on asset held for sale	799	—	462	—
Dividend income	—	—	—	(1,200)
Income on short term funds	(67)	(1,628)	(67)	(1,628)
Interest income	(294)	(981)	(11,690)	(12,022)
Impairment of investments in subsidiary companies	—	—	1,625	8,211
Impairment of advances to a subsidiary company	—	—	141	114
Impairment losses on trade and other receivables	5,712	3,467	—	—
Reversal of impairment of investment in subsidiary companies	—	—	(391)	—
Reversal of impairment of amount due from subsidiary companies	—	—	(108)	(1,822)
Reversal of impairment losses on trade and other receivables no longer required	(391)	(38)	—	(3)
Share of results of associates, net of tax	(13,215)	(11,757)	—	—
Rent concession received	(285)	(718)	—	—
Termination of lease contract	—	(73)	—	—
Operating Profit/(Loss) Before Changes In Working Capital	18,103	3,335	(1,230)	(1,242)
Changes in working capital:				
Inventories	25,586	(19,229)	—	—
Receivables and contract assets	10,984	9,048	(112)	5
Payables and contract liabilities	(56,621)	(6,268)	(6,779)	(602)
Amounts due to holding companies	—	(645)	—	—
Cash Used In Operations	(1,948)	(13,759)	(8,121)	(1,839)
Tax refunded	134	1,250	—	—
Tax paid	(5,399)	(9,972)	(14)	(33)
Net Cash Used In Operating Activities	(7,213)	(22,481)	(8,135)	(1,872)

* Amount is less than RM1,000.

STATEMENTS OF CASH FLOWS (CONT'D)

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2021

		Group		Company	
	Note	2021 RM'000	2020 RM'000 (Restated)	2021 RM'000	2020 RM'000
CASH FLOWS FROM INVESTING ACTIVITIES					
Repayment of loan amount owing from subsidiaries		–	–	–	943
Repayment from/(Advances to) subsidiaries		–	–	20,265	(103,322)
Dividends received		–	–	–	18,000
Interest received		361	2,007	67	1,628
Withdrawal from short-term funds with licensed financial institutions		13,115	104,265	13,217	104,521
Development of investment properties under construction		(4,950)	(23,268)	–	–
Purchase of property, plant and equipment		(38,490)	(33,207)	–	–
Purchase of intangible assets		(27)	(98)	–	–
Net Cash (Used In)/Generated From Investing Activities		(29,991)	49,699	33,549	21,770
CASH FLOWS FROM FINANCING ACTIVITIES					
Dividends paid		–	(7,814)	–	(7,814)
Coupon payment for RCULS		(10,050)	(10,078)	(10,050)	(10,078)
Disposal/(Acquisition) of treasury shares		2,134	(1,341)	2,134	(1,341)
Repayment of hire purchase		(75)	(75)	–	–
Repayment of lease liabilities		(1,729)	(1,695)	(84)	(84)
Drawdown from bank borrowings		67,367	–	–	–
Repayment of bank borrowings		(2,603)	(1,561)	–	–
Interest payment on bank borrowings		(2,676)	(1,177)	–	–
Interest payment on hire purchase		(5)	(5)	–	–
Repayment to immediate holding company		(18,000)	–	(18,000)	–
Advances from holding companies		913	–	–	–
Net Cash Generated From/(Used In) Financing Activities		35,276	(23,746)	(26,000)	(19,317)
NET (DECREASE)/INCREASE IN CASH AND CASH EQUIVALENTS		(1,928)	3,472	(586)	581
CASH AND CASH EQUIVALENTS AT BEGINNING OF FINANCIAL YEAR		11,275	7,803	608	27
CASH AND CASH EQUIVALENTS AT END OF FINANCIAL YEAR	20	9,347	11,275	22	608

The accompanying notes form an integral part of the financial statements.

STATEMENTS OF CASH FLOWS (CONT'D)

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2021

(i) Changes in liabilities arising from financing activities

Group	Note	At 1.1.2021 RM'000	Cash flow (including interest paid) RM'000	Non-cash Changes					At 31.12.2021 RM'000
				New lease liabilities RM'000	Interest accretion RM'000	Conversion to equity RM'000	Rent concession RM'000	Dividend payable RM'000	
RCCPS	24	13,123	-	-	609	(331)	-	(6,844)	6,557
- liability component RCULS									
- liability component	25	202,718	(10,050)	-	11,081	-	-	-	203,749
Hire purchase liability	28	127	(80)	-	5	-	-	-	52
Lease liabilities	29	2,882	(1,729)	298	112	-	(285)	-	1,278
Bank borrowings	30	48,835	61,924	-	2,676	-	-	-	113,435
		267,685	50,065	298	14,483	(331)	(285)	(6,844)	325,071

Group	Note	At 1.1.2020 RM'000	Cash flow (including interest paid) RM'000	Non-cash Changes					At 31.12.2020 RM'000
				New lease liabilities RM'000	Interest accretion RM'000	Conversion to equity RM'000	Rent concession RM'000	Dividend payable RM'000	
RCCPS	24	19,629	-	-	941	(428)	-	(7,019)	13,123
- liability component RCULS									
- liability component	25	201,716	(10,078)	-	11,080	-	-	-	202,718
Hire purchase liability	28	198	(80)	-	9	-	-	-	127
Lease liabilities	29	4,974	(1,695)	67	254	-	(718)	-	2,882
Bank borrowings	30	50,000	(2,738)	-	1,573	-	-	-	48,835
		276,517	(14,591)	67	13,857	(428)	(718)	(7,019)	267,685

STATEMENTS OF CASH FLOWS (CONT'D)

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2021

(i) Changes in liabilities arising from financing activities (continued)

Company	Note	At 1.1.2021 RM'000	Cash flow (including interest paid) RM'000	Non-cash Changes			At 31.12.2021 RM'000
				Interest accretion RM'000	Conversion to equity RM'000	Dividend payable RM'000	
RCCPS							
- liability component	24	13,123	-	609	(331)	(6,844)	6,557
RCULS							
- liability component	25	202,718	(10,050)	11,081	-	-	203,749
Lease liabilities	29	82	(84)	2	-	-	-
		215,923	(10,134)	11,692	(331)	(6,844)	210,306
Company	Note	At 1.1.2020 RM'000	Cash flow (including interest paid) RM'000	Non-cash Changes			At 31.12.2020 RM'000
				Interest accretion RM'000	Conversion to equity RM'000	Dividend payable RM'000	
RCCPS							
- liability component	24	19,629	-	941	(428)	(7,019)	13,123
RCULS							
- liability component	25	201,716	(10,078)	11,080	-	-	202,718
Lease liabilities	29	156	(84)	10	-	-	82
		221,501	(10,162)	12,031	(428)	(7,019)	215,923

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2021

1. GENERAL INFORMATION

The principal activity of the Company is investment holding. The principal activities of the subsidiaries are set out in Note 12. There have been no significant changes in the nature of these activities during the financial year.

I-Berhad ('the Company') is a public limited liability company, incorporated and domiciled in Malaysia, and is listed on the Main Market of Bursa Malaysia Securities Berhad.

The registered office and principal place of business of the Company is located at Level 31, Sumurwang Tower, i-City, Selangor Golden Triangle, 40000 Shah Alam, Selangor Darul Ehsan.

The Directors regard Sumur Ventures Sdn. Bhd. and Sumurwang Sdn. Bhd., as the ultimate and immediate holding companies respectively. Both companies are incorporated in Malaysia.

The consolidated financial statements for the financial year ended 31 December 2021 comprise the Company and its subsidiaries and the interests of the Group in associates. These financial statements are presented in Ringgit Malaysia ('RM'), which is also the functional currency of the Company.

The financial statements have been approved for issue in accordance with a resolution of the Board of Directors dated 8 April 2022.

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

(a) Basis of preparation

The financial statements of the Group and of the Company for the financial year ended 31 December 2021 have been prepared in accordance with Malaysian Financial Reporting Standards ("MFRS"), International Financial Reporting Standards ("IFRS") and the requirements of the Companies Act 2016 in Malaysia.

The financial statements have been prepared under the historical cost convention except for certain non-current assets and financial instruments that are measured at fair value at the end of reporting period as disclosed in this summary of significant accounting policies.

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date, regardless of whether that price is directly observable or estimated using another valuation technique. In estimating the fair value of an asset or a liability, the Group takes into account the characteristics of the asset or liability at the measurement date. Fair value for measurement and/or disclosure purposes in these financial statements is determined on such a basis, except for leasing transactions that are within the scope of MFRS 16 Leases, and measurements that have some similarities to fair value but are not fair value, such as net realisable value in MFRS 102 Inventories or value in use in MFRS 136 Impairment of Assets.

The preparation of financial statements in conformity with MFRS requires the use of certain critical accounting estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements, and the reported amounts of revenues and expenses during the reported period. It also requires Directors to exercise their judgement in the process of applying the Group's and the Company's accounting policies. Although these estimates and judgement are based on the Directors' best knowledge of current events and actions, actual results may differ. The areas involving a higher degree of judgement or complexity, or areas where assumptions and estimates are significant to the financial statements are disclosed in Note 3.

NOTES TO THE FINANCIAL STATEMENTS (CONT'D)

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2021

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

(a) Basis of preparation (continued)

Adoption of amended Malaysian Financial Reporting Standards and IFRIC Agenda Decision

(i) Adoption of amended Malaysian Financial Reporting Standards

In the current financial year, the Group and the Company have adopted all the amendments to MFRSs issued by Malaysian Accounting Standards Board ("MASB") that are effective for annual periods beginning on or after 1 January 2021.

Amendments to:

MFRS 9, MFRS 139, MFRS 7, MFRS 4 and MFRS 16

Interest rate Benchmark Reform – Phase 2

The adoption of these amendments to MFRSs did not result in significant changes in the accounting policies of the Group and of the Company and has no significant effect on the financial performance or position of the Group and of the Company.

(ii) IFRIC agenda decision

In March 2019, IFRIC published an agenda decision on borrowings costs confirming, receivables, contract assets and inventories for which revenue is recognised over time are non-qualifying assets for purpose of capitalisation of borrowing costs. On 20 March 2019, the Malaysian Accounting Standards Board ("MASB") decided an entity shall apply the change in accounting policy as a result of the IFRIC Agenda Decision to financial statements of annual periods beginning on or after 1 July 2020.

Effective 1 January 2021, the Group had changed its accounting policy and applied the Agenda Decision retrospectively. The comparatives figures have been restated as a result of transition requirement and presented in Note 39.

Standards and Amendments in Issue But Not Yet Effective

At the date of authorisation for issue of these financial statements, the new and revised MFRSs and amendments to MFRSs which were in issue but not yet effective and not early adopted by the Group and the Company are as listed below:

MFRS 17	Insurance Contracts ²
Amendments to:	
MFRS 3	Reference to the Conceptual Framework ¹
MFRS 4	Extension of the Temporary Exemption from Applying MFRS 9 ²
MFRS 116	Property, Plant and Equipment – Proceeds before Intended Use ¹
MFRS 137	Onerous Contracts – Cost of Fulfilling a Contract ¹
MFRS 101	Disclosure of Accounting Policies ²
MFRS 101	Classification of Liabilities as Current or Non-current ²
MFRS 17	Insurance Contracts ²
MFRS 108	Definition of Accounting Estimates ²
MFRS 112	Income Taxes on Deferred Tax related to Assets and Liabilities arising from a Single Transaction ²
MFRS 10 and MFRS 128	Sale or Contribution of Assets between an Investor and its Associate or Joint Venture ³
Annual improvement to MFRS Standards 2018 – 20201	

¹ Effective for annual periods beginning on or after 1 January 2022, with earlier application permitted.

² Effective for annual periods beginning on or after 1 January 2023, with earlier application permitted.

³ Effective date deferred to a date to be determined and announced, with earlier application still permitted.

The Directors anticipate that the abovementioned MFRSs and amendments to MFRSs will be adopted in the annual financial statements of the Group and of the Company when they become effective and that the adoption of these MFRSs and amendments to MFRSs will have no material impact on the financial statements of the Group and of the Company in the period of initial application.

NOTES TO THE FINANCIAL STATEMENTS (CONT'D)

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2021

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

(b) Consolidation

(i) Subsidiaries

Subsidiaries are all entities (including structured entities) over which the Group has control. The Group controls an entity when the Group is exposed to, 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. Subsidiaries are fully consolidated from the date on which control is transferred to the Group. They are deconsolidated from the date that control ceases.

The Group applies the acquisition method to account for business combinations. The consideration transferred for the acquisition of a subsidiary is the fair value of any asset transferred, the liabilities incurred to the former owners of the acquiree and the equity interests issued by the Group. The consideration transferred includes the fair value of any asset or liability resulting from a contingent consideration arrangement. Acquisition-related costs are expensed as incurred. Identifiable assets acquired and liabilities and contingent liabilities assumed in a business combination are measured initially at their fair values at the acquisition date.

The Group recognises any non-controlling interest in the acquiree on an acquisition-by-acquisition basis, either at fair value or at the non-controlling interest's proportionate share of the recognised amounts of acquiree's identifiable net assets.

The excess of the consideration transferred, the amount of any non-controlling interest in the acquiree and the acquisition-date fair value of any previous equity interest in the acquiree over the fair value of the identifiable net assets acquired is recognised as goodwill. If the total consideration transferred, non-controlling interest recognised and previously held interest measured is less than the fair value of the net assets of the subsidiary acquired in the case of a bargain purchase, the difference is recognised directly in the statements of comprehensive income (see Note 2(c) on goodwill).

If the business combination is achieved in stages, the acquisition date carrying value of the acquirer's previously held equity interest in the acquiree is remeasured to fair value at the acquisition date and any gains or losses arising from such remeasurement are recognised in statements of comprehensive income.

Any contingent consideration to be transferred by the Group is recognised at fair value at the acquisition date. Subsequent changes to the fair value of the contingent consideration that is deemed to be an asset or liability is recognised in accordance with MFRS 9 either in profit or loss as a change to other comprehensive income. Contingent consideration that is classified as equity is not remeasured, and its subsequent settlement is accounted for within equity.

Intercompany transactions, balances and unrealised gains on transactions between Group companies are eliminated. Unrealised losses are also eliminated. When necessary, amounts reported by subsidiaries have been adjusted to conform to the Group's accounting policies.

Non-controlling interests in the results and equity of subsidiaries are shown separately in the statements of comprehensive income, consolidated statement of changes in equity and statements of financial position respectively.

When the Group ceases to have control, any retained interest in the entity is remeasured to its fair value at the date when control is lost, with the change in carrying amount recognised in statements of comprehensive income. The fair value is the initial carrying amount for the purposes of subsequently accounting for the retained interest as an associate, joint venture or financial asset. In addition, any amounts previously recognised in other comprehensive income in respect of that entity are accounted for as if the Group had directly disposed of the related assets or liabilities. This may mean that amounts previously recognised in other comprehensive income are reclassified to profit and loss.

Gains or losses on the disposal of subsidiaries include the carrying amount of goodwill relating to the subsidiaries sold.

NOTES TO THE FINANCIAL STATEMENTS (CONT'D)

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2021

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

(b) Consolidation (continued)

(ii) Transactions with non-controlling interests

Transactions with non-controlling interests that do not result in loss of control are accounted for as equity transactions - that is, as transactions with the owners in their capacity as owners. The difference between fair value of any consideration paid and the relevant shares acquired of the carrying value of the net assets of the subsidiary is recorded in equity. Gains or losses on disposals to non-controlling interests are also recorded in equity.

(iii) Associates

Associates are all entities over which the Group has significant influence but not control or joint control, generally accompanying a shareholding of between 20% and 50% of the voting rights. The existence and the effect of potential voting rights are considered when assessing whether the Group exercises significant influence over another entity. Significant influence is the power to participate in the financial and operating policy decisions of the associates but not the power to exercise control over those policies.

Investments in associates are accounted for using equity method of accounting. Under the equity method, the investment is initially recognised at cost, and adjusted thereafter to recognise the Group's share of the post-acquisition profits or losses of the associate in profit or loss, and the Group's share of movements in other comprehensive income of the associate in other comprehensive income. Dividends received or receivable from an associate are recognised as a reduction in the carrying amount of the investment. When the Group's share of losses in an associate equals or exceeds its interests in the associate, including any long-term interests that, in substance, form part of the Group's net investment in the associate, the Group does not recognise further losses, unless it has incurred legal or constructive obligations or made payments on behalf of the associate. The Group's investment in associates includes goodwill identified on acquisition.

The Group determines at each reporting date whether there is any objective evidence that the investment in the associate is impaired. An impairment loss is recognised for the amount by which the carrying amount of the associate exceeds its recoverable amount.

Profits and losses resulting from upstream and downstream transactions between the Group and its associate are recognised in the Group's financial statements only to the extent of unrelated investor's interests in the associates. Unrealised losses are eliminated unless the transaction provides evidence of an impairment of the asset transferred. Accounting policies of associates have been changed where necessary to ensure consistency with the policies adopted by the Group.

When the Group ceases to equity account its associate because of a loss of significant influence, any retained interest in the entity is remeasured to its fair value with the change in carrying amount recognised in profit or loss. This fair value becomes the initial carrying amount for the purposes of subsequently accounting for the retained interest as a financial asset. In addition, any amount previously recognised in other comprehensive income in respect of the entity is accounted for as if the Group had directly disposed of the related assets or liabilities. This may mean that amounts previously recognised in other comprehensive income are reclassified to profit or loss.

If the ownership interest in an associate is reduced but significant influences retained, only a proportionate share of the amounts previously recognised in other comprehensive income is reclassified to profit or loss where appropriate.

NOTES TO THE FINANCIAL STATEMENTS (CONT'D)

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2021

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

(b) Consolidation (continued)

(iv) Investments in subsidiaries and associates

In the Company's separate financial statements, investments in subsidiaries and associates are carried at cost less accumulated impairment losses. On disposal of investments in subsidiaries and associates, the difference between disposal proceeds and the carrying amounts of the investments are recognised in the statements of comprehensive income.

Investments in subsidiaries and associates are assessed for indication of impairment. If an indication exists, an impairment test is performed. This exercise is performed annually and whenever events or circumstances occur indicating that impairment may exist.

An impairment loss is recognised for the amount by which the carrying amount of the subsidiary exceeds its recoverable amount. The recoverable amount is the higher of an asset's fair value less costs to sell and present value of the estimated future cash flows expected to be derived from the investment including the proceeds from its disposal. Any subsequent increase in recoverable amount is recognised in the statements of comprehensive income.

The amounts due from subsidiaries on which the Company does not expect repayment in the foreseeable future are considered as part of the Company's investments in subsidiaries.

(c) Goodwill

Goodwill represents the excess of the aggregate of the consideration transferred, the amount of any non-controlling interest and the fair value of any previously held equity interest in the acquiree at the acquisition date over the fair value of the net identifiable assets acquired and liabilities assumed. If the total consideration transferred, non-controlling interest recognised and previously held interest measured is less than the fair value of the net assets of the subsidiary acquired, the difference is recognised directly in statements of comprehensive income.

Goodwill on acquisition of subsidiaries is included in the statement of financial position as intangible assets. Goodwill is not amortised but is tested annually for impairment or more frequently if events or changes in circumstances indicate a potential impairment and carried at cost less accumulated impairment. Gains and losses on the disposal of an entity include the carrying amount of goodwill relating to the entity sold.

Goodwill is allocated to cash-generating units for the purpose of impairment testing. The allocation is made to those cash-generating units or groups of cash-generating units that are expected to benefit from the synergies of the business combination in which the goodwill arose. The Group allocates goodwill to each business segment in each country in which it operates. The carrying value of goodwill is compared to the recoverable amount, which is the higher of value in use and the fair value less costs of disposal. Any impairment is recognised immediately as an expense and is not subsequently reversed.

Goodwill on acquisitions of associates is included in investments in associates. Such goodwill is tested for impairment as part of the total carrying value.

(d) Investments

Short term investments in marketable securities are classified as financial assets at fair value through profit or loss and measured at fair value on the date a transaction is entered into and are subsequently re-measured at fair value with changes in fair value recognised in statements of comprehensive income. Market value is calculated by reference to stock exchange quoted selling prices at the close of business on the statement of reporting date. On disposal of an investment, the difference between net disposal proceeds and its fair value is recognised in statements of comprehensive income.

NOTES TO THE FINANCIAL STATEMENTS (CONT'D)

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2021

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

(e) Impairment of non-financial assets

Assets that have an indefinite useful life, for example goodwill is not subject to amortisation and is tested annually for impairment. Assets that are subject to amortisation are reviewed for impairment whenever events or changes in circumstances indicate that the carrying amount may not be recoverable. An impairment loss is recognised for the amount by which the carrying amount of the asset exceeds its recoverable amount. The recoverable amount is the higher of an asset's fair value less costs of disposal and value in use. For the purposes of assessing impairment, assets are grouped at the lowest levels for which there are separately identifiable cash flows which are largely independent of the cash inflows from other assets or groups of assets (cash-generating units). Non-financial assets other than goodwill that suffered an impairment are reviewed for possible reversal of the impairment at each reporting date.

The impairment loss is charged to profit or loss unless it reverses a previous revaluation in which case it is charged to the revaluation surplus. Impairment losses on goodwill are not reversed. In respect of other assets, any subsequent increase in recoverable amount is recognised in profit or loss unless it reverses an impairment loss on a revalued asset in which case it is taken to revaluation surplus reserve.

(f) Property, plant and equipment

Property, plant and equipment are initially stated at cost. The cost of an item of property, plant and equipment initially recognised includes its purchase price, import duties, non-refundable purchase taxes and any cost that is directly attributable to bringing the asset to the location and condition necessary for it to be capable of operating in the manner intended by management. Cost also includes borrowing costs that are directly attributable to the acquisition, construction or production of a qualifying asset. See accounting policy Note 2(s) on borrowing costs.

Subsequent costs are included in the asset's carrying amount or recognised as a separate asset, as appropriate, only when the cost is incurred and it is probable that the future economic benefits associated with the subsequent costs would flow to the Group and the cost of the asset could be measured reliably. The carrying amount of parts that are replaced is derecognised. All other repairs and maintenance are recognised in statements of comprehensive income as incurred.

Cost also comprises the initial estimate of dismantling and removing the asset and restoring the site on which it is located for which the Group is obligated to incur when the asset is acquired, if applicable.

Each part of an item of property, plant and equipment with a cost that is significant in relation to the total cost of the asset and which has a different useful life, is depreciated separately.

Gains or losses on disposals are determined by comparing proceeds with carrying amount and are included in 'Other operating income' or 'Other operating expenses' in the statements of comprehensive income.

Freehold land is not depreciated as it has an infinite life. Other property, plant and equipment are depreciated on the straight-line method to allocate the cost to the depreciation rates as follows:

Sales gallery	20%
Hotel properties	
- Hotel building	1%
- Plant and equipment	10%
Office equipment, furniture, fittings and fixtures and renovation	10% to 33%
Motor vehicles	20%
Plant and equipment	10% to 50%

Depreciation on assets under construction commences when the assets are ready for their intended use.

NOTES TO THE FINANCIAL STATEMENTS (CONT'D)

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2021

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

(f) Property, plant and equipment (continued)

Residual values and useful lives of assets are reviewed and adjusted if appropriate at the end of the reporting period. The Group carries out assessment on residual values and useful lives of assets on an annual basis. There was no adjustment arising from the assessment performed in the financial year.

At the end of the reporting period, the Group assesses whether there is any indication of impairment. If such indications exist, an analysis is performed to assess whether the carrying amount of the asset is fully recoverable. A write down is made if the carrying amount exceeds the recoverable amount. See accounting policy Note 2(e) on impairment of non-financial assets.

(g) Investment properties

Investment properties are properties which are held to earn rental yields or for capital appreciation or for both and are not occupied by the Group. Investment properties also include properties that are being constructed or developed for future use as investment properties. Investment properties are initially measured at cost, which includes transaction costs. After initial recognition, investment properties are carried at fair value.

If the Group determines that the fair value of an investment property under construction is not reliably determinable but expects the fair value of the property to be reliably determinable when construction is complete, the Group shall measure that investment property under construction at cost until either its fair value becomes reliably determinable or construction is completed (whichever is earlier). Once the Group is able to measure reliably the fair value of an investment property under construction that has previously been measured at cost, the Group shall measure that property at its fair value.

The fair value of investment properties reflect among other things, rental income from current leases and other assumptions that market participants would use when pricing investment properties under current market conditions.

A gain or loss arising from a change in the fair value of investment properties is recognised in the statements of comprehensive income for the period in which it arises.

Investment properties are derecognised when either they have been disposed of or when they are permanently withdrawn from use and no future economic benefit is expected from their disposal. The gains or losses arising from the retirement or disposal of investment property is determined as the difference between the net disposal proceeds, if any, and the carrying amount of the asset and is recognised in the statements of comprehensive income in the period of the retirement or disposal.

(h) Intangible assets

a) Computer software

Costs associated with maintaining computer software programmes are recognised as an expense as incurred. Development costs that are directly attributable to the design and testing of identifiable and unique software products controlled by the Group are recognised as intangible assets when the following criterias are met:

- (i) it is technically feasible to complete the software product so that it will be available for use;
- (ii) management intends to complete the software product and use or sell it;
- (iii) there is an ability to use or sell the software product;
- (iv) it can be demonstrated how the software product will generate probable future economic benefits;
- (v) adequate technical, financial and other resources to complete the development and to use or sell the software product are available; and

NOTES TO THE FINANCIAL STATEMENTS (CONT'D)

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2021

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

(h) Intangible assets (continued)

a) Computer software (continued)

(vi) the expenditure attributable to the software product during its development can be reliably measured.

Directly attributable costs that are capitalised as part of the software product include the software development employee costs and an appropriate portion of relevant overheads.

Other development expenditures that do not meet these criteria are recognised as an expense as incurred. Development costs previously recognised as an expense are not recognised as an asset in a subsequent period.

Computer software development costs recognised as assets are amortised from the point at which the asset is ready for use over their estimated useful lives, which does not exceed 3 years.

(i) Leases

Accounting by lessee

Leases are recognised as right-of-use ('ROU') asset and a corresponding liability at the date on which the leased asset is available for use by the Group (i.e. the commencement date).

Contracts may contain both lease and non-lease components. The Group allocates the consideration in the contract to the lease and non-lease components based on their relative stand-alone prices. However, for leases of properties for which the Group is a lessee, it has elected the practical expedient provided in MFRS 16 not to separate lease and non-lease components. Both components are accounted for as a single lease component and payments for both components are included in the measurement of lease liability.

Lease term

In determining the lease term, the Group considers all facts and circumstances that create an economic incentive to exercise an extension option, or not to exercise a termination option. Extension options (or periods after termination options) are only included in the lease term if the lease is reasonably certain to be extended (or not to be terminated).

The Group reassess the lease term upon the occurrence of a significant event or change in circumstances that is within the control of the Group and affects whether the Group is reasonably certain to exercise an option not previously included in the determination of lease term, or not to exercise an option previously included in the determination of lease term. A revision in lease term results in remeasurement of the lease liabilities. See accounting policy below on reassessment of lease liabilities.

ROU Assets

ROU assets are initially measured at cost comprising the following:

- The amount of the initial measurement of lease liability;
- Any lease payments made at or before the commencement date less any lease incentive received;
- Any initial direct costs; and
- Decommissioning or restoration costs.

NOTES TO THE FINANCIAL STATEMENTS (CONT'D)

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2021

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

(i) Leases (continued)

ROU Assets (continued)

ROU assets that are not investment properties are subsequently measured at cost, less accumulated depreciation and impairment loss (if any). The ROU assets are generally depreciated over the shorter of the asset's useful life and the lease term on a straight-line basis. If the Group is reasonably certain to exercise a purchase option, the ROU asset is depreciated over the underlying asset's useful life. In addition, the ROU assets are adjusted for certain remeasurement of the lease liabilities.

The Group presents ROU assets that meet the definition of investment property in the statements of financial position as investment property. ROU assets that are not investment properties are presented as property, plant and equipment in the statements of financial position.

Lease liabilities

Lease liabilities are initially measured at the present value of the lease payments that are not paid at that date. The lease payments include the following:

- Fixed payments (including in-substance fixed payments), less any lease incentive receivable;
- Variable lease payments that are based on an index or a rate, initially measured using the index or rate as at the commencement date;
- Amounts expected to be payable by the Group under residual value guarantees;
- The exercise price of a purchase and extension options if the Group is reasonably certain to exercise that option; and
- Payments of penalties for terminating the lease, if the lease term reflects the Group exercising that option.

Lease payments are discounted using the interest rate implicit in the lease. If that rate cannot be readily determined, which is generally the case for leases in the Group, the lessee's incremental borrowing rate is used. This is the rate that the individual lessee would have to pay to borrow the funds necessary to obtain an asset of similar value to the ROU in a similar economic environment with similar term, security and conditions.

Lease payments are allocated between principal and finance cost. The finance cost is charged to profit or loss over the lease period so as to produce a constant periodic rate of interest on the remaining balance of the liability for each period.

During the financial year, the Group applies practical expedient to account for a COVID-19-related rent concession that meets all of the following conditions in the same way as they would if they were not lease modification:

- (i) the change in lease payments results in revised consideration for the lease that is substantially the same as, or less than, the consideration for the lease immediately preceding the change;
- (ii) any reduction in lease payments affects only payments due on or before 30 June 2021; and
- (iii) there is no substantive change to other terms and conditions of the lease.

The Group accounts for COVID-19 related rent concession as a variable lease payment in the period in which the event or condition that triggers the reduced payment occurs. Impacts of rent concessions are presented within cost of sales and administrative and office expenses.

The Group presents the lease liabilities as a separate line item in the statements of financial position. Interest expense on the lease liability is presented within the finance cost in profit or loss in the statements of comprehensive income.

NOTES TO THE FINANCIAL STATEMENTS (CONT'D)

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2021

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

(i) Leases (continued)

Reassessment of lease liabilities

The Group is also exposed to potential future increases in variable lease payments that depend on an index or rate, which are not included in the lease liability until they take effect. When adjustments to lease payments based on an index or rate take effect, the lease liability is remeasured and adjusted against the ROU assets.

Short term leases and leases of low value assets

Short-term leases are leases with a lease term of 12 months or less. Low-value assets comprise small items of office equipment. Payments associated with short-term leases of equipment and vehicles and all leases of low-value assets are recognised on a straight-line basis as an expense in profit or loss.

Accounting by lessor

As a lessor, the Group 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 to the lessee. As part of this assessment, the Group considers certain indicators such as whether the lease is for the major part of the economic life of the asset.

Assets leased out under operating leases are included in property, plant and equipment in the statements of financial position. They are depreciated over their useful lives on bases consistent with similar owned property, plant and equipment. Lease income (net of any incentives given to lessees) is recognised on a straight-line basis over the lease term.

(j) Inventories

(i) Completed properties held for sale

Completed properties held for sale are stated at the lower of cost and net realisable value. Cost consists of cost associated with the acquisition of land, direct costs and appropriate proportions of common costs attributable to developing the properties to completion.

(ii) Property development costs

Cost is determined based on a specific identification basis. Property development costs comprising costs of land, land enhancement costs, direct materials, direct labour, other direct costs, attributable overheads and payments to subcontractors that meet the definition of inventories are recognised as an asset and are stated at the lower of cost and net realisable value. Net realisable value is the estimated selling price in the ordinary course of business, less the estimated costs of completion and applicable selling expenses. The property development costs is subsequently recognised as an expense in statements of comprehensive income when or as the control of the asset is transferred to the customer.

Property development costs for which work has been undertaken and development activities are expected to be completed within the Group's normal operating cycle, is classified as current asset.

(iii) Consumables

Consumables are stated at the lower of cost and net realisable value.

NOTES TO THE FINANCIAL STATEMENTS (CONT'D)

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2021

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

(j) Inventories (continued)

(iii) Consumables (continued)

Cost is determined using the first in, first out formula. The cost comprises all costs of purchase, cost of conversion plus other costs incurred including import duties and other taxes in bringing the inventories to their present location and condition.

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.

(k) Financial assets

(i) Classification

The Group classifies its financial assets at amortised cost.

(ii) Recognition and derecognition

Regular way purchases and sales of financial assets are recognised on trade-date, the date on which the Group commits to purchase or sell the asset. Financial assets are derecognised when the rights to receive cash flows from the financial assets have expired or have been transferred and the Group has transferred substantially all the risks and rewards of ownership.

(iii) Measurement

At initial recognition, the Group measures a financial asset at its fair value plus transaction costs that are directly attributable to the acquisition of the financial asset.

Debt instruments

Subsequent measurement of debt instruments depends on the Group's business model for managing the asset and the cash flow characteristics of the asset. The Group classifies its debt instruments as amortised cost:

(i) Amortised cost

Assets that are held for collection of contractual cash flows where those cash flows represent solely payment of principal and interest ("SPPI") are measured at amortised cost. Interest income from these financial assets is included in other income using the effective interest rate method. Any gain or loss arising on derecognition is recognised directly in statements of comprehensive income. Impairment losses are presented as separate line item in the statements of comprehensive income.

Equity instruments

The Group subsequently measures all equity investments at fair value. Where the Group's management has elected to present fair value gains and losses on equity investments in 'Other comprehensive income', there is no subsequent reclassification of fair value gains and losses to profit or loss following the derecognition of the investment. Dividends from such investments continue to be recognised in statements of comprehensive income as other income when the Group's right to receive payments is established.

NOTES TO THE FINANCIAL STATEMENTS (CONT'D)

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2021

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

(k) Financial assets (continued)

(iv) Subsequent measurement - Impairment

Impairment for debt instruments

The Group assesses on a forward looking basis the expected credit losses ("ECL") associated with its debt instruments carried at amortised cost. The impairment methodology applied depends on whether there has been a significant increase in credit risk.

The Group has the following financial instruments (trade receivables, other receivables, deposits and amounts due from subsidiaries (applicable in the Company's separate financial statements)) and related companies and contract assets that are subject to the ECL model.

While cash and cash equivalents are also subject to the impairment requirements of MFRS 9, the identified impairment loss was immaterial.

ECL represent a probability-weighted estimate of the difference between present value of cash flows according to contract and present value of cash flows the Group and the Company expect to receive, over the remaining life of the financial instrument.

The measurement of ECL reflects:

- an unbiased and probability-weighted amount that is determined by evaluating a range of possible outcomes;
- the time value of money; and
- reasonable and supportable information that is available without undue cost or effort at the reporting date about past events, current conditions and forecasts of future economic conditions.

(i) Simplified approach for trade receivables and contract assets

The Group applies the MFRS 9 simplified approach to measure ECL which uses a lifetime ECL for all trade receivables and contract assets. Note 38(c) sets out the measurement details of ECL.

(ii) General 3-stage approach for other receivables, deposits and amounts due from subsidiaries and related companies

At each reporting date, the Group measures ECL through loss allowance at an amount equal to 12 months ECL if credit risk on a financial instrument or a group of financial instruments has not increased significantly since initial recognition. For all other financial instruments, a loss allowance at an amount equal to lifetime ECL is required. Note 38(c) sets out the measurement details of ECL.

Significant increase in credit risk

The Group considers the probability of default upon initial recognition of asset and whether there has been a significant increase in credit risk on an ongoing basis throughout each reporting period. To assess whether there is a significant increase in credit risk, the Group compares the risk of a default occurring on the asset as at the reporting date with the risk of default as at the date of initial recognition. It considers available reasonable and supportable forward-looking information.

NOTES TO THE FINANCIAL STATEMENTS (CONT'D)

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2021

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

(k) Financial assets (continued)

(iv) Subsequent measurement - Impairment (continued)

The following indicators are incorporated:

- internal credit rating
- actual or expected significant adverse changes in business, financial or economic conditions that are expected to cause a significant change to the debtor's ability to meet its obligations
- actual or expected significant changes in the operating results of the debtor
- significant changes in the expected performance and behaviour of the debtor, including changes in the payment status of debtor in the group and changes in the operating results of the debtor.

Macroeconomic information (such as market interest rates or growth rates) is incorporated as part of the internal rating model.

Regardless of the analysis above, a significant increase in credit risk is presumed if a debtor is more than 150 days past due in making a contractual payment.

Definition of default and credit-impaired financial assets

The Group defines a financial instrument as default, which is fully aligned with the definition of credit-impaired, when it meets one or more of the following criteria:

Quantitative criteria:

The Group defines a financial instrument as default, when the counterparty fails to make contractual payment within 150 days of when they fall due.

Qualitative criteria:

The debtor meets unlikeliness to pay criteria, which indicates the debtor is in significant financial difficulty. The Group considers the following instances:

- it is becoming probable that the debtor will enter bankruptcy or other financial reorganisation
- the debtor is insolvent

Financial instruments that are credit-impaired are assessed on individual basis.

Groupings of instruments for ECL measured on collective basis

(i) Collective assessment

To measure ECL, trade receivables and contract assets arising from property development activities have been grouped based on shared credit risk characteristics and the days past due. The contract assets relate to unbilled work in progress and have substantially the same risk characteristics as the trade receivables for the same types of contracts. The Group has therefore concluded that the expected loss rates for trade receivables are a reasonable approximation of the loss rates for the contract assets.

(ii) Individual assessment

Trade receivables and contract assets which are in default or credit-impaired are assessed individually. Amounts due from subsidiaries in the Company's separate financial statements and amount due from related companies are assessed on individual basis for ECL measurement, as credit risk information is obtained and monitored based on each amount due from the subsidiaries and the related companies.

NOTES TO THE FINANCIAL STATEMENTS (CONT'D)

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2021

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

(k) Financial assets (continued)

(iv) Subsequent measurement - Impairment (Continued)

Write-off

(i) Trade receivables and contract assets

Trade receivables and contract assets are written off when there is no reasonable expectation of recovery. Indicators that there is no reasonable expectation of recovery include, amongst others, the failure of a debtor to engage in a repayment plan with the Group, and a failure to make contractual payments for a period of greater than 150 days past due.

Impairment losses on trade receivables and contract assets are presented as net impairment losses within operating profit. Subsequent recoveries of amounts previously written off are credited against the same line item.

(ii) Other receivables, deposits and amounts due from subsidiaries and related companies

The Group writes off financial assets, in whole or in part, when it has exhausted all practical recovery efforts and has concluded there is no reasonable expectation of recovery. The assessment of no reasonable expectation of recovery is based on unavailability of debtor's sources of income or assets to generate sufficient future cash flows to repay the amount. The Group may write-off financial assets that are still subject to enforcement activity. There is no outstanding contractual amounts of such assets written off during the year ended 31 December 2021.

(l) Restructuring of financial liabilities

When the Group restructures its financial liabilities, the Group applies the 10% test to assess if terms of the existing financial liability are substantially different from those of the restructured liability. The terms are considered as substantially modified when the present value of the cash flows under the new terms, including any fees paid (net of any fees received and discounted using the original effective interest rate), is at least 10% different from the present value of the remaining cash flows of the original financial liability.

(a) Substantial modification of financial liability

When the terms of a financial liability are substantially modified, the existing financial liability is considered as extinguished and a new financial liability is recognised. The difference between the carrying amount of the original financial liability that has been extinguished and the fair value of the new financial liability is recognised in profit or loss. Any costs or fees incurred are recognised as part of the gain or loss on the extinguishment.

(b) Modification without resulting in derecognition of financial liability

When the 10% test is not met, the existing financial liability is not derecognised. Any gain or loss, being the difference between the original contractual cash flows and the modified cash flows discounted at the original effective interest rate is recognised in profit or loss. Any costs or fees incurred adjust the carrying amount of the liability and are amortised over the remaining term of the modified liability.

NOTES TO THE FINANCIAL STATEMENTS (CONT'D)

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2021

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

(m) Trade and other receivables

Trade receivables are amounts due from customers for goods sold or services performed in the ordinary course of business. Other receivables generally arise from transactions outside the usual operating activities of the Group. If collection is expected in one year or less (or in the normal operating cycle of the business if longer), they are classified as current assets. If not, they are presented as non-current assets.

Trade receivables are recognised initially at the amount of consideration that is unconditional unless they contain significant financing components, where they are recognised at fair value plus transaction costs. Other receivables are recognised initially at fair value plus transaction costs. Transaction costs include transfer taxes and duties. Trade and other receivables are subsequently measured at amortised cost using the effective interest method, less loss allowance (see Note 2(k)(iv) on impairment of financial assets).

(n) Trade and other payables

Trade and other payables are obligations to pay for goods or services that have been acquired in the ordinary course of business from suppliers. Trade and other payables are classified as current liabilities if payment is due within one year or less (or in the normal operating cycle of the business if longer). If not, they are presented as non-current liabilities.

Trade and other payables are recognised initially at fair value net of transaction costs incurred, which include transfer taxes and duties and subsequently measured at amortised cost using the effective interest method.

(o) Assets held for sale

Assets (or disposal groups) are classified as assets held for sale if their carrying amount will be recovered principally through a sale transaction rather than through continuing use and a sale is considered highly probable. They are stated at the lower of carrying amount and fair value less costs to sell, except for assets such as deferred tax assets, assets arising from employee benefits, financial assets and investment property that are carried at fair value and contractual rights under insurance contracts, which are specifically exempt from this requirement.

An impairment loss is recognised for any initial or subsequent write-down of the asset (or disposal group) to fair value less costs to sell. A gain is recognised for any subsequent increases in fair value less costs to sell of an asset (or disposal group), but not in excess of any cumulative impairment loss previously recognised. A gain or loss not previously recognised by the date of the sale of the non-current asset (or disposal group) is recognised at the date of derecognition.

Assets (including those that are part of a disposal group) are not depreciated or amortised while they are classified as held for sale. Interest and other expenses attributable to the liabilities of a disposal group classified as held for sale continue to be recognised.

Assets classified as held for sale and the assets of a disposal group classified as held for sale are presented separately from the other assets in the statements of financial position. The liabilities of a disposal group classified as held for sale are presented separately from other liabilities in the statements of financial position.

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

NOTES TO THE FINANCIAL STATEMENTS (CONT'D)

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2021

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

(p) Cash and cash equivalents

For the purpose of the statements of cash flows, cash equivalents are held for the purpose of meeting short-term cash commitments rather than for investment or other purposes. Cash and cash equivalents comprise cash on hand, deposits held at call with financial institutions, other short term, highly liquid investments with original maturities of 3 months or less that are readily convertible to known amounts of cash and which are subject to an insignificant risk of changes in value.

(q) Share capital

(i) Classification

Ordinary shares with discretionary dividends are classified as equity. Other shares are classified as equity and/or liability according to the substance of the contractual arrangement of the particular instrument. See accounting policy Note 2(r) on compound financial instruments and Note 2(s) on borrowings and borrowing costs.

(ii) Dividend distribution

Liability is recognised for the amount of any dividend declared, being appropriately authorised and no longer at the discretion of the Group, on or before the end of the reporting period but not distributed at the end of the reporting period.

(iii) Treasury shares

A purchase by the Company of its own equity shares is accounted for under the treasury stock method. Under this method, the shares purchased and held as treasury shares is measured and carried at the cost of purchase (including any directly attributable incremental external costs, net of tax). On presentation in the statements of financial position, the carrying amount of the treasury shares is offset against equity. Where treasury shares are distributed as share dividends, the cost of the treasury shares is applied in the reduction of the distributable reserves. Where treasury shares are reissued by re-sale in the open market, the difference between the sales consideration and the carrying amount of the treasury shares is shown as a movement in equity. As treasury shares, the rights attached to voting, dividends and participation in other distributions are suspended.

(r) Compound financial instruments

Compound financial instruments issued by the Group comprise convertible notes that can be converted to share capital of the Company at the option of the holder, and the number of shares to be issued does not vary with changes in the fair value of the shares.

The liability component of a compound financial instrument is recognised initially at the fair value of a similar liability that does not have an equity conversion option. The equity component is recognised initially at the difference between the fair value of the compound financial instrument as a whole and the fair value of the liability component. Any directly attributable transaction costs are allocated to the liability and equity components in proportion to their initial carrying amounts.

NOTES TO THE FINANCIAL STATEMENTS (CONT'D)

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2021

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

(r) Compound financial instruments (continued)

Subsequent to initial recognition, the liability component of a compound financial instrument is measured at amortised cost using the effective interest method until it is extinguished on conversion or maturity of the compound instrument. The equity component of a compound financial instrument is not re-measured subsequent to initial recognition except when the compound instrument is redeemed or repurchased before maturity.

Upon conversion of the convertible instrument into equity shares, the amount credited to share capital is the aggregate of the carrying amounts of the liability components classified within liability and equity at the time of conversion. No gain or loss is recognised.

(s) Borrowings and borrowing costs

Borrowings

Borrowings are recognised initially at fair value, net of transaction costs incurred. Borrowings are subsequently carried at amortised cost; any difference between initial recognised amount and the redemption value are recognised in the statements of comprehensive income over the period of the borrowings using the effective interest method.

Fees paid on the establishment of loan facilities are regarded as transaction costs of the loan to the extent that it is possible some or all of the facility will be drawdown. In this case, the fee is deferred until the drawdown occurs. To the extent there is no evidence that it is probable that some or all the facility will be drawdown, the fee is capitalised as a prepayment for a liquidity services and amortised over the period of the facility of which it relates.

Borrowings are removed from the statements of financial position when the obligation specified in the contract is discharged, cancelled or expired. The difference between the carrying amount of a financial liability that has been extinguished or transferred to another party and the consideration paid, including any non-cash assets transferred or liabilities assumed, is recognised in statements of comprehensive income.

Where the terms of a financial liability are renegotiated and the Company issues equity instruments to a creditor to extinguish all or part of the liability (debt for equity swap), a gain or loss is recognised in profit or loss, which is measured as the difference between the carrying amount of the financial liability and the fair value of the equity instruments issued.

Borrowings are classified as current liabilities unless the Group has an unconditional right to defer settlement of the liability for at least 12 months after the end of the reporting period.

Borrowing costs

Borrowing costs directly attributable to the acquisition or production of qualifying assets, which are assets that necessarily take a substantial period of time to get ready for their intended use or sale, are added to the cost of those assets, until such time as the assets are substantially ready for their intended use or sale. Borrowing costs incurred to finance property development activities and construction contracts are accounted for in a similar manner. All other borrowing costs are expensed to the statements of comprehensive income in the period in which they are incurred.

NOTES TO THE FINANCIAL STATEMENTS (CONT'D)

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2021

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

(t) Current and deferred income tax

Tax expense for the period comprises current and deferred income tax. The income tax expense or credit for the period is the tax payable on the current period's taxable income based on the applicable income tax rate for each jurisdiction adjusted by changes in deferred tax assets and liabilities attributable to temporary differences and to unused tax losses. Tax is recognised in profit or loss, except to the extent that it relates to items recognised in other comprehensive income or directly in equity. In this case the tax is also recognised in other comprehensive income or directly in equity, respectively.

The current income tax charge is calculated on the basis of the tax laws enacted or substantively enacted at the end of the reporting period in the countries where the Company and its subsidiaries and associates operate and generate taxable income.

Management periodically evaluates positions taken in tax returns with respect to situations in which applicable tax regulation is subject to interpretation. It establishes provisions where appropriate on the basis of amounts expected to be paid to the tax authorities. This liability is measured using the single best estimate of the most likely outcome.

Deferred tax is provided in full, using the liability method, on temporary differences arising between the amounts attributed to assets and liabilities for tax purposes and their carrying amounts in the financial statements. However, deferred tax liabilities are not recognised if they arise from the initial recognition of goodwill. Deferred tax is also not accounted for if it arises from initial recognition of an asset or liability in a transaction other than a business combination that at the time of the transaction affects neither accounting nor taxable profit or loss. Deferred tax is determined using tax rates (and tax laws) that have been enacted or substantively enacted by the end of the reporting period and are expected to apply when the related deferred tax asset is realised or the deferred tax liability is settled.

Deferred tax assets are recognised to the extent that it is probable that taxable profit will be available against which the deductible temporary differences, unused tax losses or unused tax credits can be utilised.

Deferred tax liability is recognised for all taxable temporary differences associated with investments in subsidiaries and associates except where the timing of the reversal of the temporary difference is controlled by the parent or investor and it is probable that the temporary difference will not reverse in the foreseeable future. Generally, the investor is unable to control the reversal of the temporary difference for associates. Only where there is an agreement in place that gives the investor the ability to control the reversal of the temporary difference, a deferred tax liability is not recognised.

Deferred income tax assets are recognised on deductible temporary differences arising from investments in subsidiaries, associates and joint arrangements only to the extent that it is probable the temporary difference will reverse in the future and there is sufficient taxable profit available against which the deductible temporary difference can be utilised.

Deferred and income tax assets and liabilities are offset when there is a legally enforceable right to offset current tax assets against current tax liabilities and when the deferred income tax assets and liabilities relate to taxes levied by the same taxation authority on either the taxable entity or different taxable entities where there is an intention to settle the balances on a net basis.

The Group presumed investment property measured at fair value will be recovered entirely through sale. Accordingly, deferred tax assets or liabilities arising on such investment property are measured at the tax rate applicable when the Group sells the property.

NOTES TO THE FINANCIAL STATEMENTS (CONT'D)

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2021

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

(u) Provisions

Provisions are recognised when the Group has a present legal or constructive obligation as a result of past events, it is probable that an outflow of resources will be required to settle the obligation and a reliable estimate of the amount can be made.

Where the Group expects a provision to be reimbursed by another party, the reimbursement is recognised as a separate asset but only when the reimbursement is virtually certain. Provisions are not recognised for future operating losses.

Where there are a number of similar obligations, the likelihood that an outflow will be required in settlement is determined by considering the class of obligations as a whole. A provision is recognised even if the likelihood of an outflow with respect to any one item included in the same class of obligations may be small.

Provisions are measured at the present value of management's best estimate of the expenditures expected to be required to settle the obligation using a pre-tax rate that reflects current market assessments of the time value of money and the risks specific to the obligation. The increase in the provision due to passage of time is recognised as finance cost expense.

(v) Contingent liabilities and contingent assets

The Group does not recognise contingent assets and liabilities other than those arising from business combinations, but discloses its existence in the financial statements. A contingent liability is a possible obligation that arises from past events whose existence will be confirmed by the occurrence or non-occurrence of one or more uncertain future events beyond the control of the Group or a present obligation that is not recognised because it is not probable that an outflow of resources will be required to settle the obligation. A contingent liability also arises in the extremely rare case where there is a liability that cannot be recognised because it cannot be measured reliably. However, contingent liabilities do not include financial guarantee contracts. A contingent asset is a possible asset that arises from past events whose existence will be confirmed by the occurrence or non-occurrence of one or more uncertain future events beyond the control of the Group. The Group does not recognise contingent assets but discloses its existence where inflows of economic benefits are probable, but not virtually certain.

(w) Revenue recognition

(i) Revenue from contracts with customers

Revenue which represents income arising in the course of the Group's ordinary activities is recognised by reference to each distinct performance obligation promised in the contract with customer when or as the Group transfers the control of the goods or services promised in a contract and the customer obtains control of the goods or services. Depending on the substance of the respective contract with customer, the control of the promised goods or services may transfer over time or at a point in time.

A contract with customer exists when the contract has commercial substance, the Group and its customer has approved the contract and intend to perform their respective obligations, the Group's and the customer's rights regarding the goods or services to be transferred and the payment terms can be identified, and it is probable that the Group will collect the consideration to which it will be entitled to in exchange of those goods or services.

NOTES TO THE FINANCIAL STATEMENTS (CONT'D)

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2021

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

(w) Revenue recognition (continued)

(i) Revenue from contracts with customers (continued)

Specific revenue recognition criteria for each of the Group's activities are as described below:

Property development

Property development, comprising residential and commercial properties are specifically identified by its plot, lot or parcel number as set out in the sale and purchase agreement.

Revenue from property development, comprising residential and commercial properties are recognised when or as the control of the asset is transferred to the customer. Depending on the terms of the contract and the laws that apply to the contract, control of the asset may transfer over time or at a point in time.

Revenue from property development is recognised over time when control of the asset is transferred over time when Group's performance:

- creates and enhances an asset that the customer controls as the property development is being performed; or
- does not create an asset with an alternative use to the Group and the Group has an enforceable right to payment for performance completed to date.

When control of the asset transfers over time, revenue is recognised over the period of the contract by reference to the progress towards complete satisfaction of that performance obligation.

The progress towards complete satisfaction of the performance obligation is measured based on the following methods that best depict the Group's performance in satisfying the performance obligation:

- the Group's efforts or inputs to the satisfaction of the performance obligation (e.g. by reference to the property development costs incurred up to the end of the reporting period as a percentage of total estimated costs for complete satisfaction of the contract).

When the Group determines that it is not probable that the Group will collect the consideration in which the Group is entitled to in exchange to the properties, the Group will defer the recognition of revenue from such sales of properties and considerations received from the customers will be recognised as contract liabilities.

Some contracts include multiple deliverables, such as the installation of furniture and fittings. In most cases, the installation is simple, does not include an integration service and could be performed by another party. It is therefore accounted for as a separate performance obligation. In this case, the transaction price will be allocated to each performance obligation based on the stand-alone selling prices. Where these are not directly observable, they are estimated based on expected cost-plus margin. Revenue for the furniture and fittings is recognised at a point in time upon delivery of the furniture and fittings, the legal title has passed and the customer has accepted the furniture and fittings.

Billings to the customers from property development is in accordance to the terms of the contract. Where revenue recognised in the statements of comprehensive income exceeds billings to purchasers, the balance is shown as contract assets. Where billings to purchasers exceed revenue recognised in the statements of comprehensive income, the balance is shown as contract liabilities.

NOTES TO THE FINANCIAL STATEMENTS (CONT'D)

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2021

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

(w) Revenue recognition (continued)

- (i) Revenue from contracts with customers (continued)

Leisure

Revenue from promotion, marketing and management of events, leisure services and other tourism related activities is recognised as and when services are rendered.

Rendering of services

Revenue from the provision of services in relation to management of network and telephony as well as development of MSC Cyber-centre is recognised as and when services are rendered.

- (ii) Rental income

Rental income is accounted for on a straight-line basis over the lease term of an ongoing lease. The aggregate cost of incentives provided to the lessee is recognised as reduction of rental income over the lease term on a straight-line basis.

- (iii) Dividend income

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

- (iv) Interest income

Interest income is recognised as it accrues, using the effective interest method.

(x) Contract cost assets

Incremental cost to obtain contract

The Group has recognised an asset of RM1,123,000 (2020: RM804,000) (Note 17) in respect of sales commissions incurred to obtain the sales contract. Incremental costs to secure a sales contract such as sales agents' commission that would not have been incurred by the Group if the respective contracts had not been obtained, are recognised as contract cost assets. The Group expects to recover these costs through the margin from sales of property earned from the customer.

Accordingly, the contract cost asset is amortised over the term of the specific contract to which the costs relate to, ranging for period of 2 to 4 years, which best depicts the transfer of goods and services to the customer.

An impairment loss is recognised to profit or loss to the extent that the carrying amount of the contract cost asset recognised exceeds the remaining amount of consideration that the Group expects to receive for the specific contract that the costs relate to (after deducting additional costs required to deliver the property development activities).

(y) Employee benefits

- (i) Short term employee benefits

Wages, salaries, paid annual leave and sick leave, bonuses, and non-monetary benefits that are expected to be settled wholly within 12 months after the end of the period in which the employees render the related service are recognised in respect of employees' services up to the end of the reporting period and are measured at the amounts expected to be paid when the liabilities are settled. The liabilities are presented as 'Payables and contract liabilities' in the statements of financial position.

NOTES TO THE FINANCIAL STATEMENTS (CONT'D)

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2021

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

(y) Employee benefits (continued)

(i) Short term employee benefits (continued)

Short term accumulating compensated absences such as paid annual leave are recognised as an expense when employees render services that increase their entitlement to future compensated absences. Short term non-accumulating compensated absences such as sick leave are recognised when the absences occur and they lapse if the current period's entitlement is not used in full and do not entitle employees to a cash payment for unused entitlement on leaving the Group.

Bonuses are recognised as an expense when there is a present, legal or constructive obligation to make such payments, as a result of past events and when a reliable estimate can be made of the amount of the obligation.

(ii) Defined contribution plans

The Group's contributions to a defined contribution plan are charged to statements of comprehensive income in the period to which they relate. Once the contributions have been paid, the Group has no further payment obligations. Prepaid contributions are recognised as an asset to the extent that a cash refund or a reduction in the future payments is available. As required by law, companies in Malaysia make contributions to the national pension scheme, the Employees Provident Fund ('EPF'), a defined contribution plan.

(z) Earnings per share

(i) Basic

Basic earnings per ordinary share for the financial year is calculated by dividing the profit for the financial year attributable to the owners of the Company by the weighted average number of ordinary shares outstanding during the financial year.

(ii) Diluted

Diluted earnings per ordinary share for the financial year is calculated by dividing the profit for the financial year attributable to the owners of the Company by the weighted average number of ordinary shares outstanding during the financial year adjusted for the effects of dilutive potential ordinary shares.

(aa) Operating segments

Operating segments are reported in a manner consistent with the internal reporting provided to the chief operating decision maker. The chief operating decision maker, who is responsible for allocating resources and assessing performance of the operating segment, has been identified as the Board of Directors that makes strategic decisions.

Segment reporting is presented for enhanced assessment of the Group's risks and returns. Business segments provide products or services that are subject to risk and returns that are different from those of other business segments.

Segment revenue, expenses, assets and liabilities are those amounts resulting from the operating activities of a segment that are directly attributable to the segment and the relevant portion that can be allocated on a reasonable basis to the segment. Segment revenue, expenses, assets and liabilities are determined before intragroup balances and intragroup transactions are eliminated as part of the consolidation process.

NOTES TO THE FINANCIAL STATEMENTS (CONT'D)

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2021

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

(ab) Offsetting financial instruments

Financial assets and liabilities are offset and the net amount presented in the statements of financial position when there is a legally enforceable right to offset the recognised amounts and there is an intention to settle on a net basis, or realise the asset and settle the liability simultaneously. The legally enforceable right must not be contingent on future events and must be enforceable in the normal course of business and in the event of default, insolvency or bankruptcy.

(ac) Financial liabilities

The Group classifies its financial liabilities as other financial liabilities. The classification depends on the nature of the liabilities and the purpose for which the financial liabilities were incurred. Management determines the classification at initial recognition.

(i) Other financial liabilities

When other financial liabilities (excluding borrowings and trade payables) are recognised initially, they are measured at fair value net of directly attributable transaction costs.

Subsequent to initial recognition, other financial liabilities are measured at amortised cost using the effective interest method. Gains and losses are recognised in profit or loss when the other financial liabilities are derecognised, and through the amortisation process.

Financial liabilities are derecognised when the obligation specified in the contract is discharged or cancelled or expired.

(ad) Financial guarantee contract liabilities

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 payments when due in accordance with the terms of a debt instrument.

Financial guarantee contract liabilities are measured initially at their fair values, net of transaction costs that are directly attributable to the issuance of the guarantee. Subsequently, they are measured at the 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*.

3. KEY SOURCES OF ESTIMATION UNCERTAINTY

The following are key assumptions concerning the future and other key sources of estimation uncertainty at the end of each reporting period that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities.

(i) Revenue recognition from property development activities

The Group recognises property development revenue in the statements of comprehensive income by using the stage of completion method. The stage of completion is measured by reference to the property development costs incurred up to the end of the reporting period as a percentage of total estimated costs for the property development projects.

NOTES TO THE FINANCIAL STATEMENTS (CONT'D)

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2021

3. KEY SOURCES OF ESTIMATION UNCERTAINTY (CONTINUED)

The following are key assumptions concerning the future and other key sources of estimation uncertainty at the end of each reporting period that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities. (continued)

(i) Revenue recognition from property development activities (continued)

Given the nature of property development projects, significant judgement is required in:

- Determining the extent of property development costs accruals to reflect work performed up to reporting date;
- Determining the estimated total property development costs to completion; and
- Determining the common costs allocation to the project phases from the total budgeted common costs attributable to the respective property development projects.

Substantial changes in cost estimates can in future periods, have a significant effect on the Group's profitability. In making the above judgement, the Group leverages on its past experience and work of specialists.

(ii) Valuation of investment properties

The principal assumptions underlying estimation of fair value of investment properties are those related to term rental rate, reversionary rental rate, projected rental rates, projected occupancy rates, rental periods, net lettable area, projected outgoings expenses, term yield, reversion yield and allowance for void based on income approach and recent transacted prices and adjustment factor based on market approach.

Fair values of investment properties are determined based on income and market approach. Investment properties are stated at fair value based on management's estimates and valuations performed by independent external valuers with appropriate recognised professional qualification and has recent experience in the location and category of the investment properties being valued.

The valuations are compared with actual market yield data, actual transactions and those reported by the market, when available. Assumptions used are mainly based on market conditions existing at each reporting date.

Sensitivity analysis on fair value of investment properties as valued by the independent external valuers is disclosed in Note 11.

(iii) Recoverability of completed inventories held for sale

The Group writes down the inventories to their net realisable values based on the estimated selling prices by reference to recent sales transactions of similar properties net of the estimated cost necessary to complete the sale. If needed, these are adjusted to reflect management's latest plans and expected costs to complete the sale based on current market conditions.

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

In the prior financial year, the Group has written down inventories by RM5,852,000.

(iv) Measurement of impairment loss for non-financial assets, property, plant and equipment and investment in subsidiaries

The Group and the Company assess whether there is any indication that the non-financial assets, property, plant and equipment and investment in subsidiaries are impaired at the end of each reporting date. Impairment loss is measured by comparing the carrying amount of an asset with its recoverable amount when there is an indication of impairment. Recoverable amount is measured at the higher of the fair value less cost to sell and value in-use for that asset. The assessment of the recoverable amount involves a number of methodology. The impairment loss on property, plant and equipment and investments in subsidiaries are disclosed in Note 10 and Note 12 respectively.

NOTES TO THE FINANCIAL STATEMENTS (CONT'D)

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2021

3. KEY SOURCES OF ESTIMATION UNCERTAINTY (CONTINUED)

The following are key assumptions concerning the future and other key sources of estimation uncertainty at the end of each reporting period that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities. (continued)

(v) Measurement of ECL allowance for financial assets

The loss allowances for financial assets are based on assumptions about risk of default and expected loss rates. The Group and the Company use judgement in making these assumptions and selecting the inputs to the impairment calculation, based on the Group's and the Company's past history, existing market conditions as well as forward looking estimates at the end of reporting period.

The Group and the Company further evaluate ECL on customers on a case by case basis, which may be assessed based on indicators such as changes in financial capability of the receivables, and default of significant delay in payments.

4. REVENUE

	Note	Group		Company	
		2021 RM'000	2020 RM'000	2021 RM'000	2020 RM'000
Revenue from contract with customers	(a)	71,504	71,797	–	–
Revenue from other sources:					
(i) Rental Income		7,845	8,279	–	–
(ii) Dividend Income		–	–	–	1,200
(iii) Others		865	25	–	–
		80,214	80,101	–	1,200

(a) Breakdown of the Group's revenue from contract with customers:

	Group	
	2021 RM'000	2020 RM'000
<u>Major goods and services</u>		
Property development	47,614	45,858
Sale of completed properties	–	9,320
Leisure	21,438	14,422
Telephone and network services	2,452	2,197
	71,504	71,797
<u>Timing of revenue recognition</u>		
Over time	40,221	39,150
Point in time	31,283	32,647
	71,504	71,797

NOTES TO THE FINANCIAL STATEMENTS (CONT'D)

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2021

5. COST OF SALES

	Group	
	2021 RM'000	2020 RM'000
Property development costs (including furniture & fittings)	28,917	36,364
Maintenance costs	2,011	5,846
Leisure activities costs	11,411	12,487
Services rendered	1,333	1,538
	43,672	56,235

During the financial year, included in property development costs was a cost savings amounting to RM7,532,000 (2020: RM 2,254,000) arising from finishing work and liquidated damages claim from the main contractor.

6. PROFIT/(LOSS) BEFORE TAX

Profit/(loss) before tax is arrived at after charging:

Note	Group		Company	
	2021 RM'000	2020 RM'000 (Restated)	2021 RM'000	2020 RM'000
Auditors' remuneration:				
- Statutory audit	510	282	140	81
- Non-statutory audit	17	16	8	5
Depreciation of:				
- Property, plant and equipment	10	6,464	7,704	—
- Right-of-use assets		530	78	78
Amortisation of intangible assets	15	33	7	—
Employee benefit costs	7(a)	15,279	16,624	294
Directors' fees	7(b)	352	316	352
Directors' remuneration other than fees	7(b)	803	753	—
Impairment losses on trade and other receivables	17(e)	5,712	3,467	—
Write-off of property, plant and equipment	10	—	161	—
Rental expenses		148	5	—
Corporate exercise expenses		13	249	13
Impairment of investments in subsidiary companies	12	—	—	1,625
Impairment of amount due from subsidiary companies		—	—	141
Write down of inventories	16(b)	—	5,852	—

* Amount is less than RM1,000.

NOTES TO THE FINANCIAL STATEMENTS (CONT'D)

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2021

6. PROFIT/(LOSS) BEFORE TAX (CONTINUED)

		Group		Company	
	Note	2021 RM'000	2020 RM'000 (Restated)	2021 RM'000	2020 RM'000
Fair value loss on investment properties	11	5,151	1,719	–	–
And crediting:					
Income on short term funds		67	1,628	67	1,628
Interest income		294	981	11,690	12,022
Reversal of impairment losses on trade and other receivables no longer required	17(e)	391	38	–	3
Reversal of impairment of investments in subsidiary companies	12	–	–	391	–
Reversal of impairment of amount due from a subsidiary company		–	–	108	1,822
Rent concession received		285	718	–	–
Termination of lease contract		–	73	–	–
Fair value gain on investment properties	11	–	6,580	–	–

7. EMPLOYEE BENEFIT COSTS

(a) Employee benefit costs

	Group		Company	
	2021 RM'000	2020 RM'000	2021 RM'000	2020 RM'000
Wages, salaries and bonuses	11,433	12,579	258	263
Contributions to defined contribution plan	1,584	1,877	32	34
Other employee benefits	2,262	2,168	4	2
	15,279	16,624	294	299

(b) The breakdown of the Directors' remuneration of the Group and of the Company is as disclosed in Note 35(b)(i) to the financial statements.

NOTES TO THE FINANCIAL STATEMENTS (CONT'D)

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2021

8. TAXATION

	Group		Company	
	2021 RM'000	2020 RM'000 (Restated)	2021 RM'000	2020 RM'000
Malaysian income tax:				
- Income tax expense based on taxable profit for the financial year	1,270	8,627	–	14
- (Over)/Under-provision in prior financial year	(3,487)	2,683	14	(22)
	(2,217)	11,310	14	(8)
Deferred tax (Note 26):				
- Relating to origination and reversal of temporary differences	3,136	(12,137)	(46)	4,480
	919	(827)	(32)	4,472

Malaysian income tax is calculated at the statutory tax rate of 24% (2020: 24%) of the estimated taxable profits for the fiscal year.

The numerical reconciliation between the tax expense/(credit) and the product of accounting profit multiplied by the applicable tax rates of the Group and of the Company are as follows:

	Group		Company	
	2021 RM'000	2020 RM'000 (Restated)	2021 RM'000	2020 RM'000
Profit/(loss) before tax	1,343	802	(2,972)	(3,746)
Tax at Malaysian statutory tax rate	322	192	(713)	(899)
Tax effects in respect of:				
Non-allowable expenses	1,798	906	730	1,892
Non-taxable income	(17)	(541)	(17)	(662)
Share of post-tax results of associates	(3,172)	(2,822)	–	–
Different tax rates arising from gain from real property investments	721	(681)	–	(176)
Utilisation of previously unrecognised tax losses	(442)	(66)	–	–
Utilisation of previously unrecognised capital allowances	(97)	(25)	–	–
Unused tax losses not recognised	692	270	–	–
Unabsorbed capital allowances not recognised	–	81	–	–
Recognition/(Reversal) of previously unrecognised/recognised temporary difference	4,601	(824)	(46)	4,339
(Over)/Under-provision in prior financial year	(3,487)	2,683	14	(22)
	919	(827)	(32)	4,472

NOTES TO THE FINANCIAL STATEMENTS (CONT'D)

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2021

9. EARNINGS PER ORDINARY SHARE

(a) Basic

Basic earnings per ordinary share for the financial year is calculated by dividing the profit for the financial year attributable to the owners of the Company by the weighted average number of ordinary shares outstanding during the financial year.

	Group 2021 RM'000	2020 RM'000 (Restated)
Profit attributable to owners of the Company	369	1,665
Weighted average number of ordinary shares in issue, net of treasury shares	1,110,566	1,102,072
Effect of:		
- Conversion of RCCPS	12,617	16,446
- Disposal/(Acquisition) of treasury shares	7,952	(2,612)
Adjusted weighted average number of ordinary shares applicable to basic earnings per ordinary share	1,131,135	1,115,906
Basic earnings per ordinary share (sen)	0.03	0.15

(b) Diluted

Diluted earnings per ordinary share for the financial year is calculated by dividing the profit for the financial year attributable to owners of the Company by the weighted average number of shares outstanding during the financial year adjusted for the effects of dilutive potential ordinary shares.

	Group 2021 RM'000	2020 RM'000 (Restated)
Profit attributable to owners of the Company	369	1,665
Adjusted weighted average number of ordinary shares in issue, net of treasury shares	1,131,135	1,115,906
Effect of dilution:		
- RCULS	— *	300,916
- RCCPS	— *	738,781
Adjusted weighted average number of shares applicable to diluted earnings per ordinary share	1,131,135	2,155,603
Diluted earnings per ordinary share (sen)	0.03	0.08

* Anti dilutive

NOTES TO THE FINANCIAL STATEMENTS (CONT'D)

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2021

10. PROPERTY, PLANT AND EQUIPMENT

Group	Sales gallery RM'000	Hotel Properties			Office equipment, furniture, fittings and fixtures and renovation RM'000	Motor vehicles RM'000	Plant and equipment RM'000	Right-of-use assets RM'000	Construction-in-progress RM'000	Total RM'000
		Freehold land RM'000	Hotel building RM'000	Plant and equipment RM'000						
Net book value										
As at 1 January 2021	*	12,906	26,560	893	1,878	29	11,936	794	153,657	208,653
Additions	—	—	—	18	213	107	1,200	—	30,393	31,931
Transfer to Investment Properties (Note 11)	—	—	—	—	—	—	—	—	(815)	(815)
Reclassification	—	—	—	—	—	—	394	—	(394)	—
Depreciation charge for the financial year	—	—	(282)	(219)	(1,531)	(29)	(4,403)	(530)	—	(6,994)
As at 31 December 2021	*	12,906	26,278	692	560	107	9,127	264	182,841	232,775
Cost	2,213	12,906	29,356	2,872	21,836	1,532	100,987	1,871	184,050	357,623
Accumulated depreciation	(2,213)	—	(3,078)	(2,180)	(21,123)	(1,425)	(92,239)	(1,607)	—	(123,865)
Accumulated impairment	—	—	—	—	(153)	—	(15)	—	—	(168)
Transfer to Investment Properties (Note 11)	—	—	—	—	—	—	—	—	(815)	(815)
Reclassification	—	—	—	—	—	—	394	—	(394)	—
Net book value	*	12,906	26,278	692	560	107	9,127	264	182,841	232,775

* Amount is less than RM1,000.

As at 31 December 2021, certain freehold land of the Group amounting to RM9,417,000 (2020: RM NIL) are charged to licensed bank for credit facilities granted to the Group as mentioned in Note 30.

NOTES TO THE FINANCIAL STATEMENTS (CONT'D)

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2021

10. PROPERTY, PLANT AND EQUIPMENT (CONTINUED)

Group	Sales gallery RM'000	Hotel Properties			Office equipment, furniture, fittings and fixtures and renovation RM'000	Motor vehicles RM'000	Plant and equipment RM'000	Right-of-use assets RM'000	Construction-in-progress RM'000	Total RM'000
		Freehold land RM'000	Hotel building RM'000	Plant and equipment RM'000						
Net book value										
As at 1 January 2020	*	12,906	26,843	1,147	2,067	151	16,563	1,324	100,846	161,847
Additions	-	-	-	17	1,112	-	1,238	-	52,834	55,201
Written-off	-	-	-	-	(129)	-	(9)	-	(23)	(161)
Depreciation charge for the financial year	-	-	(283)	(271)	(1,172)	(122)	(5,856)	(530)	-	(8,234)
As at 31 December 2020	*	12,906	26,560	893	1,878	29	11,936	794	153,657	208,653
Cost	2,213	12,906	29,356	2,854	21,623	1,425	99,787	1,871	153,657	325,692
Accumulated depreciation	(2,213)	-	(2,796)	(1,961)	(19,592)	(1,396)	(87,836)	(1,077)	-	(116,871)
Accumulated impairment	-	-	-	-	(153)	-	(15)	-	-	(168)
Net book value	*	12,906	26,560	893	1,878	29	11,936	794	153,657	208,653

* Amount is less than RM1,000.

NOTES TO THE FINANCIAL STATEMENTS (CONT'D)

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2021

10. PROPERTY, PLANT AND EQUIPMENT (CONTINUED)

Company	Office equipment, computer and Software RM'000	Right-of-use assets RM'000	Total RM'000
Net book value			
As at 1 January 2021	*	78	78
Depreciation charge for the financial year	—	(78)	(78)
As at 31 December 2021	*	*	*
Cost	49	234	283
Accumulated depreciation	(49)	(234)	(283)
Net book value	*	*	*
Net book value			
As at 1 January 2020	*	156	156
Depreciation charge for the financial year	*	(78)	(78)
As at 31 December 2020	*	78	78
Cost	49	234	283
Accumulated depreciation	(49)	(156)	(205)
Net book value	*	78	78

* Amount is less than RM1,000.

- (a) Included in hotel properties of the Group is freehold land which the title is in the process of being transferred to the Group.
- (b) Included in the property, plant and equipment of the Group is the net book value of the following asset acquired under hire purchase agreement:

	2021 RM'000	2020 RM'000
Office equipment		
Cost	224	476
Accumulated depreciation	(105)	(314)
Net book value	119	162

NOTES TO THE FINANCIAL STATEMENTS (CONT'D)

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2021

10. PROPERTY, PLANT AND EQUIPMENT (CONTINUED)

- (c) During the financial year, the Group made the following cash payments to purchase property, plant and equipment:

	Group 2021 RM'000	2020 RM'000
Purchase of property, plant and equipment	31,931	55,201
Interest expenses capitalised	(3,007)	(3,948)
Settled/(Unsettled) and remained as other payables and accruals	9,566	(18,046)
Cash payments on purchase of property, plant and equipment	38,490	33,207

- (d) The right-of-use assets recognised and the movements during the financial year are set out below:

The statements of financial position show the following amounts relating to right-of-use of assets:

	Land RM'000	Group Building RM'000	Total RM'000	Company Building RM'000	Total RM'000
Right-of-use of assets					
Net book value:					
At 1 January 2021	716	78	794	78	78
Depreciation charge for the financial year	(452)	(78)	(530)	(78)	(78)
At 31 December 2021	264	*	264	*	*

Right-of-use of assets

Net book value:					
At 1 January 2020	1,168	156	1,324	156	156
Depreciation charge for the financial year	(452)	(78)	(530)	(78)	(78)
At 31 December 2020	716	78	794	78	78

The statements of comprehensive income show the following amounts relating to leases:

	Group 2021 RM'000	2020 RM'000	Company 2021 RM'000	2020 RM'000
Finance cost	112	254	2	10
Income from subleasing ROU assets	990	1,173	–	–
Total cash outflow for leases	1,729	1,695	84	84

NOTES TO THE FINANCIAL STATEMENTS (CONT'D)

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2021

11. INVESTMENT PROPERTIES

	Group		Company	
	2021 RM'000	2020 RM'000	2021 RM'000	2020 RM'000
<u>Completed investment properties</u>				
<u>At fair value</u>				
At 1 January	435,900	255,256	–	9,370
Reclassification from investment properties under construction upon completion	46,144	192,429	–	–
Cost adjustments *	(942)	–	–	–
Fair value (loss)/gain recognised in statements of comprehensive income	(3,802)	6,580	–	1,255
Assets classified as held for sale	–	(18,365)	–	(10,625)
At 31 December	477,300	435,900	–	–

* Cost adjustments are from development cost savings recognised arising from corporate office tower.

	Group	
	2021 RM'000	2020 RM'000
<u>Investment properties under construction</u>		
<u>At cost</u>		
At 1 January	117,806	250,471
Additions	3,278	59,764
Transfer from property, plant and equipment	815	–
Reclassification to completed investment properties upon completion	(46,144)	(192,429)
At 31 December	75,755	117,806
<u>Right-of-use assets</u>		
<u>At fair value</u>		
At 1 January	2,000	3,649
Additions	298	140
Termination of lease contract	–	(70)
Fair value loss for the financial year	(1,349)	(1,719)
At 31 December	949	2,000
Total investment properties	554,004	555,706

NOTES TO THE FINANCIAL STATEMENTS (CONT'D)

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2021

11. INVESTMENT PROPERTIES (CONTINUED)

During the financial year, the Group made the following cash payments for development of investment properties:

	Group	
	2021	2020
	RM'000	RM'000
Development of investment properties	3,278	59,764
Interest capitalised	(569)	(3,527)
Settled/(Unsettled) and remained as other payables and accruals	2,241	(32,969)
Total cash payments on development of investment properties	4,950	23,268

Direct operating expenses arising from investment properties

- (a) Direct operating expenses arising from investment properties generating rental income during the financial year are as follows:

	Group		Company	
	2021	2020	2021	2020
	RM'000	RM'000	RM'000	RM'000
Repair and maintenance	2,739	5,267	–	8
Quit rent and assessment	274	343	–	62
	3,013	5,610	–	70

- (b) There are no direct operating expenses of the Group and of the Company arising from investment properties that did not generate rental income during the financial year.

Title deeds

Title deeds pertaining to certain investment properties of the Group RM553,055,000 (2020: RM553,706,000) shall be transferred to a subsidiary's name upon issuance of strata titles.

Freehold land

The title of the freehold land in respect of the investment properties is in the process of being transferred to the Group.

Investment properties under construction

Investment properties under construction of the Group represent car park lots and convention centre under construction. The fair value of investment properties under construction cannot be reliably measured until the construction is completed or the fair value becomes reliably measurable, whichever is earlier.

NOTES TO THE FINANCIAL STATEMENTS (CONT'D)

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2021

11. INVESTMENT PROPERTIES (CONTINUED)

Fair value

Fair value is determined based on the various valuation techniques using Level 3 significant unobservable inputs. Changes in fair value are recognised in the statements of comprehensive income during the period in which they are reviewed.

Investment properties of the Group are stated at fair value based on valuation performed by independent professional valuers, Nawawi Tie Leung Property Consultants Sdn. Bhd. and Cheston International (KL) Sdn. Bhd., who hold a recognised relevant professional qualification and have recent experience in the locations and categories of the investment properties valued. Valuations are performed by professional valuers at every year end. The valuation updates are reviewed by the management and approved during the meetings of the Audit Committee and Board of Directors of the Company.

Fair value of right-of-use assets of the Group are stated at RM949,000 (2020: RM2,000,000) based on management's estimates using the income approach by discounting rentals using yield rate.

During the financial year, the unobservable inputs used in the valuations of the investment properties of the Group which include:

Unobservable inputs used for income approach

Term rental	– the expected rental that the investment properties are expected to achieve and is derived from current rental, including revision upon renewal of tenancies during the year;
Projected occupancy rate	– the occupancy rates that the investment property is projected to achieve is derived from analysis of the historical occupancy trend of similar types of building
Projected rental	– the rental that the investment property is expected to achieve is derived from analysis of current asking rental of similar types of building with projected growth rates.
Outgoings	– including quit rent and assessment, service charges, utilities costs, and repair and maintenance;
Reversionary rental	– the expected rental that the investment properties are expected to achieve upon expiring of term rental;
Yield	– based on actual location, size and condition of the investment properties and taking into account market data at the valuation date;
Allowance for void	– allowance provided for vacancy period

Unobservable inputs used for market approach

Recent transacted	– these are obtained by the valuer for similar properties within the vicinity prices
Adjustment factor	– adjustments are made to account for the differences in locations, size, timing of transactions of these recent transacted prices compared to the properties held by the Group

NOTES TO THE FINANCIAL STATEMENTS (CONT'D)

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2021

11. INVESTMENT PROPERTIES (CONTINUED)

Fair value (continued)

The valuation techniques used to determine the fair value measurements using significant unobservable inputs are as follows:

Valuation technique	Fair value RM'000	Parameters			Sensitivity analysis on fair value measurements				
		Outgoings RM psf	Yield %	Allowance for void %	Outgoings		Yield rate		Allowance for void
					RM0.10 Impact of higher rate RM'000	10 basis points Impact of higher rate RM'000	Impact of lower rate RM'000	1% Impact of higher rate RM'000	
Group									
31.12.2021									
Sumurwang Tower	195,000	0.95	5.50-6.00	7.00	(6,000)	(2,000)	2,000	(1,000)	
Block M - Data Centre	30,400	0.60	6.00-6.50	5.00-10.00	(855)	(315)	470	(289)	
Convention Centre	4,800	1.30	6.50	5.00-10.00	(431)	(22)	113	3	
	<u>230,200</u>								
^ Income approach by using investment method									
31.12.2020									
Sumurwang Tower	195,000	1.05-1.28	6.00-6.50	—	(7,419)	(3,637)	3,762	—	
Block M - Data Centre	30,400	0.60	6.00-6.50	5.00-10.00	(900)	(451)	465	(371)	
Convention Centre	4,800	1.35	6.50	10.00	(460)	(80)	70	(120)	
	<u>230,200</u>								

^ Income approach by using discounted cash flow method

* Income approach by using investment method

NOTES TO THE FINANCIAL STATEMENTS (CONT'D)

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2021

11. INVESTMENT PROPERTIES (CONTINUED)

Fair value (continued)

The valuation techniques used to determine the fair value measurements using significant unobservable inputs are as follows: (continued)

	<u>Valuation technique</u>	<u>Fair value</u> RM'000	<u>Parameters</u>		<u>Sensitivity analysis on</u> <u>fair value measurements*</u>	
			<u>Unit</u>	<u>Average price</u> <u>of recent</u> <u>transactions</u>	<u>Impact of</u> <u>higher rate</u> <u>RM'000</u>	<u>Impact of</u> <u>higher rate</u> <u>RM'000</u>
Group						
31.12.2021						
Car park bays						
Block JKL basement car park	Comparison approach	11,600	RM per bay	32,500	358	(358)
Car park block	Comparison approach	18,400	RM per bay	32,500	566	(566)
Surface car park	Comparison approach	5,100	RM per bay	16,250	315	(315)
Common area surrounding car park bays	Comparison approach	3,700	RM psf	79	5	(5)
SOHO car park	Comparison approach	166,900	RM per bay	26,000	6,418	(6,418)
Central Tower LG car park	Comparison approach	41,400	RM per bay	32,500	1,273	(1,273)
		247,100				

* Changes to market value used in comparison method by RM0.10 psf for common area surrounding car park bays and RM1,000 per bay for car park bays

NOTES TO THE FINANCIAL STATEMENTS (CONT'D)

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2021

11. INVESTMENT PROPERTIES (CONTINUED)

Fair value (continued)

The valuation techniques used to determine the fair value measurements using significant unobservable inputs are as follows: (continued)

	<u>Valuation technique</u>	<u>Fair value</u> RM'000	<u>Parameters</u>		<u>Sensitivity analysis on fair value measurements*</u>	
			<u>Unit</u>	<u>Average price of recent transactions</u>	<u>Impact of higher rate</u> RM'000	<u>Impact of higher rate</u> RM'000
Group						
31.12.2020						
Car park bays						
Block JKL basement car park	Comparison approach	11,600	RM per bay	32,500	358	(358)
Car park block	Comparison approach	18,400	RM per bay	32,500	566	(566)
Surface car park	Comparison approach	5,100	RM per bay	16,000	315	(315)
Common area surrounding car park bays	Comparison approach	3,700	RM psf	79	5	(5)
SOHO car park	Comparison approach	166,900	RM per bay	26,000	6,418	(6,418)
		<u>205,700</u>				

* Changes to market value used in comparison method by RM0.10 psf for common area surrounding car park bays and RM1,000 per bay for car park bays

NOTES TO THE FINANCIAL STATEMENTS (CONT'D)

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2021

11. INVESTMENT PROPERTIES (CONTINUED)

Fair value (continued)

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

Group	Level 1 RM'000	Level 2 RM'000	Level 3 RM'000	Total RM'000
31 December 2021				
Investment properties	–	–	478,249	478,249
31 December 2020				
Investment properties	–	–	437,900	437,900

12. INVESTMENTS IN SUBSIDIARY COMPANIES

	Company	
	2021 RM'000	2020 RM'000
Unquoted equity shares, at cost	826,221	826,221
Less: Impairment loss	(12,400)	(12,356)
Quasi-equity loans to subsidiary companies	813,821	813,865
Less: Impairment loss	189,578 (2,163)	334,678 (973)
	1,001,236	1,147,570

On 29 December 2021, I-Marcom Sdn Bhd, a wholly owned subsidiary company of the Company, acquired for 100% of the issued and paid-up capital of King of The Hill 8Kia Peng Sdn Bhd, a company incorporated in Malaysia, for a total consideration of RM2,500.

Quasi-equity loans to subsidiary companies are in respect of contribution to subsidiary companies, for which the repayment is at the sole discretion of the Board of Directors of the subsidiary companies, and it is not entitled to interest and dividend. These amounts are, in substance, part of the investments in the subsidiary companies of the Company.

During the financial year, the Company has capitalised an amount of RM14,900,000 previously classified as amount due from subsidiaries into quasi-equity loans and there was a repayment of RM160,000,000 by way of offsetting against the amount due to subsidiary company.

NOTES TO THE FINANCIAL STATEMENTS (CONT'D)

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2021

12. INVESTMENT SUBSIDIARY COMPANIES (CONTINUED)

The details of the subsidiary companies are as follows:

Name of company	Country of incorporation	Equity interest		Principal activities
		2021 %	2020 %	
I-City Marketing Sdn. Bhd.*#	Malaysia	100	100	Property developer, contractor for construction work, land and property owner, property and complex manager
I-City Properties Sdn. Bhd.*#	Malaysia	100	100	Property developer, contractor for construction work, land and property owner, marketing and management of events, leisure and other tourism related activities
City Centrepoint Sdn. Bhd.*#	Malaysia	100	100	Property developer and contractor for construction work, land and property owner
Centralwalk i-City Sdn. Bhd.*#	Malaysia	100	100	Property management services
I-City (MM2H) Sdn. Bhd.*#	Malaysia	100	100	Dormant since incorporation, intended activities as property management and advisory services in relation to the Malaysia My Second Home Programme
I-City (Selangor) Sdn. Bhd.*# and its subsidiary company:	Malaysia	100	100	Management and development of i-City, Shah Alam as a MSC Malaysia Cybercentre
5G World Sdn Bhd.*#	Malaysia	100	100	Retail of wireless technology products, information and communication technology ("ICT") products
I-Marcom Sdn. Bhd.*# and its subsidiary companies:	Malaysia	100	100	Investment holding and property development activities
I-Think Sdn. Bhd.*#	Malaysia	100	100	Advertising agent, advertiser, advertising contractor, co-working space and events venue and related services
King of The Hill 8Kia Peng Sdn Bhd.*	Malaysia	100	–	Property developer and service suite operator
I-R & D Sdn. Bhd.*# and its subsidiary companies:	Malaysia	100	100	Investment and property holdings
I-City Travel Sdn Bhd.*#	Malaysia	100	100	Travel agent
I-Office2 Sdn. Bhd.*#	Malaysia	80	80	Management of network and telephony services
I-Silicon Sdn. Bhd.*# and its subsidiary company:	Malaysia	100	100	Investment holding, property management and property investment
Metaverse I-City Sdn. Bhd. (formerly known as I-City Resorts Sdn. Bhd.)*#	Malaysia	100	100	Dormant during financial year. Principal activities were promotion, marketing and management of events, leisure and other tourism related activities

NOTES TO THE FINANCIAL STATEMENTS (CONT'D)

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2021

12. INVESTMENT SUBSIDIARY COMPANIES (CONTINUED)

The details of the subsidiary companies are as follows: (continued)

Name of company	Country of incorporation	Equity interest		Principal activities
		2021 %	2020 %	
Central Park I-City Sdn. Bhd.*#	Malaysia	100	100	Dormant during financial year
Pacific Avenue I-City Sdn. Bhd.*#	Malaysia	100	100	Dormant during financial year
South Gardens Sdn. Bhd.*#	Malaysia	100	100	Dormant during financial year
Garden of Infinity Sdn. Bhd.*#	Malaysia	100	100	Dormant during financial year
The Jewel I-City Sdn. Bhd.*#	Malaysia	100	100	Dormant during financial year
Hollywood I-City Sdn. Bhd.*#	Malaysia	100	100	Café, coffee house, food and beverages retail outlet

* 2021 - Audited by Deloitte PLT, Malaysia

2020 - Audited by PricewaterhouseCoopers, Malaysia

The Company had assessed the recoverable amount of investments in subsidiary companies based on the net assets of these subsidiary companies. During the financial year, impairment loss amounting to RM1,625,000 (2020: RM8,211,000) was written down based on their recoverable amounts. The recoverable amount was determined based on fair value less cost to sell approach using adjusted net assets attributable to ordinary shares at the end of financial year.

Movements in the accumulated impairment losses of investment in subsidiary companies are as follows:

	Company	
	2021 RM'000	2020 RM'000
At 1 January	13,329	5,118
Add: Impairment loss recognised during the year	1,625	8,211
	14,954	13,329
Less: Reversal of impairment loss during the year	(391)	–
At 31 December	14,563	13,329

NOTES TO THE FINANCIAL STATEMENTS (CONT'D)

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2021

13. ASSOCIATES

	Group	
	2021 RM'000	2020 RM'000
At cost:		
- Unquoted equity shares	168,213	168,213
- Share of post-acquisition reserves	62,777	49,562
	230,990	217,775
Amount owing by an associate	308	308
	231,298	218,083
Represented by:		
The Group's share of net assets	230,990	217,775

Amount owing by an associate represents contribution to the associate for working capital purposes, which are interest-free, unsecured and settlement is neither planned nor likely to occur in the foreseeable future. These amounts are, in substance, part of the investments in the associates of the Company.

The details of the associates are as follows:

Name of company	Country of incorporation	Equity interest		Principal activities
		2021 %	2020 %	
Held by I-R & D Sdn. Bhd.:				
Citylight Hotel Sdn. Bhd.*	Malaysia	40	40	Hotel operator
Central Plaza I-City Real Estate Sdn. Bhd.*	Malaysia	40	40	Property owner and mall operator

* Not audited by Deloitte PLT, Malaysia.

NOTES TO THE FINANCIAL STATEMENTS (CONT'D)

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2021

13. ASSOCIATES (CONTINUED)

The Group's share of assets and liabilities of a material associate is as follows:

	Group	
	2021 RM'000	2020 RM'000
Central Plaza i-City Real Estate Sdn. Bhd.		
Assets and liabilities		
Non-current assets	954,133	951,551
Current assets	25,640	27,125
Non-current liabilities	(27,065)	(34,434)
Current liabilities	(374,670)	(399,602)
Net assets	578,038	544,640
Revenue	54,945	65,182
Other income	52,755	40,385
Profit for the financial year	33,397	29,392
Total comprehensive income	33,397	29,392
Share of net assets/Carrying amount	231,215	217,856
Share of results for the financial year		
Share of profit for the financial year	13,359	11,757
Share of total comprehensive income for the financial year	13,359	11,757

Set out below is the financial information of the other individually immaterial associate:

	Group	
	2021 RM'000	2020 RM'000
Carrying amount of investment in an associate	83	227
<u>Share of results for the financial year</u>		
Share of loss for the financial year	144	—
Share of total comprehensive loss for the financial year	144	—

14. GOODWILL

	Group	
	2021 RM'000	2020 RM'000
Cost	4,333	4,333
Less: Accumulated impairment loss	(4,333)	(4,333)
At 31 December	—	—

NOTES TO THE FINANCIAL STATEMENTS (CONT'D)

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2021

15. INTANGIBLE ASSETS

	Group 2021 RM'000	2020 RM'000
Software		
Net book value		
At 1 January	91	–
Additions	27	98
Amortisation charge for the financial year	(33)	(7)
At 31 December	85	91
Cost		
Cost	125	98
Accumulated amortisation	(40)	(7)
Net book value	85	91

16. INVENTORIES

	Note	31.12.2021 RM'000	Group 31.12.2020 RM'000 (Restated)	1.1.2020 RM'000 (Restated)
At cost:				
Property development costs	(a)	173,674	185,843	472,765
Completed properties held for sale	(b)	391,599	404,614	307,071
Consumables		261	214	249
		565,534	590,671	780,085
At net realisable value:				
Completed properties held for sale	(b)	204,318	204,318	–
Total inventories		769,852	794,989	780,085

NOTES TO THE FINANCIAL STATEMENTS (CONT'D)

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2021

16. INVENTORIES (CONTINUED)

(a) Property development costs

	31.12.2021 RM'000	Group 31.12.2020 RM'000 (Restated)
Land and development costs		
At 1 January	2,024,747	1,960,704
Effects of adoption of Agenda Decision	(32,555)	(27,922)
At 1 January (restated)	1,992,192	1,932,782
Additions during the financial year	30,617	59,409
At 31 December	2,022,809	1,992,191
Less: Accumulated costs recognised as an expense in statements of comprehensive income		
At 1 January	(1,838,660)	(1,460,017)
Effects of adoption of Agenda Decision	32,311	–
At 1 January (restated)	(1,806,349)	(1,460,017)
Additions during the financial year	(36,449)	(32,020)
Transfer to completed properties held for sale	(6,337)	(314,311)
At 31 December	(1,849,135)	(1,806,348)
	173,674	185,843

Property development costs are analysed as follows:

	31.12.2021 RM'000	Group 31.12.2020 RM'000 (Restated)	1.1.2020 RM'000 (Restated)
Land and development costs	2,022,809	1,992,191	1,932,782
Accumulated costs recognised as expense in statements of comprehensive income	(1,849,135)	(1,806,348)	(1,460,017)
	173,674	185,843	472,765

Included in property development costs incurred for the financial year ended 31 December 2021 of the Group is interest expense capitalised of RM450,000 (2020: RM6,132,000).

The titles to the properties under construction have not been transferred to the Group. Once the properties are completed and sold, the title deeds will be transferred directly from the related companies to the end purchasers.

NOTES TO THE FINANCIAL STATEMENTS (CONT'D)

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2021

16. INVENTORIES (CONTINUED)

(b) Completed properties held for sale

	Group 2021 RM'000	2020 RM'000 (Restated)
At 1 January	641,657	309,951
Effects of adoption of Agenda Decision	(32,725)	(2,880)
At 1 January (restated)	608,932	307,071
Transfer from property development cost	6,337	314,311
Inventories written off	—	(5,852)
Completed units sold	—	(6,598)
Cost adjustments	(19,352)	—
At 31 December	595,917	608,932

Included in cost adjustments recognised are cost savings from finishing work and liquidated damages claim from the main contractor.

17. RECEIVABLES AND CONTRACT ASSETS

		Group 2021 RM'000	2020 RM'000	Company 2021 RM'000	2020 RM'000
Trade receivables	(a)	58,986	53,243	—	—
Other receivables	(b)	4,086	17,598	58	—
Less: Impairment losses	(e)	(14,439)	(9,118)	—	—
Contract cost assets	(f)	48,633	61,723	58	—
Deposits		1,123	804	—	—
		5,456	5,049	—	—
Prepayments		55,212	67,576	58	—
Contract assets in relation to:		1,327	2,438	25	—
- property development activities	(c)	—	2,829	—	—
		56,539	72,843	83	—

(a) Trade receivables are non-interest bearing and the normal trade credit terms granted by the Group ranges from 1 to 30 days (2020: 1 to 30 days). They are recognised at their original invoice amounts which represent their fair values on initial recognition.

Included in trade receivables for the Group is an amount of RM10,246,000 (2020: RM5,331,000), being stakeholder sum for property development.

The Group does not have any significant credit risk from its property development activities as sale of development units are made to large number of property purchasers with end financing facilities from reputable end-financiers and the ownership and rights to the properties revert to the Group in the event of default. Credit risks with respect to trade receivables are disclosed in Note 38 (c).

NOTES TO THE FINANCIAL STATEMENTS (CONT'D)

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2021

17. RECEIVABLES AND CONTRACT ASSETS (CONTINUED)

Ageing analysis of trade receivables:

	Group	
	2021 RM'000	2020 RM'000
Stakeholders' sum	10,246	5,331
Not past due	10,021	1,482
Past due < 30 days	1,607	2,145
Past due < 30 – 60 days	673	916
Past due < 60 – 90 days	501	848
Past due > 90 days	22,900	33,403
Total	45,948	44,125

- (b) In the prior financial year, included in other receivables is an amount of RM20,000 being goods and services tax ("GST") receivables.

- (c) Contract assets and contract liabilities

The contract assets and contract liabilities as at reporting dates were not impacted by significant changes in contract terms.

	Note	Group	
		2021 RM'000	2020 RM'000
Net carrying amount of contract assets and liabilities is analysed as follows:			
At 1 January			
- contract assets		2,829	19,516
Property development revenue recognised during the financial year	4	47,614	59,694*
Less: Billings during the financial year		(54,202)	(76,381)
At 31 December		(3,759)	2,829
At 31 December			
- contract assets		–	2,829
- contract liabilities	27	(3,759)	–
		(3,759)	2,829

* In the prior financial year, included in revenue recognised is variable consideration recognised of RM4,516,000.

NOTES TO THE FINANCIAL STATEMENTS (CONT'D)

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2021

17. RECEIVABLES AND CONTRACT ASSETS (CONTINUED)

(d) Unsatisfied performance obligations

As at 31 December 2021, the aggregate amount of the transaction price allocated to the remaining performance obligation is RM39,345,000 (2020: RM47,321,000) and the Group will recognise this revenue as and when the building is constructed, which is expected to occur over the next 12-18 months.

(e) Impairment losses on trade and other receivables

Trade and other receivables of the Group and of the Company that are in default at the end of the reporting period are as follows:

Group	Individually impaired	
	2021 RM'000	2020 RM'000
Trade and other receivables, gross	14,439	9,118
Less: Impairment losses	(14,439)	(9,118)
	—	—

Movements of the Group's loss allowances on trade and other receivables are as follows:

	Group		Company	
	2021 RM'000	2020 RM'000	2021 RM'000	2020 RM'000
At 1 January	9,118	5,689	—	3
Charge for the financial year	5,712	3,467	—	—
Reversal of loss allowances no longer required	(391)	(38)	—	(3)
At 31 December	14,439	9,118	—	—

Trade and other receivables that are individually determined to be impaired at the end of each reporting period relate to those receivables that have defaulted on payments. These receivables are not secured by any collateral or credit enhancements.

(f) Contract cost assets

	Group	
	2021 RM'000	2020 RM'000
Assets recognised from incremental cost of obtaining a contract	4,311	43,295
Cumulative amortisation of contract cost assets	(3,188)	(42,491)
At 31 December	1,123	804

The Group recognised an asset in relation to costs incurred in sales agent commission of property development projects and is amortised based on the percentage of completion and is presented as 'Sales and marketing expenses' in the statements of comprehensive income.

NOTES TO THE FINANCIAL STATEMENTS (CONT'D)

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2021

18. AMOUNTS DUE FROM SUBSIDIARY COMPANIES, RELATED COMPANIES AND ULTIMATE HOLDING COMPANY

Amounts owing by subsidiary companies, related companies and ultimate holding company represent advances and payments made on behalf, which are unsecured, interest-free and receivable on demand.

	Group		Company	
	2021 RM'000	2020 RM'000	2021 RM'000	2020 RM'000
Amounts owing by:				
Subsidiary companies	—	—	219,181	235,246
Related companies	444	444	30	30
Ultimate holding company	484	484	—	—
	928	928	219,211	235,276

The amounts due from subsidiary companies, related companies and ultimate holding company represent advances and payments made on behalf which are unsecured, non-interest bearing except for loan amount owing from subsidiary companies amounting to RM210,614,000 (2020: RM216,148,000) which bears interest at 5% - 5.5% (2020: 5% - 5.5%) per annum.

19. SHORT-TERM FUNDS WITH LICENSED FINANCIAL INSTITUTIONS

Short-term funds represent investment in money market funds.

20. CASH AND CASH EQUIVALENTS

		Group		Company	
	Note	2021 RM'000	2020 RM'000	2021 RM'000	2020 RM'000
Cash at bank held under Housing Development Accounts	(a)	654	15	—	—
Deposits with licensed financial institutions	(b)	17,975	20,540	39	634
Cash and bank balances	(c)	2,675	2,575	22	13
As reported in the statements of financial position		21,304	23,130	61	647
Less: Deposits with licensed financial institutions					
Less than 3 months	(b)(i)	(39)	(39)	(39)	(39)
More than 3 months	(b)(ii)	(11,918)	(11,816)	—	—
As reported in statements of cash flows		9,347	11,275	22	608

NOTES TO THE FINANCIAL STATEMENTS (CONT'D)

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2021

20. CASH AND CASH EQUIVALENTS (CONTINUED)

- (a) Bank balances held under the Housing Development Accounts represents receipts from purchasers of residential properties less payments as withdrawals provided under Section 7A of the Housing Development (Control and Licensing) Amendment Act 2002 and Housing Development (Housing Development Account) Regulation 1991 in connection to the Group's property development projects.
- (b) Deposits with licensed banks and financial institutions have maturity periods ranges from 1 day to 6 months (2020: 4 days to 6 months).

Included in deposits with licensed banks and licensed financial institutions of the Group are as follows:

- (i) amount of RM39,000 (2020: RM39,000) pledged to a licensed bank as security bank guarantee.
- (ii) amount of RM11,918,000 (2020: RM11,816,000) with maturity period of six months. This amount is not classified as cash and cash equivalents as its maturity period is more than 3 months.
- (c) Bank balances are deposits held at call with banks and earn no interest.
- (d) The effective interest rates per annum for the Group and the Company are as follows:

	Group		Company	
	2021 %	2020 %	2021 %	2020 %
Cash at bank held under Housing Development Accounts	0.50	0.50	—	—
Deposits with licensed financial institutions	1.47	1.22	1.50	1.50

21. ASSETS CLASSIFIED AS HELD FOR SALE

	Group		Company	
	2021 RM'000	2020 RM'000	2021 RM'000	2020 RM'000
Investment properties	17,566	18,365	10,163	10,625

- (a) Assets classified as held for sale are in relation to management and Directors' commitment to sell leasehold land and building of the investment properties as disclosed in Note 11.
- (b) On 18 March 2022, the Group and the Company entered into Sales and Purchase Agreements to sell the leasehold lands and buildings which the transactions are still in the process of completion as at 31 December 2021.

NOTES TO THE FINANCIAL STATEMENTS (CONT'D)

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2021

21. ASSETS CLASSIFIED AS HELD FOR SALE (CONTINUED)

- (c) The fair value of assets classified as held for sale of the Group and of the Company had been measured using an average asking price of RM22 psf (2020: RM23 psf) and are categorised as follows:

	Level 1 RM'000	Level 2 RM'000	Level 3 RM'000	Total RM'000
Group				
31 December 2021				
Taiping lands	–	–	17,566	17,566
31 December 2020				
Taiping lands	–	–	18,365	18,365
Company				
31 December 2021				
Taiping lands	–	–	10,163	10,163
31 December 2020				
Taiping lands	–	–	10,625	10,625

The change in asking price by RM0.10 psf higher and lower, has fair value impacts of RM80,000 and RM46,000 (2020: RM80,000 and RM46,000) higher and lower for the Group and the Company respectively.

22. SHARE CAPITAL

	2021 Number of shares	Group and Company 2020 Number of shares	2021 RM'000	2020 RM'000
Issued and fully paid				
At 1 January	1,118,518,239	1,102,071,545	643,249	640,035
Issued pursuant to: - conversion of RCCPS	18,344,862	16,446,694	3,437	3,214
At 31 December	1,136,863,101	1,118,518,239	646,686	643,249

(a) Issued and paid-up share capital

The issued and paid-up share capital of the Company was increased from RM643,249,000 to RM646,686,000 with issuance of 18,344,862 new ordinary shares pursuant to the conversion of RM3,437,000 RCCPS.

The new ordinary shares issued during the financial year rank pari passu in all respects with the existing ordinary shares of the Company. There were no other issues of shares or debentures during the financial year.

(b) Treasury shares

During the financial year, the Company has sold 7,952,200 shares at an average price of RM0.27 per share at a total consideration of RM2,134,000.

NOTES TO THE FINANCIAL STATEMENTS (CONT'D)

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2021

22. SHARE CAPITAL (CONTINUED)

(b) Treasury shares (continued)

In the prior financial year, the cumulative number of shares repurchased as at the reporting date is 7,952,200 at a total consideration of RM1,341,000. The average price paid for the shares repurchased is approximately RM0.17 per share. The repurchase transactions were financed by internally generated funds. The shares repurchased are being held as treasury shares in accordance with the provision Section 127 of the Companies Act 2016. As treasury shares, the rights attached as to voting, dividends and participation in other distributions are suspended.

23. RETAINED EARNINGS

At the end of the reporting period, the entire balance of the retained earnings of the Company is available for distribution as dividends under the single-tier income tax system.

24. REDEEMABLE CUMULATIVE CONVERTIBLE PREFERENCE SHARES (RCCPS)

On 27 November 2019 ('Issue Date'), the Company has issued 795,985,581 RCCPS at an issue price of RM0.19 each.

The salient terms of the RCCPS are as follows:

(a) Conversion rights and mandatory conversion on maturity date

The RCCPS holder shall have the right to convert 1 RCCPS into 1 new ordinary share in the Company at the conversion price at any time during the tenure. Unless previously redeemed or converted during the tenure, all outstanding RCCPS will be mandatorily converted into ordinary shares at the conversion price on maturity date. The conversion price of RCCPS is equivalent to the issue price per RCCPS.

(b) Maturity Date

The day which is the third anniversary of the Issue Date. For avoidance of doubt, if the Maturity Date is not a Market Day, then the RCCPS shall be mandatorily converted into new ordinary shares in the Company at the conversion price at the end of the Market Day immediately preceding the Maturity Date.

(c) Dividend

The holders shall be entitled to receive cumulative preferential dividend of 5% per annum, payable on an annual basis and in arrears at the cumulative preferential dividend of 5% per annum during the tenure of the RCCPS. Subject to the provision of the Companies Act 2016 including the requirement for the availability of profits, the cumulative preferential dividend shall accrue and be paid cash upon such dividend pay-out date as declared by the Company. Subject to the foregoing, the dividend shall be distributable annually.

(d) Voting Rights

The RCCPS shall not be entitled to vote or approve any shareholders' resolution or vote at any general meeting of the Company, save and except in respect of the following:

- (i) when the declared cumulative preferential dividend or part of the declared cumulative preferential dividend on the RCCPS is in arrears for more than 6 months;
- (ii) resolution on a proposal to reduce the Company's share capital;
- (iii) resolution on a proposal for the disposal of substantially the whole of the Company's property, business and undertaking;

NOTES TO THE FINANCIAL STATEMENTS (CONT'D)

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2021

24. REDEEMABLE CUMULATIVE CONVERTIBLE PREFERENCE SHARES (RCCPS) (CONTINUED)

The salient terms of the RCCPS are as follows: (continued)

(d) Voting Rights (continued)

The RCCPS shall not be entitled to vote or approve any shareholders' resolution or vote at any general meeting of the Company, save and except in respect of the following: (continued)

- (iv) resolution on a proposal to wind up the Company;
- (v) during the winding-up of the Company; or
- (vi) resolution on any proposal that affects the rights and privileges attached to the RCCPS, including the amendments to the Company's Constitution.

(e) Redemption

Subject to the Companies Act 2016, all outstanding RCCPS shall, unless previously converted, be redeemable at the option of the Company, in full or in part, at any time from and including Issue Date up to the day immediately preceding the Maturity Date.

The amounts recognised in the statements of financial position of the Group and of the Company are analysed as follows:

	Group and Company RM'000
Nominal value of RCCPS issued on 27 November 2019	151,237
Equity component, net of deferred tax assets	(135,586)
Deferred tax assets	4,942
Liability component on initial recognition	20,593

	Group and Company 2021 RM'000	2020 RM'000
Liability component:		
At 1 January 2021/ Date of issuance	13,123	19,629
Interest expense	609	941
Dividend payable	(6,844)	(7,019)
Less: Conversion to ordinary shares	6,888 (331)	13,551 (428)
At 31 December	6,557	13,123
Non-current	—	6,104
Current	6,557	7,019
	6,557	13,123

NOTES TO THE FINANCIAL STATEMENTS (CONT'D)

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2021

24. REDEEMABLE CUMULATIVE CONVERTIBLE PREFERENCE SHARES (RCCPS) (CONTINUED)

The amounts recognised in the statements of financial position of the Group and of the Company are analysed as follows: (continued)

	Group and Company	
	2021	2020
	RM'000	RM'000
Equity component:		
At 1 January 2021/ Date of issuance	125,107	127,893
Conversion to ordinary shares	(3,106)	(2,786)
At 31 December	122,001	125,107

25. REDEEMABLE CONVERTIBLE UNSECURED LOAN STOCKS

On 27 August 2014 ('RCULS Issue Date'), the Company issued 264,000,000 five-year 3% to 5% Redeemable Convertible Unsecured Loan Stocks of RM132,000,000 at 100% of its nominal value of RM0.50 each ('RCULS-A') to Sumuracres Sdn. Bhd. as settlement for the acquisition on a piece of freehold land held under Geran No. 26180, Lot No. 242, Seksyen 63, Town and District of Kuala Lumpur, Wilayah Persekutuan Kuala Lumpur ('Kia Peng Land').

On the same date, the Company issued 138,000,000 five-year 3% to 5% Redeemable Convertible Unsecured Loan Stocks of RM69,000,000 at 100% of its nominal value of RM0.50 each ('RCULS-B') to Sumurwang Sdn. Bhd. as part settlement for the acquisitions on a piece of freehold land held under Geran No. 311884, Lot No. 16964, Seksyen 7, Bandar Shah Alam, District of Petaling, State of Selangor Darul Ehsan ('SOHO Land') and a piece of freehold land held under Geran No. 321043, Lot No. 17196, Seksyen 7, Bandar Shah Alam, District of Petaling, State of Selangor Darul Ehsan ('Tower Land').

On 16 August 2019, the tenure of the RCULS-A of RM132.0 million and RCULS-B of RM69.0 million has been extended for another 3 years and shall become due on 26 August 2022, being the business day immediately preceding the 8th anniversary of the issue date of RCULS-A and RCULS-B respectively ("RCULS extension"). The shareholders of the Company had approved the above in an Extraordinary General Meeting held on 16 August 2019.

The salient terms of the RCULS are as follows:

(a) Conversion rights and rates

The RCULS are convertible to new ordinary shares in the Company during the conversion period. The conversion price is fixed at RM0.84 for RCULS-A or RM0.71 for RCULS-B per ordinary share of the Company. However, the conversion price would be subject to further price adjustments against certain dilutive events as stipulated in the supplemental deed polls executed by the Company on 18 August 2014 ('Supplemental Deed Poll').

Pursuant to the Rights Issue, the conversion price had been adjusted to RM 0.71 for RCULS-A or RM 0.60 for RCULS-B per ordinary share of the Company. The adjusted conversion price will be effective on 5 November 2020, which is the day after the entitlement date of the Rights Issue.

The new ordinary shares to be allotted and issued upon conversion of the RCULS would rank pari passu in all respects with the existing ordinary shares of the Company.

NOTES TO THE FINANCIAL STATEMENTS (CONT'D)

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2021

25. REDEEMABLE CONVERTIBLE UNSECURED LOAN STOCKS (CONTINUED)

The salient terms of the RCULS are as follows: (continued)

(b) Conversion period

The RCULS are convertible from the period commencing from and including the second anniversary of the RCULS Issue Date up to and on the eighth anniversary of the RCULS Issue Date, 26 August 2022 (being the business day immediately preceding the 8th anniversary of the issue date of RCULS-A and RCULS-B respectively).

(c) Coupon rate

The RCULS bear a coupon interest rate of 5.0% per annum based on the nominal value of the outstanding RCULS, as follows:

<u>Years from Issue Date</u>	<u>Coupon rate per annum</u>
1	5.0%
2	5.0%
3	5.0%

The coupons are payable in arrears on a semi-annual basis.

(d) Redemption

RCULS may at the option of the Company be redeemed, in whole or in part, at any time during the tenure of the RCULS at 100% of their nominal amount plus accrued coupon up to the redemption date with not less than 30 days prior written notice to the RCULS holder prior to the redemption of RCULS. All RCULS which are redeemed by the Company shall be cancelled immediately and cannot be resold or reissued.

The amounts recognised in the statements of financial position of the Group and of the Company are analysed as follows:

	Group and Company RM'000
Nominal value of RCULS issued on 27 August 2014	201,000
Equity component, net of deferred tax liabilities	(14,547)
Deferred tax liabilities	(4,594)
Liability component on initial recognition	181,859

NOTES TO THE FINANCIAL STATEMENTS (CONT'D)

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2021

25. REDEEMABLE CONVERTIBLE UNSECURED LOAN STOCKS (CONTINUED)

The amounts recognised in the statements of financial position of the Group and of the Company are analysed as follows: (continued)

	Group and Company	
	2021	2020
	RM'000	RM'000
At 1 January		
Non-current	192,668	191,666
Current	10,050	10,050
Interest expense	11,081	11,080
Coupon payment	(10,050)	(10,078)
At 31 December	203,749	202,718
Non-current	–	192,668
Current	203,749	10,050
	203,749	202,718
Equity component:		
At 1 January/At 31 December	14,547	14,547

26. DEFERRED TAX

Deferred tax assets and liabilities are offset when there is a legally enforceable right to offset current tax assets against current tax liabilities and when the deferred taxes relate to the same taxation authority.

- (a) The following amounts, determined after appropriate offsetting, are shown in the statements of financial position:

	31.12.2021	Group	1.1.2020	Company	2020
	RM'000	31.12.2020	RM'000	2021	RM'000
		RM'000	RM'000	RM'000	
		(Restated)	(Restated)		
Deferred tax assets	13,141	16,594	5,272	–	–
Deferred tax liabilities	(10,652)	(10,969)	(11,784)	(568)	(614)
	2,489	5,625	(6,512)	(568)	(614)

NOTES TO THE FINANCIAL STATEMENTS (CONT'D)

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2021

26. DEFERRED TAX (CONTINUED)

- (a) The following amounts, determined after appropriate offsetting, are shown in the statements of financial position: (continued)

	Group		Company	
	2021 RM'000	2020 RM'000 (Restated)	2021 RM'000	2020 RM'000
At 1 January	5,625	880	(614)	3,866
Effects of adoption of Agenda Decision	–	(7,392)	–	–
	5,625	(6,512)	(614)	3,866
Credited/(Charged) to statements of comprehensive income (Note 8):				
- property, plant and equipment	85	1,082	–	*
- investment properties	(902)	440	46	389
- RCULS	(2,653)	3,709	–	(172)
- RCCPS	–	(4,711)	–	(4,711)
- amounts due from subsidiaries	–	–	–	14
- unused tax losses	(34)	2,289	–	–
- inventories	528	1,248	–	–
- advance receipts	157	–	–	–
- contract cost asset	(315)	832	–	–
- provisions	(2)	7,248	–	–
	(3,136)	12,137	46	(4,480)
At 31 December	2,489	5,625	(568)	(614)

* Amount is less than RM1,000.

	31.12.2021 RM'000	Group 31.12.2020 RM'000	1.1.2020 RM'000	Company 2021 RM'000	2020 RM'000
Subject to income tax					
Deferred tax assets (before offsetting)					
- unused tax losses	2,278	2,312	23	–	–
- property, plant and equipment	2,592	2,941	2,843	–	–
- RCULS	1,228	3,881	172	–	–
- RCCPS	–	–	4,711	–	–
- contract cost assets	–	453	–	–	–
- advanced receipts	157	–	–	–	–
- provisions	7,246	7,248	–	–	–
	13,501	16,835	7,749	–	–
Offsetting	(360)	(241)	(2,477)	–	–
Deferred tax assets (after offsetting)	13,141	16,594	5,272	–	–

NOTES TO THE FINANCIAL STATEMENTS (CONT'D)

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2021

26. DEFERRED TAX (CONTINUED)

- (a) The following amounts, determined after appropriate offsetting, are shown in the statements of financial position: (continued)

	31.12.2021 RM'000	Group 31.12.2020 RM'000 (Restated)	1.1.2020 RM'000 (Restated)	Company 2021 RM'000	2020 RM'000
Subject to income tax					
Deferred tax liabilities (before offsetting)					
- investment properties	(2,618)	(1,716)	(2,156)	(568)	(614)
- property, plant and equipment	(1,322)	(1,756)	(2,740)	—	—
- inventories	(7,035)	(7,563)	(8,811)	—	—
- contract cost asset	(37)	(175)	(554)	—	—
	(11,012)	(11,210)	(14,261)	(568)	(614)
Offsetting	360	241	2,477	—	—
Deferred tax liabilities (after offsetting)	(10,652)	(10,969)	(11,784)	(568)	(614)

- (b) The amounts of temporary differences for which no deferred tax assets have been recognised in the statements of financial position are as follows:

	Group 2021 RM'000	2020 RM'000
Unused tax losses	7,766	6,724
Unabsorbed capital allowances	6,212	6,616
	13,978	13,340

The availability of unused tax losses and unabsorbed capital allowances for offsetting future taxable profits of the Group are subject to the agreement with the tax authorities.

NOTES TO THE FINANCIAL STATEMENTS (CONT'D)

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2021

26. DEFERRED TAX (CONTINUED)

Pursuant to an amendment to Section 44(57) of the Income Tax Act 1967, the time limit to utilise tax losses has been extended to a maximum of 10 consecutive years. This amendment is deemed to have effect from the year assessment 2019.

The expiry of the unutilised tax losses, which deferred tax assets have been recognised, is as follow:

	Group	
	2021 RM'000	2020 RM'000
Unutilised tax losses		
- expiring by year of assessment 2028 ^	97	97
- expiring by year of assessment 2029 ^	—	—
- expiring by year of assessment 2030 ^	4,799	9,537
- expiring by year of assessment 2031 ^	4,596	—
	9,492	9,634

The expiry of the unutilised tax losses, which no deferred tax assets have been recognised, is as follow:

	Group	
	2021 RM'000	2020 RM'000
Unutilised tax losses		
- expiring by year of assessment 2028 ^	5,442	5,442
- expiring by year of assessment 2029 ^	425	425
- expiring by year of assessment 2030 ^	857	857
- expiring by year of assessment 2031 ^	1,042	—
	7,766	6,724

^ Under the Malaysia Finance Act 2021, the Company's unutilised tax losses can be carried forward for 10 consecutive years from year of assessment.

NOTES TO THE FINANCIAL STATEMENTS (CONT'D)

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2021

27. PAYABLES AND CONTRACT LIABILITIES

	Note	Group		Company	
		2021 RM'000	2020 RM'000	2021 RM'000	2020 RM'000
Trade payables	(a)	48,211	68,294	–	–
Retention sum		51,710	70,573	–	–
Other payables	(b)	98,731	67,566	65,376	64,834
Deposits		6,306	3,375	45	45
Accruals	(c)	217,754	277,159	85	562
		422,712	486,967	65,506	65,441
Contract liabilities in relation to:					
- Property Development	17 (c)	3,759	–	–	–
Total		426,471	486,967	65,506	65,441
Non-current		50,763	57,767	50,763	57,767
Current		375,708	429,200	14,743	7,674
Total		426,471	486,967	65,506	65,441

- (a) Trade payables are non-interest bearing and the normal trade credit terms granted to the Group ranges from 1 to 30 days (2020: 1 to 30 days) from date of invoice.
- (b) Included in other payables of the Group and of the Company is an amount owing to a third party of RM 50,763,000 (2020: RM57,767,000) in which the Group and the Company have the discretion to defer the settlement for at least 12 months from the reporting date.
- (c) Included in accruals of the Group are accruals for the property development costs of RM218,892,000 (2020: RM253,091,000).

28. HIRE PURCHASE LIABILITY

	Group	
	2021 RM'000	2020 RM'000
Minimum lease payments		
- Payable within 1 year	53	80
- Payable between 1 and 5 years	–	52
	53	132
Less: Future finance charges	(1)	(5)
Present value of lease liability	52	127
Present value of lease liability		
- Payable within 1 year	52	75
- Payable between 1 and 5 years (included in non- current liability)	–	52
	52	127

Hire purchase liability is effectively secured as the rights to the leased asset revert to the financier in the event of default. As at the reporting date, the effective interest rate was 5.32% (2020: 5.32%) per annum.

NOTES TO THE FINANCIAL STATEMENTS (CONT'D)

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2021

29. LEASE LIABILITIES

The lease liabilities recognised and the movements during the financial year are set out below:

The statements of financial position show the following amounts relating to leases:

	Group RM'000	Company RM'000
Lease liabilities		
At 1 January 2021	2,882	82
Additions	298	–
Accretion of interests for the financial year	112	2
Rent concession received	(285)	–
Payments	(1,729)	(84)
At 31 December 2021	1,278	–
Current	1,267	–
Non-current	11	–
	1,278	–
Lease liabilities		
At 1 January 2020	4,974	156
Additions	140	–
Termination of lease contract	(73)	–
Accretion of interests for the financial year	254	10
Rent concession received	(718)	–
Payments	(1,695)	(84)
At 31 December 2020	2,882	82
Current	1,785	82
Non-current	1,097	–
	2,882	82

NOTES TO THE FINANCIAL STATEMENTS (CONT'D)

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2021

30. BANK BORROWINGS

	Group 2021 RM'000	2020 RM'000
<u>Non-current liabilities</u>		
Term loans	79,102	17,585
<u>Current liabilities</u>		
Term loans	9,333	6,250
Revolving credit	25,000	25,000
	34,333	31,250

The term loans and revolving credit has a maturity of 5 years and one month respectively.

The effective interest rates per annum of bank borrowings as at the end of the reporting date for the Group are as follows:

	Group 2021 %	2020 %
Term loans	3.89	2.77
Revolving credit	3.06	2.65

The above term loans and revolving credit of the Group are secured by way of the following corporate guarantees from the Company:

- (i) deposits pledged with licensed banks as securities;
- (ii) charged over the freehold land of certain subsidiary as mentioned in Note 10; and
- (iii) secured by corporate guarantee from the Company.

31. AMOUNTS DUE TO HOLDING COMPANIES, SUBSIDIARY COMPANIES AND A RELATED PARTY

	Group 2021 RM'000	2020 RM'000	Company 2021 RM'000	2020 RM'000
Amounts due to:				
Holding companies	2,517	19,604	–	18,000
Subsidiary companies	–	–	–	205,340
Related party	–	–	52,754	–
	–	–	52,754	205,340

In the prior financial year, included in amounts due to immediate holding companies of the Group and of the Company are advances of RM18,000,000 respectively. These advances were unsecured, interest-free and payable on demand.

NOTES TO THE FINANCIAL STATEMENTS (CONT'D)

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2021

32. COMMITMENTS - OPERATING LEASE

(a) The Group and the Company as lessor

The Group and the Company had entered into non-cancellable lease arrangements for some of its investment properties for a term of one to two years. The future minimum lease receivables as at the end of the reporting period are as follows:

	Group	
	2021 RM'000	2020 RM'000
Less than one year	5,395	4,287
Between one and five years	3,305	2,419
	8,700	6,706

33. COMMITMENTS - PROPERTY, PLANT AND EQUIPMENT AND INVESTMENT PROPERTIES

	Group	
	2021 RM'000	2020 RM'000
Capital expenditure in respect of additional property, plant and equipment and investment properties:		
- Approved and contracted but not provided for	42,546	58,343

34. DIVIDENDS

	Group and Company			
	2021		2020	
	Single tier dividend per share sen	Amount of single tier dividend RM'000	Single tier dividend per share sen	Amount of single tier dividend RM'000
First and final dividend paid	—	—	0.70	7,814

In respect of the financial years ended 31 December 2021 and 31 December 2020, in view of the prolonged Covid-19 pandemic/ current market uncertainties, no dividend has been declared for the RCCPS in respect of the RCCPS 1st and 2nd year anniversary dividend. However, the RCCPS holders will be entitled to receive cumulative preferential dividend.

Accordingly, no distribution of dividend will be made on the ordinary shares.

NOTES TO THE FINANCIAL STATEMENTS (CONT'D)

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2021

35. RELATED PARTY DISCLOSURES

In addition to related party disclosures mentioned elsewhere in the financial statements, set out below are other significant related party transactions and balances. The related party transactions described below were carried out on terms and conditions negotiated amongst the parties.

Related parties of the Group include the following:

Related parties	Relationship
i) Sumur Ventures Sdn. Bhd.	Ultimate holding company
ii) Sumurwang Sdn. Bhd.	Immediate holding company
iii) Sumurfields Sdn. Bhd.	Fellow subsidiary
iv) Sumuracres Sdn. Bhd.	Fellow subsidiary
(a) The following transactions with related parties were carried out on terms and conditions negotiated amongst the related parties:	

	Group		Company	
	2021 RM'000	2020 RM'000	2021 RM'000	2020 RM'000
Dividend received	—	—	—	1,200
Subsidiary companies:				
Interest income	—	—	11,690	12,021
Ultimate holding company:				
Rental expense paid	1,249	937	—	—
Immediate holding company:				
Interest expense paid	3,450	3,459	3,450	3,459
Subsidiary companies of the immediate holding company:				
Interest expense paid	6,600	6,618	6,600	6,618
Rental expense paid	39	48	—	—

(b) Compensation of key management personnel

Key management personnel comprise the Executive Directors and the Senior Management of the Group, having authority and responsibility for planning, directing and controlling the activities of the Group.

(i) Directors:

	Group		Company	
	2021 RM'000	2020 RM'000	2021 RM'000	2020 RM'000
Directors' fees	352	316	352	316
Directors' remuneration other than fee	684	634	—	—
Contributions to defined contribution plan	119	119	—	—
	1,155	1,069	352	316

NOTES TO THE FINANCIAL STATEMENTS (CONT'D)

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2021

35. RELATED PARTY DISCLOSURES (CONTINUED)

(b) Compensation of key management personnel (continued)

(ii) Senior Management Personnel:

	Group	
	2021 RM'000	2020 RM'000
Salaries, bonuses and allowances	2,153	2,552
Contributions to defined contribution plan	235	282
	2,388	2,834

36. OPERATING SEGMENTS

Management has determined the operating segments based on the various reports prepared for the Board of Directors that are used to make strategic decisions.

The Group is organised into the following main business segments:

- (i) Property development - Development and sale of residential and commercial properties.
- (ii) Property investment - Investment and property holdings.
- (iii) Leisure - Promotion, marketing and management of events, leisure, hotel and other tourism related activities.

Other operating segments include the provision of managed network and telephony charges (ICT services), investment holding, advertising agent, advertiser and advertising contractor, none of which are individually significant to be reported separately.

Inter-segment revenue comprises revenue from ICT services and advertising charges. These transactions are transacted on agreed terms between the segments.

Segment assets exclude tax assets and cash and cash equivalents of the Group retained for corporate purposes. Segment liabilities exclude tax liabilities.

Details are provided in the reconciliations from segment assets and liabilities to the position of the Group.

NOTES TO THE FINANCIAL STATEMENTS (CONT'D)

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2021

36. OPERATING SEGMENTS (CONTINUED)

The following table provides an analysis of the Group's revenue, results, assets and liabilities and other information by operating segments:

2021	Property development RM'000	Property investment RM'000	Leisure RM'000	Others RM'000	Total RM'000
Revenue					
Total revenue	48,128	11,214	21,666	3,737	84,745
Inter-segment revenue	(503)	(2,895)	(544)	(589)	(4,531)
Revenue from external customers	47,625	8,319	21,122	3,148	80,214
Interest income	292	*	1	68	361
Depreciation of property, plant and equipment	(259)	(1,721)	(4,200)	(284)	(6,464)
Segment (loss)/profit	(667)	(8,486)	757	(3,476)	(11,872)
Share of results of associates, net of tax	—	13,215	—	—	13,215
(Loss)/Profit before tax	(667)	4,729	757	(3,476)	1,343
Taxation	—	—	—	—	(919)
Other material non-cash items: - Impairment losses on receivables	(2,023)	(2,682)	—	(1,007)	(5,712)
Additions to non-current assets other than right-of-use assets, financial instruments and deferred tax assets	30,667	4,785	462	110	36,024

* Amount is less than RM1,000.

2021	Property development RM'000	Property investment RM'000	Leisure RM'000	Others RM'000	Total RM'000
Segment assets	844,871	574,763	230,214	5,233	1,655,081
Current tax assets					7,356
Deferred tax assets					13,141
Associates					231,298
Total assets					1,906,876
Segment liabilities	581,566	63,300	68,735	40,458	754,059
Current tax liabilities					122
Deferred tax liabilities					10,652
Total liabilities					764,833

NOTES TO THE FINANCIAL STATEMENTS (CONT'D)

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2021

36. OPERATING SEGMENTS (CONTINUED)

The following table provides an analysis of the Group's revenue, results, assets and liabilities and other information by operating segments:

2020 (Restated)	Property development RM'000	Property investment RM'000	Leisure RM'000	Others RM'000	Total RM'000
Revenue					
Total revenue	55,544	11,261	14,376	4,239	85,420
Inter-segment revenue	(292)	(3,327)	(346)	(1,354)	(5,319)
Revenue from external customers	55,252	7,934	14,030	2,885	80,101
Interest income	980	*	—	1,630	2,610
Depreciation of property, plant and equipment	(390)	(622)	(6,356)	(337)	(7,705)
Segment profit/(loss)	(5,331)	5,348	(9,995)	(977)	(10,955)
Share of results of associates, net of tax	—	11,757	—	—	11,757
Profit/(loss) before tax	(5,331)	17,105	(9,995)	(977)	802
Taxation	—	—	—	—	827
Other material non-cash items:					
- Impairment losses on receivables	—	(2,786)	—	(681)	(3,467)
- Write down of inventories	(5,852)	—	—	—	(5,852)
Additions to non-current assets other than right-of-use assets, financial instruments and deferred tax assets	524	61,354	52,565	620	115,063

* Amount is less than RM1,000.

2020 (Restated)	Property development RM'000	Property investment RM'000	Leisure RM'000	Others RM'000	Total RM'000
Segment assets	837,049	636,032	196,592	20,277	1,689,950
Current tax assets					1,994
Deferred tax assets					16,594
Associates					218,083
Total assets					1,926,621
Segment liabilities	696,682	13,026	1,601	62,947	774,256
Current tax liabilities					2,242
Deferred tax liabilities					10,969
Total liabilities					787,467

NOTES TO THE FINANCIAL STATEMENTS (CONT'D)

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2021

37. FINANCIAL INSTRUMENTS BY CATEGORY

	Group	
	2021 RM'000	2020 RM'000
<u>Financial assets carried at amortised cost</u>		
- Receivables excluding prepayments, GST receivables, contract cost assets and contract assets in respect of property development	54,089	66,752
- Amounts due from related companies	928	928
- Short-term funds with licensed financial institution	2,028	15,245
- Cash and bank balances	21,304	23,130
	78,349	106,055
<u>Financial liabilities carried at amortised cost</u>		
- Payables excluding GST payables and contract liabilities in respect of property development	422,606	486,927
- Amounts due to holding companies	2,517	19,604
- RCCPS - Liability component	6,557	13,123
- RCULS - Liability component	203,749	202,718
- Hire purchase liability	52	127
- Lease liabilities	1,278	2,882
- Bank borrowings	113,435	48,835
	750,194	774,216
	Company	
	2021 RM'000	2020 RM'000
<u>Financial assets carried at amortised cost</u>		
- Receivables excluding prepayments and GST receivables	58	–
- Amounts due from subsidiary companies and related companies	219,211	235,276
- Short-term funds with licensed financial institution	2,024	15,241
- Cash and bank balances	61	647
	221,354	251,164
<u>Financial liabilities carried at amortised cost</u>		
- Payables excluding GST payables	65,506	65,441
- Amounts due to holding companies	–	18,000
- Amounts due to subsidiary companies	52,754	205,340
- RCCPS - Liability component	6,557	13,123
- RCULS - Liability component	203,749	202,718
- Lease liabilities	–	82
	328,566	504,704

NOTES TO THE FINANCIAL STATEMENTS (CONT'D)

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2021

38. FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES

The financial risk management objective of the Group is to optimise value creation for shareholders whilst minimising the potential adverse impact arising from fluctuations in interest rates and the unpredictability of the financial markets.

The Group operates within an established risk management framework and clearly defined guidelines that are regularly reviewed by the Board of Directors and does not trade in derivative financial instruments. Financial risk management is carried out through risk review programmes, internal control systems, insurance programmes and adherence to the Group's financial risk management policies. The Group is exposed mainly to interest rate risk, liquidity and cash flow risk and credit risk. Information on the management of the related exposures is detailed below.

(a) Interest rate risk

Interest rate risk is the risk that the fair value or future cash flows of the financial instruments of the Group and of the Company would fluctuate because of changes in market interest rates.

The exposure of the Group and of the Company to interest rate risk arises primarily from short term bank deposits and short term funds placed with financial and non-financial institutions. The interest rates are monitored closely to ensure that they are maintained at favourable rates. The Group considers the risk of significant changes to interest rates to be unlikely.

As at 31 December 2021, the borrowings of the Group of RM46,580,000 (2020: RM48,835,000) are at floating interest rates. The interest rate risk exposure to the profit or loss is deemed immaterial to the Group, hence sensitivity analysis is not presented.

(b) Liquidity and cash flow risk

Liquidity risk arises from management of working capital of the Group and the Company. It is the risk that the Group and the Company will encounter difficulty in meeting its financial obligations when due.

The Group actively manages its debt maturity profile, operating cash flows and the availability of funding so as to ensure that all operating, investing and financing needs are met. In liquidity risk management strategy, the Group measures and forecasts its cash commitments and maintains a level of cash and cash equivalents deemed adequate to finance the activities of the Group.

The table below summarises the maturity profile of the liabilities of the Group and of the Company at the end of the reporting period based on contractual undiscounted repayment obligations.

	On demand or within one year RM'000	One to five years RM'000	Over five years RM'000	Total RM'000
As at 31.12.2021				
Group				
Financial liabilities				
RCCPS - liability component	6,844	—	—	6,844
RCULS - liability component	211,050	—	—	211,050
Trade and other payables	375,708	50,763	—	426,471
Amounts due to holding companies	2,517	—	—	2,517
Bank borrowings	34,618	82,748	—	117,366
Hire purchase liability	53	—	—	53
Lease liabilities	1,293	11	—	1,304
	632,083	133,522	—	765,605
Financial guarantee contracts*	113,895	—	—	113,895

NOTES TO THE FINANCIAL STATEMENTS (CONT'D)

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2021

38. FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES (CONTINUED)

(b) Liquidity and cash flow risk (continued)

	On demand or within one year RM'000	One to five years RM'000	Over five years RM'000	Total RM'000
As at 31.12.2021				
Company				
Financial liabilities				
RCCPS - liability component	6,844	—	—	6,844
RCULS - liability component	211,050	—	—	211,050
Trade and other payables	14,743	50,763	—	65,506
Amounts due to subsidiary companies	52,754	—	—	52,754
	285,391	50,763	—	336,154
Financial guarantee contracts*	113,895	—	—	113,895
As at 31.12.2020				
Group				
Financial liabilities				
RCCPS - liability component	7,018	7,018	—	14,036
RCULS - liability component	10,050	211,050	—	221,100
Trade and other payables	429,200	57,767	—	486,967
Amounts due to holding companies	19,604	—	—	19,604
Bank borrowings	31,833	18,292	—	50,125
Hire purchase liability	80	52	—	132
Lease liabilities	1,888	1,118	—	3,006
	499,673	295,297	—	794,970
Financial guarantee contracts*	49,356	—	—	49,356
Company				
Financial liabilities				
RCCPS - liability component	7,018	7,018	—	14,036
RCULS - liability component	10,050	211,050	—	221,100
Trade and other payables	7,674	57,767	—	65,441
Amount due to holding company	18,000	—	—	18,000
Amounts due to subsidiary companies	205,340	—	—	205,340
Lease liabilities	84	—	—	84
	248,166	275,835	—	524,001
Financial guarantee contracts*	49,356	—	—	49,356

* At the end of reporting date, the counterparties to the financial guarantees do not have a right to demand cash as the defaults have not occurred.

NOTES TO THE FINANCIAL STATEMENTS (CONT'D)

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2021

38. FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES (CONTINUED)

(c) Credit risk

Credit risk is the risk of financial loss to the Group if a customer or counterparty to a financial instrument fails to meet its contractual obligations. It is the Group's policy to enter into financial instrument with a diversity of creditworthy counterparties. The Group does not expect to incur material credit losses of its financial assets or other financial instruments.

As at the end of the reporting date, the maximum exposure to credit risk arising from financial assets is limited to the carrying amounts of each class of financial assets recognised in the statements of financial position.

Following are the areas where the Group is exposed to credit risk:

(i) Trade receivables and contract assets

Credit risk, which is the risk of counter parties defaulting, is controlled by the application of credit approvals, credit limits and monitoring procedures. Credit evaluations are performed on all customers requiring credit over a certain amount and strictly limiting the associations of the Group to parties with high credit worthiness. Trade receivables are monitored on an ongoing basis to ensure that the Group is exposed to minimal credit risk.

The Group applies the simplified approach to provide for the expected credit losses prescribed by MFRS 9, which permits the use of the lifetime expected loss provision for all trade receivables and contract assets.

In determining the expected credit loss rate, the Group has considered the payment profiles of sales over a period of 36 months before reporting date and the corresponding historical credit losses experienced within this period. The historical loss rates identified are immaterial and hence, no adjustment has been made.

The Company's current credit risk grading framework comprises the following categories:

Category	Description	Basis for recognising expected credit losses ("ECL")
Performing	The customers that have no history of default.	Lifetime ECL
In-default	<ul style="list-style-type: none"> Customers that have history of default. Amount that is more than 150 days past due. 	Lifetime ECL
Write-off	There is evidence indicating that the Group has no realistic prospect of recovery from the customers.	Asset is written off

No significant changes to estimate techniques or assumptions were made during the reporting period.

At the end of the reporting period, there were no significant concentrations of credit risk owned by a single major customer.

(ii) Other debt instruments financial assets at amortised costs

The financial assets of the Group and of the Company with exposure to credit risk include cash and bank balances, fixed deposits and short-term funds, which are placed with banks and other financial and non-financial institutions with good credit ratings and hence, the credit risk is negligible.

NOTES TO THE FINANCIAL STATEMENTS (CONT'D)

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2021

38. FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES (CONTINUED)

(c) Credit risk (continued)

(ii) Other debt instruments financial assets at amortised costs (continued)

Other debt instruments financial assets at amortised cost include other receivables and amounts due from subsidiaries.

All of these financial assets are considered to have low credit risk, and thus the impairment provision recognised during the period was limited to 12 months expected losses.

(iii) Financial guarantee

The maximum exposure to credit risk in relation to the financial corporate guarantees given amounts to RM113,895,000 (2020: RM49,356,000) representing the outstanding banking facilities of the subsidiaries as at the end of the financial year.

(d) Capital risk management

Capital represents equity attributable to the owners of the Company.

The primary objective of the capital management of the Group is to ensure that entities of the Group would be able to continue as going concerns while maximising the return to shareholders through the optimisation of the capital structure. The overall strategy of the Group remains unchanged from that in the prior financial year.

The Group manages its capital structure and makes adjustments to it in response to changes in economic conditions. In order to maintain or adjust the capital structure, the Group may adjust the dividend payment to shareholders, return capital to shareholders or issue new shares. No changes were made in the objectives, policies or processes during the financial years ended 31 December 2021 and 31 December 2020.

The Group is not subject to any externally imposed capital requirements.

(e) Fair value measurements

The carrying amounts of financial assets and liabilities such as deposit, cash and bank balances, current receivables and payables approximate their fair values due to the relatively short term maturity of these financial instruments.

The fair value for liability components of RCULS and RCCPS are estimated by discounting cash flows at the adjusted market cost of debts of the Company.

Level 1 fair value measurements are those derived from quoted prices (unadjusted) in active markets for identical assets or liabilities.

Level 2 fair value measurements are those derived from inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly (i.e. as prices) or indirectly (i.e. derived from prices).

Level 3 fair value measurements are those derived from inputs for the asset or liability that are not based on observable market data (unobservable inputs).

NOTES TO THE FINANCIAL STATEMENTS (CONT'D)

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2021

38. FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES (CONTINUED)

(e) Fair value measurements (continued)

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. In respect of the liability component of convertible notes, the market rate of interest is determined by reference to similar liabilities that do not have a conversion option.

The valuation techniques and adjustment to inputs used in determining the fair value measurement of Level 2 financial instruments as well as relationship between key adjusted inputs and fair value, is detailed in the table below.

Financial instrument	Fair value hierarchy	Valuation technique used	Adjusted inputs	Inter-relationship between adjusted inputs and fair value
RCULS - liability component	Level 2	Discounted cash flows method	5% - 5.5% adjusted market cost of debts	The higher the discount rate, the lower the fair value of the RCULS would be
RCCPS - liability component	Level 2	Discounted cash flows method	5% adjusted market cost of debts	The higher the discount rate, the lower the fair value of the RCCPS would be

The following tables set out the financial instruments carried at fair value, together with their fair values and carrying amounts shown in the statements of financial position.

	Fair value of financial instruments carried b fair value			Total RM'000	Carrying amount RM'000
	Level 1 RM'000	Level 2 RM'000	Level 3 RM'000		
Group and Company 31.12.2021					
<u>Financial liabilities</u>					
- RCCPS	—	6,557	—	6,557	6,557
- RCULS	—	203,749	—	203,749	203,749
31.12.2020					
<u>Financial liabilities</u>					
- RCCPS	—	13,123	—	13,123	13,123
- RCULS	—	202,718	—	202,718	202,718

There were no transfers between Level 1, Level 2 and Level 3 fair value measurements during the financial year ended 31 December 2021 and 31 December 2020.

NOTES TO THE FINANCIAL STATEMENTS (CONT'D)

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2021

39. IMPACT OF CHANGE IN ACCOUNTING POLICIES

In March 2019, IFRIC published an agenda decision on borrowings costs confirming, receivables, contract assets and inventories for which revenue is recognised over time are non-qualifying assets for purpose of capitalisation of borrowing costs. On 20 March 2019, the Malaysian Accounting Standards Board ("MASB") decided an entity shall apply the change in accounting policy as a result of the IFRIC Agenda Decision to financial statements of annual periods beginning on or after 1 July 2020.

Effective 1 January 2021, the Group had retrospectively applied the Agenda Decision and comparative figures have been restated as a result of the transition requirement under the Agenda Decision.

The effect of the adoption of IFRIC Agenda Decision on IAS 23 Borrowing Costs ("Agenda Decision") are as follows:

(i) Reconciliation of equity

	Group	
	31.12.2020	1.1.2020
	RM'000	RM'000
Equity as previously reported	1,178,995	1,184,446*
<u>Add:</u>		
Effects of adoption of Agenda Decision in retained earnings	(39,841)	(38,194)
Equity as restated	1,139,154	1,146,252

* Include the initial effect of change in accounting policy to measure its investment properties subsequent to initial recognition based on the fair value model.

(ii) The change in accounting policies has affected the following items for prior period:

	As reported	Effect of	As restated
	RM'000	Adoption	RM'000
		of Agenda	
		Decision	
		RM'000	
<u>Statement of Comprehensive Income</u>			
<u>31.12.2020</u>			
<u>Group</u>			
Cost of sales	(58,673)	2,438	(56,235)
Gross profit	21,428	2,438	23,866
Finance costs	(263)	(4,605)	(4,868)
Profit before tax	2,969	(2,167)	802
Taxation	307	520	827
Profit after tax	3,276	(1,647)	1,629

NOTES TO THE FINANCIAL STATEMENTS (CONT'D)

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2021

39. IMPACT OF CHANGE IN ACCOUNTING POLICIES (CONTINUED)

(ii) The change in accounting policies has affected the following items for prior period: (continued)

	As reported RM'000	Effect of Adoption of Agenda Decision RM'000	As restated RM'000
<u>Statement of Financial Position</u>			
<u>31.12.2020</u>			
<u>Group</u>			
Non-Current Assets			
Inventories	827,958	(32,969)	794,989
Deferred tax liabilities	4,097	6,872	10,969
<u>1.1.2020</u>			
<u>Group</u>			
Non-Current Assets			
Inventories	810,887	(30,802)	780,085
Deferred tax liabilities	4,392	7,392	11,784
<u>Statement of Cash Flows</u>			
<u>31.12.2020</u>			
<u>Group</u>			
CASH FLOWS FROM OPERATING ACTIVITIES			
Profit before tax	2,969	(2,167)	802
Finance costs	263	4,605	4,868
Inventories	(16,791)	(2,438)	(19,229)
<u>Effect of Ordinary Shares attributable to owner of the Company (Sen):</u>			
<u>31.12.2020</u>			
Basic	0.30	(0.15)	0.15
Diluted	0.15	(0.07)	0.08

NOTES TO THE FINANCIAL STATEMENTS (CONT'D)

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2021

40. COVID-19 ASSESSMENT

The year 2021 has been challenging and uncertain due to the global Covid-19 pandemic that had adversely affected both the local and global economies arising from suspension of businesses, imposition of travel restrictions and limited movement of people. Year 2021 started with a further lockdown in the nation with states being governed by various degrees of Movement Control Order (MCO) as a result of the escalation of Covid-19 pandemic cases that had further impacted market conditions and sentiments.

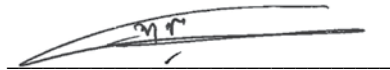
Whilst the global economy continues to deal with the resurgence of the Covid-19 infections, the rollout of vaccine programmes has provided hope of a global recovery. The pace of recovery will depend on the delivery of the vaccine and on continued policy support.

Since the onset of Covid-19, the Group's priorities have been to keep people safe and protect the Group's statement of financial position. With the collective efforts from the Government, businesses and the public, the situation should stabilise and recover in time. Determination and perseverance to overcome this crisis is critical for the nation and the Group to bounce back quickly. Therefore, the Group will continue to monitor this crisis, take appropriate actions and act astutely in selection of opportunities to take advantage of the eventual recovery when this Covid-19 pandemic is over with renewed positive sentiment and optimism.

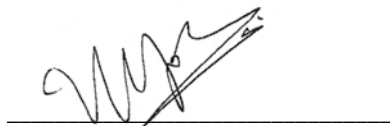
➤ STATEMENT BY DIRECTORS

The Directors of **I-BERHAD** state that, in their opinion, the accompanying financial statements 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 at 31 December 2021 and of the financial performance and the cash flows of the Group and of the Company for the financial year ended on that date

Signed in accordance with
a resolution of the Directors,



PUAN SRI TEY SIEW THUAN

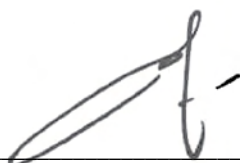


GOH YEANG KHENG

Kuala Lumpur
8 April 2022

➤ DECLARATION BY THE OFFICER PRIMARILY RESPONSIBLE FOR THE FINANCIAL MANAGEMENT OF THE COMPANY

I, **KOAY CHOW LIANG**, the Officer primarily responsible for the financial management of I-BERHAD, do solemnly and sincerely declare that the accompanying financial statements are, in my opinion, correct and I make this solemn declaration conscientiously believing the same to be true, and by virtue of the provisions of the Statutory Declarations Act, 1960.



KOAY CHOW LIANG
(MIA No. 49189)

Subscribed and solemnly declared by the
abovenamed **KOAY CHOW LIANG** at
KUALA LUMPUR this 8th day of April, 2022.

Before me,



COMMISSIONER FOR OATHS

205, Bangunan Loke Yew
4, Jln Mahkamah Persekutuan
50050 Kuala Lumpur (W.P.)

➤ LIST OF PROPERTIES HELD

No.	Location	Description	Tenure	Size	Approximate Age of the Buildings	NBV/Valuation as at 31 December 2021
1	Lot 4799 QT (R) L & M 2/69 Mukim of Asam Kumbang Kamunting Industrial Estate Taiping, Perak Darul Ridzuan	Factory & warehouse	Leasehold for a term of 99 years expiring on 11 July 2068 - Unexpired term is 48 years	4.08 acres	Between 52 to 53 years	3,907,106
2	Lot 5813 QT (R) L & M 3/69 Mukim of Asam Kumbang Kamunting Industrial Estate Taiping, Perak Darul Ridzuan	Factory & warehouse	Leasehold for a term of 99 years expiring on 11 July 2068 - Unexpired term is 48 years	2.00 acres	46 years	1,916,641
3	Lot 6675 HS (D) L & M 2/77 Mukim of Asam Kumbang Kamunting Industrial Estate Taiping, Perak Darul Ridzuan	Factory & warehouse	Leasehold for a term of 99 years expiring on 10 January 2076 - Unexpired term is 56 years	2.76 acres	Between 43 to 45 years	2,641,261
4	Lot 11472 PN 67136 Mukim of Asam Kumbang Kamunting Industrial Estate Taiping, Perak Darul Ridzuan	Vacant factory land	Leasehold for a term of 99 years expiring on 23 February 2080 - Unexpired term is 60 years	1.79 acres	N/A	1,697,857
5	Lot 5658 PN 119473 Mukim of Asam Kumbang Kamunting Industrial Estate Taiping, Perak Darul Ridzuan	Factory & warehouse	Leasehold for a term of 99 years expiring on 29 Jan 2072 - Unexpired term is 52 years	3.98 acres	48 years	3,809,304
6	Lot 6704 PN 104498 Mukim of Asam Kumbang Kamunting Industrial Estate Taiping	Vacant factory land	Leasehold for a term of 99 years expiring on 4 Sep 2074 - Unexpired term is 54 years	3.75 acres	N/A	3,593,883
7	Part of Geran 312735 Lot 16971 Mukim Bukit Raja District of Petaling, Selangor Darul Ehsan	Surface Car Park	Freehold	2.14 acres	12 years	5,100,000
8	Block M No 6 Persiaran Multimedia i-City, 40000 Shah Alam Selangor Darul Ehsan	Data Centre	Freehold	76,143 sqft	12 years	30,400,000
9	Part of Geran 312735 Lot 16971 Mukim Bukit Raja District of Petaling, Selangor Darul Ehsan	9-storey Car Park	Freehold	218,944 sqft	12 years	18,400,000
10	Part of Geran 312735 Lot 16971 Mukim Bukit Raja District of Petaling, Selangor Darul Ehsan	Basement Car Park	Freehold	133,816 sqft	12 years	11,600,000
11	A-GF-01, No.6, Persiaran Multimedia, i-City, Shah Alam, 40000 Selangor	3-Stars Hotel	Freehold	104,777 sqft	7 years	29,765,964
12	I-Walk & Citywalk i-City, 40000 Shah Alam, Selangor Darul Ehsan	Themepark Land	Freehold	1.93 acres	N/A	3,700,000
13	i-SOHO, i-City, 40000 Shah Alam, Selangor Darul Ehsan	Car Park	Freehold	2,319,558 sqft	4 years	166,900,000
14	i-SOHO, i-City, 40000 Shah Alam, Selangor Darul Ehsan	Convention Centre	Freehold	25,790 sqft	4 years	4,800,000
15	Lot 17196, No.3, Persiaran Multimedia 40000 Shah Alam, Selangor Darul Ehsan	Corporate Tower	Freehold	324,424 sqft	1 year	195,000,000
16	Lot 17196, No.3, Persiaran Multimedia 40000 Shah Alam, Selangor Darul Ehsan	Carpark	Freehold	694,463 sqft	Completed in 2021	41,400,000
Property Development Land						
1	Geran 321043, Lot 17196 Seksyen 7, Bandar Shah Alam, District Of Petaling, State Of Selangor Darul Ehsan	Land for mixed development in progress	Freehold	7.45 acres	N/A	129,000,000

ANALYSIS OF SHAREHOLDINGS

AS AT 1 APRIL 2022

Analysis of Shareholdings as at 1 April 2022

TOTAL NUMBER OF ISSUED SHARES	:	1,136,863,101
CLASS OF SHARE	:	Ordinary share
VOTING RIGHTS	:	1 vote per ordinary share

ANALYSIS OF SHAREHOLDINGS

Size of Shareholdings	No. of Shareholders	% of Shareholders	No. of Issued Shares held	% of Issued Shares
Less than 100	553	8.97	16,227	0.00
100 to 1,000	531	8.61	254,077	0.02
1,001 to 10,000	2,120	34.37	12,657,797	1.11
10,001 to 100,000	2,436	39.49	84,168,559	7.41
100,001 to less than 5% of total number of issued shares	526	8.53	363,016,984	31.93
5% and above of total number of issued shares	2	0.03	676,749,457	59.53
Total	6,168	100.00	1,136,863,101	100.00

SUBSTANTIAL SHAREHOLDERS AS PER REGISTER OF SUBSTANTIAL SHAREHOLDERS

Name of Substantial Shareholders	Direct	No. of Issued Shares held % of Issued Shares	Indirect	% of Issued Shares
Sumurwang Sdn Bhd	591,159,409	52.00	70,759,627 *	6.22
Sumur Ventures Sdn Bhd	85,590,048	7.53	661,919,036 **	58.22
Tan Sri Lim Kim Hong	36,357,200	3.20	747,509,084 ***	65.75

Notes:-

* Deemed interest through its shareholding in Sumurwang Capital Sdn Bhd and Sumurwang Corporate Services Sdn Bhd by virtue of Section 8(4) of the Companies Act 2016.

** Deemed interest through its shareholding in Sumurwang Sdn Bhd, Sumurwang Capital Sdn Bhd and Sumurwang Corporate Services Sdn Bhd by virtue of Section 8(4) of the Companies Act 2016.

*** Deemed interest through his shareholding in Sumur Ventures Sdn Bhd, Sumurwang Sdn Bhd, Sumurwang Capital Sdn Bhd and Sumurwang Corporate Services Sdn Bhd by virtue of Section 8(4) of the Companies Act 2016.

THIRTY LARGEST SHAREHOLDERS

AS AT 1 APRIL 2022

No.	Name of Shareholders	No. of Shares Held	% of Issued Shares
1	Sumurwang Sdn Bhd	591,159,409	52.00
2	Sumur Ventures Sdn Bhd	85,590,048	7.53
3	Sumurwang Capital Sdn Bhd	41,810,627	3.68
4	Lim Kim Hong	33,570,000	2.95
5	Sumurwang Corporate Services Sdn Bhd	17,965,400	1.58
6	Tan Yu Yeh	14,336,100	1.26
7	Chin Yat Yin	12,118,000	1.07
8	Sumurwang Capital Sdn Bhd	10,983,600	0.97
9	Alliancegroup Nominees (Tempatan) Sdn Bhd Pledged Securities Account for Tan Pow Choo @ Wong Seng Eng (6000090)	9,473,000	0.83
10	Maybank Nominees (Tempatan) Sdn Bhd Pledged Securities Account for Su Ming Keat	9,255,040	0.81
11	Lee Kong Yeow	5,521,741	0.49
12	Ong Bee Lian	4,924,882	0.43
13	Loo Kuan Chin	3,700,000	0.33
14	Lim Kian Wat	3,366,049	0.30
15	Onn Ping Lan	3,055,680	0.27
16	Cheow Chew Khoon @ Teoh Chew Khoon	2,914,411	0.26
17	HLB Nominees (Tempatan) Sdn Bhd Pledged Securities Account for Chang Sen Siang	2,813,600	0.25
18	Lim Kim Hong	2,787,200	0.24
19	Kenanga Nominees (Tempatan) Sdn Bhd Pledged Securities Account for Michael Heng Chun Hong	2,721,094	0.24
20	Wong Wai Kuan	2,688,560	0.24
21	Lim Siew Kheong	2,600,000	0.23
22	Alliancegroup Nominees (Tempatan) Sdn Bhd Pledged Securities Account for Michael Heng Chun Hong (6000108)	2,201,266	0.19
23	Maybank Nominees (Tempatan) Sdn Bhd Pledged Securities Account for Chan Cheu Leong	2,200,000	0.19
24	Teo Kwee Hock	2,092,900	0.18
25	Wong Ah Tim @ Ong Ah Tin	2,000,000	0.18
26	Chin Kian Fong	1,962,400	0.17
27	Tan Ah Chai @ Tan Lay Hock	1,857,480	0.16
28	Tey Siew Thuan	1,793,566	0.16
29	HLIB Nominees (Tempatan) Sdn Bhd Pledged Securities Account for Kong Tiam (CCTS)	1,751,411	0.15
30	Affin Hwang Nominees (Tempatan) Sdn. Bhd. Pledged Securities Account for Li Liong Man (M04)	1,733,000	0.15
Total		880,946,464	77.49

➤ ANALYSIS OF RCCPS HOLDINGS

AS AT 1 APRIL 2022

Analysis of RCCPS Holdings as at 1 April 2022

TOTAL NUMBER OF RCCPS	:	720,436,588
CLASS OF SHARE	:	Redeemable Cumulative Convertible Preference Shares ("RCCPS")
VOTING RIGHTS	:	1 vote per RCCPS

ANALYSIS OF RCCPS HOLDINGS

Size of RCCPS Holdings	No. of RCCPS Holders	% of RCCPS Holders	No. of RCCPS held	% of RCCPS
Less than 100	59	6.04	2,919	0.00
100 to 1,000	49	5.02	26,690	0.00
1,001 to 10,000	344	35.21	1,852,524	0.26
10,001 to 100,000	388	39.71	13,235,331	1.84
100,001 to less than 5% of total number of RCCPS	135	13.82	165,059,824	22.91
5% and above of total number of RCCPS	2	0.20	540,259,300	74.99
Total	977	100.00	720,436,588	100.00

Note:-

As at 1 April 2022, a total of 75,548,993 RCCPS has been converted into 75,548,993 new ordinary shares.

THIRTY LARGEST RCCPS HOLDERS

AS AT 1 APRIL 2022

No.	Name of RCCPS Holders	No. of RCCPS Held	% of RCCPS
1	Sumurwang Sdn Bhd	471,931,900	65.51
2	Sumur Ventures Sdn Bhd	68,327,400	9.48
3	Lim Khuan Eng	26,974,900	3.74
4	Lim Kim Hong	22,200,000	3.08
5	Sumurwang Capital Sdn Bhd	17,006,000	2.36
6	Sumurwang Capital Sdn Bhd	11,415,800	1.58
7	Sumurwang Corporate Services Sdn Bhd	10,416,100	1.45
8	Lee Kong Yeow	9,335,030	1.30
9	RHB Capital Nominees (Tempatan) Sdn Bhd Pledged Securities Account for Su Ming Ming	6,941,280	0.96
10	Chin Yat Yin	5,200,000	0.72
11	Loo Kuan Chin	3,762,500	0.52
12	Lim Kian Wat	2,688,500	0.37
13	Su Ming Yaw	2,314,516	0.32
14	Sim Mui Khee	2,314,289	0.32
15	Lim Jit Hai	1,882,600	0.26
16	Wong Wai Kuan	1,711,400	0.24
17	Liew Chee Cheong	1,500,000	0.21
18	Dan Yoke Pyng	1,410,400	0.20
19	Oon Phaik Siew	1,373,900	0.19
20	Tey Siew Thuan	1,345,174	0.19
21	Eng Bee San Sdn Bhd	1,105,400	0.15
22	Tan Boo Nam	1,000,100	0.14
23	Kooi Soo La	999,921	0.14
24	RHB Nominees (Tempatan) Sdn Bhd Pledged Securities Account for Liew Cheng Leong	970,208	0.14
25	Teo Ah Seng	937,300	0.13
26	CGS-CIMB Nominees (Tempatan) Sdn Bhd Pledged Securities Account for Lim Chee Beng (Langkap)	912,000	0.13
27	Eu Lee Chuan Enterprise Sdn Berhad	908,700	0.13
28	Chong Yean Fong	892,700	0.12
29	Indar Kaur A/P Dan Singh	781,600	0.11
30	Chan Kew Nam @ Chin Kiew Nam	750,000	0.10
Total		679,309,618	94.29

STATEMENT OF DIRECTORS' INTEREST IN THE COMPANY AND ITS RELATED CORPORATIONS

AS AT 1 APRIL 2022

Other than as disclosed below, none of the other Directors of the Company has any interest in the shares and convertible securities of the Company or its related corporations as at 1 April 2022:-

Director	No. of Shares held			
	Direct	% of Issued Shares	Indirect	% of Issued Shares
Tan Sri Lim Kim Hong	36,357,200	3.20	747,509,084*	65.75
Puan Sri Tey Siew Thuan	1,793,566	0.16	—	—
Peck Boon Soon	200,000	0.02	—	—

Director	No. of RCCPS held			
	Direct	% of Issued RCCPS	Indirect	% of Issued RCCPS
Tan Sri Lim Kim Hong	22,562,500	3.13	579,097,200*	80.38
Puan Sri Tey Siew Thuan	1,345,174	0.19	—	—

Director	Number of Redeemable Convertible Unsecured Loan Stocks – A (RCULS-A) 2014/2022 held			
	Direct	% of Issued RCULS-A	Indirect	% of Issued RCULS-A
Tan Sri Lim Kim Hong	—	—	264,000,000**	100.00

Director	Number of Redeemable Convertible Unsecured Loan Stocks – B (RCULS-B) 2014/2022 held			
	Direct	% of Issued RCULS-B	Indirect	% of Issued RCULS-B
Tan Sri Lim Kim Hong	—	—	138,000,000**	100.00

Notes:-

* Deemed interest through Sumur Ventures Sdn Bhd, Sumurwang Sdn Bhd, Sumurwang Capital Sdn Bhd and Sumurwang Corporate Services Sdn Bhd.

** Tan Sri Lim is also deemed interested in the RM132,000,000 2014/2022 Redeemable Convertible Unsecured Loan Stocks ("RCULS-A") by virtue of his interest in Sumuracres Sdn Bhd and in the RM69,000,000 2014/2022 Redeemable Convertible Unsecured Loan Stocks ("RCULS-B") by virtue of his interest in Sumurwang Sdn Bhd.

By virtue of his interest in Sumur Ventures Sdn Bhd, Y. Bhg. Tan Sri Lim Kim Hong is deemed interested in the shares of the Company and all its subsidiaries to the extent Sumur Ventures Sdn Bhd has an interest.

➤ NOTICE OF 55TH ANNUAL GENERAL MEETING

I-Berhad
(196701000055 (7029- H))
(Incorporated in Malaysia)

NOTICE IS HEREBY GIVEN THAT the 55th Annual General Meeting ("AGM") of I-BERHAD ("the Company") will be held at Level 33, Mercu Maybank, i-City, Selangor Golden Triangle, 40000 Shah Alam, Selangor, Malaysia on Tuesday, 28 June 2022 at 4.30 p.m. to transact the following businesses:-

AGENDA

AS ORDINARY BUSINESS

- | | |
|--|-----------------------|
| 1. To receive the audited Financial Statements for the financial year ended 31 December 2021 together with the Directors' and Auditors' Reports thereon. | Note A |
| 2. To approve the payment of Directors' fees of RM276,000 for the financial year ended 31 December 2021. | (Resolution 1) |
| 3. To approve the payment of Directors' fees of RM294,000 for the Non-Executive Directors. | (Resolution 2) |
| 4. To re-elect Y. Bhg. Dato' Eu Hong Chew who retires pursuant to Clause 84 of the Company's Constitution and being eligible, offer himself for re-election. | (Resolution 3) |
| 5. To re-elect Mr Lim Boon Soon, Ricky who retires pursuant to Clause 84 of the Company's Constitution and being eligible, offer himself for re-election. | (Resolution 4) |
| 6. To re-elect Y. Bhg. Tan Sri Lim Kim Hong who retires pursuant to Clause 96 of the Company's Constitution and being eligible, offer himself for re-election. | (Resolution 5) |
| 7. To re-appoint Messrs. Deloitte PLT, as Auditors of the Company and to authorise the Directors to fix their remuneration. | (Resolution 6) |

AS SPECIAL BUSINESS

8. To consider, and if thought fit, to pass the following Ordinary Resolutions:-

(A) PROPOSED RETENTION OF MADAM GOH YEANG KHENG AS INDEPENDENT NON-EXECUTIVE DIRECTOR

"THAT Madam Goh Yeang Kheng, who will be attaining a cumulative term of nine (9) years on 30 June 2022 as Independent Non-Executive Director of the Company, to continue to act as Independent Non-Executive Director of the Company until the conclusion of the next Annual General Meeting of the Company."

(Resolution 7)

(B) AUTHORITY TO ISSUE SHARES PURSUANT TO SECTIONS 75 AND 76 OF THE COMPANIES ACT 2016

"THAT pursuant to Sections 75 and 76 of the Companies Act 2016, the Directors be and are hereby authorised to issue shares in the Company at any time until the conclusion of the next Annual General Meeting and upon such terms and conditions and for such purposes as the Directors may, in their discretion, deem fit provided that the aggregate number of shares issued pursuant to this resolution does not exceed 20% of the total number of issued shares of the Company for the time being, subject always to the approvals of all the relevant regulatory authorities."

(Resolution 8)

NOTICE OF 55th ANNUAL GENERAL MEETING (CONT'D)

(C) PROPOSED AUTHORITY FOR SHARE BUY-BACK RENEWAL

"THAT, subject always to the Companies Act 2016, the provisions of the Constitution of the Company, the listing requirements of Bursa Malaysia Securities Berhad ("**Bursa Securities**") and the approvals of all relevant governmental and/or regulatory authorities, the Company be and is hereby authorised, to the extent permitted by law, to buy-back and/or hold such amount of 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:-

- (i) the aggregate number of shares bought-back and/or held does not exceed 10% of the total number of issued shares of the Company as quoted on Bursa Securities;
- (ii) the amount allotted shall not exceed the retained profits of the Company based on its latest audited financial statements available up to the date of the transaction pursuant to the Proposed Authority for Share Buy-Back Renewal; and
- (iii) the shares purchased are to be treated in either of the following manner:-
 - (a) cancel the purchased ordinary shares; or
 - (b) retain the purchased ordinary shares as treasury shares held by the Company; or
 - (c) retain part of the purchased ordinary shares as treasury shares and cancel the remainder.

The treasury shares may be distributed as share dividends to the shareholders and/or resold on Bursa Securities and/or transferred for the purposes of or under an employees' share scheme and/or as purchase consideration.

AND THAT this Proposed Authority for Share Buy-Back Renewal, if approved by the shareholders at the forthcoming Annual General Meeting, will be effective upon the passing of the ordinary resolution proposed at the Annual General Meeting and such authority shall only continue to be in force until:-

- (i) the conclusion of the next Annual General Meeting of the Company at which time the authority shall lapse unless by ordinary resolution passed at the general meeting, the authority is renewed either unconditionally or subject to conditions;
- (ii) the expiration of the period within which the next Annual General Meeting after that date is required by law to be held; or
- (iii) revoked or varied by ordinary resolution passed by the shareholders at a general meeting,

whichever is earlier.

AND THAT authority be and is hereby given unconditionally and generally to the Directors of the Company to take all such steps as are necessary or expedient and to enter into any agreements, arrangements and guarantees with any party or parties to implement, finalise and give full effect to the aforesaid buy-back with full powers to amend and/or assent to any conditions, modifications, variations and/or amendments (if any) as may be imposed by the relevant authorities and with the full power to do all such acts and things thereafter in accordance with the Companies Act 2016, the provisions of the Constitution of the Company and the requirements of Bursa Securities and all other relevant governmental and/or regulatory authorities."

(Resolution 9)

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

By Order of the Board

TOO YET LAN

Company Secretary

SSM Practicing Certificate No. 202008000523

MAICSA No. 0817992

Shah Alam

29 April 2022

NOTICE OF 55th ANNUAL GENERAL MEETING (CONT'D)

Notes:

1. In respect of deposited securities, only members whose names appear in the Record of Depositors on 21 June 2022 (General Meeting Record of Depositors) shall be entitled to attend and vote at this 55th AGM.
2. A member entitled to attend, speak and vote at the general meeting is entitled to appoint any person as his proxy to attend, speak and vote in his stead.
3. Where a member of the Company is an authorised nominee as defined in the Securities Industry (Central Depositories) Act 1991 ("Central Depositories Act"), it may appoint not more than two (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.
4. Where a member of the Company is an exempt authorised nominee which holds ordinary shares in the Company for multiple beneficial owners in one 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 Central Depositories Act which is exempted from compliance with the provisions of Section 25A(1) of the Central Depositories Act.
5. Where a member appoints more than one (1) proxy, the proportion of shareholdings to be represented by each proxy must be specified in the instrument appointing the proxies.
6. The Form of Proxy shall be in writing under the hand of the appointer or his attorney duly authorised in writing or if such appointer is a corporation, under its common seal or the hand of an officer or attorney duly authorised.
7. For a corporate member who has appointed a representative, please deposit the **ORIGINAL** certificate of appointment with the Share Registrar of the Company at Tricor Investor & Issuing House Services Sdn. Bhd., Unit 32-01, Level 32, Tower A, Vertical Business Suite, Avenue 3, Bangsar South, No. 8, Jalan Kerinchi, 59200 Kuala Lumpur, Malaysia or alternatively, at its Customer Service Centre at Unit G-3, Ground Floor, Vertical Podium, Avenue 3, Bangsar South, No. 8, Jalan Kerinchi, 59200 Kuala Lumpur, Malaysia. The certificate of appointment should be executed in the following manner:
 - (i) If the corporate member has a common seal, the certificate of appointment should be executed under seal in accordance with the constitution of the corporate member.
 - (ii) If the corporate member does not have a common seal, the certificate of appointment should be affixed with the rubber stamp of the corporate member (if any) and executed by:
 - (a) at least two (2) authorised officers, of whom one shall be a director; or
 - (b) any director and/or authorised officers in accordance with the laws of the country under which the corporate member is incorporated.
8. Any authority pursuant to which such an appointment is made by power of attorney must be deposited with the Share Registrar of the Company at Tricor Investor & Issuing House Services Sdn. Bhd., or alternatively, at its Customer Service Centre not less than forty-eight (48) hours before the time appointed for holding the AGM or adjourned general meeting at which the person named in the appointment proposes to vote. A copy of the power of attorney may be accepted provided that it is certified notarially and/or in accordance with the applicable legal requirements in the relevant jurisdiction in which it is executed.

NOTICE OF 55th ANNUAL GENERAL MEETING (CONT'D)

9. The appointment of a proxy may be made in a hard copy form or by electronic means in the following manner and must be received by the Company's Share Registrar not less than forty-eight (48) hours before the time appointed for holding the AGM or adjourned general meeting at which the person named in the appointment proposes to vote:

- (i) In hard copy form

In the case of an appointment made in hard copy form, the proxy form must be deposited with the Share Registrar of the Company at Tricor Investor & Issuing House Services Sdn. Bhd., or alternatively, at its Customer Service Centre.

- (ii) By electronic form

The proxy form can be electronically lodged with the Share Registrar of the Company via TIIH Online at <https://tiih.online>. Kindly refer to the Administrative Guide on the procedures for electronic lodgement of proxy form via TIIH Online.

10. Please ensure ALL the particulars as required in the proxy form are completed, signed and dated accordingly.
11. Last date and time for lodging the proxy form is **Sunday, 26 June 2022 at 4.30 p.m.**
12. Pursuant to Paragraph 8.29A (1) of the Main Market Listing Requirements of Bursa Malaysia Securities Berhad, all resolutions set out in this Notice will be put to vote by way of poll.

EXPLANATORY NOTES

NOTE A

This Agenda item is meant for discussion only as under the provision of Section 340 of the Companies Act 2016, the audited financial statements do not require a formal approval of the shareholders. Hence, this resolution will not be put forward for voting.

RESOLUTION 2

Resolution 2, if passed, will give approval to pay to the Non-Executive Directors on a monthly basis up to 30 June 2023, Directors' fees of up to a total amount of RM294,000 for their services on the Board as tabulated below.

Director	Proposed Directors' Fee (RM)
Ng Chee Kiet	72,000.00 *
Peck Boon Soon	60,000.00 *
Dato' Eu Hong Chew	108,000.00 **
Goh Yeang Kheng	54,000.00 ***
Total	294,000.00

Notes:

* Proposed Directors' Fee from 1 July 2022 to 30 June 2023 (AGM 2023)

** Consist of:-

(i) RM36,000 from 1 January 2022 to 30 June 2022

(ii) RM72,000 from 1 July 2022 to 30 June 2023

*** Consist of:-

(i) RM18,000 from 1 January 2022 to 30 June 2022

(ii) RM36,000 from 1 July 2022 to 30 June 2023

NOTICE OF 55th ANNUAL GENERAL MEETING (CONT'D)

RESOLUTION 7

The ordinary resolution proposed under Agenda 8(A), is in line with the Malaysian Code on Corporate Governance 2021. The Board had via the Nomination Committee, assessed the performance of Madam Goh Yeang Kheng, who will be attaining a cumulative term of nine (9) years on 30 June 2022 as Independent Non-Executive Director of the Company and has recommended that she continues to act as Independent Non-Executive Director until the conclusion of the next Annual General Meeting of the Company based on the following justifications:

- Madam Goh's length of service on the Board of approximately nine (9) years did not in anyway interfere with her exercise of objective and independent judgement or her ability to act in the best interests of the Company and Group. She has devoted sufficient time and commitment to her role and responsibilities as an Independent Director for informed and balanced decision making; and
- She has expressed due care during her tenure as Independent Director of the Company and has discharged her duties with reasonable skill and competence, bringing independent judgement and depth into the Board's decision making in the interest of the Company and its shareholders.

RESOLUTION 8

The Company has not issued any new shares to-date under the general authority which was approved at the 54th Annual General Meeting held on 29 June 2021 and which will lapse upon the conclusion of the forthcoming 55th Annual General Meeting to be held on 28 June 2022. A renewal of this authority is being sought at the 55th Annual General Meeting under proposed Resolution 8.

Resolution 8 proposed under Agenda 8(B), if passed, will give the Directors of the Company authority to issue and allot shares as the Directors in their discretion consider to be in the best interest of the Company, without having to convene a general meeting in the event of any strategic opportunities to broaden the operating base and earnings potential of the Company which may involve the issuance of new shares. Any delay and cost involved in convening a general meeting to approve such issuance of shares would thus be avoided.

Pursuant to the 20% General Mandate, Bursa Securities has mandated that the 20% General Mandate may be utilised to issue new securities until 31 December 2022 ("Extended Utilisation Period") and thereafter, the 10% General Mandate will be reinstated and this authority will expire at the next Annual General Meeting of the Company.

RESOLUTION 9

The ordinary resolution proposed under Agenda 8(C), will empower the Directors of the Company to purchase the Company's own shares by utilising the funds allocated which shall not exceed the total retained profits of the Company provided that the aggregate number of shares which may be purchased and/or held as treasury shares by the Company does not exceed ten per centum (10%) of the total number of issued shares of the Company. This authority, unless revoked or varied at a general meeting, will expire at the conclusion of the next Annual General Meeting of the Company.

Further information on the Company's proposed renewal of authority to purchase its own shares are set out in the Share Buy Back Statement to Shareholders dated 29 April 2022.

Personal data privacy:

By submitting an instrument appointing a proxy(ies) and/or representative(s) to attend, speak and vote at the 55th Annual General Meeting and/or any adjournment thereof, a member of the Company:-

- 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 55th Annual General Meeting (including any adjournment thereof) and the preparation and compilation of the attendance lists, minutes and other documents relating to the 55th Annual General Meeting (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");
- 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
- 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.

➤ STATEMENT ACCOMPANYING NOTICE OF ANNUAL GENERAL MEETING

1. DIRECTORS STANDING FOR RE-ELECTION AT THE 55TH ANNUAL GENERAL MEETING (AGM) OF THE COMPANY

The following Directors are standing for re-election at the 55th AGM of the Company:-

- (i) Y. Bhg. Dato' Eu Hong Chew and Mr Lim Boon Soon, Ricky (pursuant to Clause 84 of the Company's Constitution)
- (ii) Y. Bhg. Tan Sri Lim Kim Hong (pursuant to Clause 96 of the Company's Constitution)

2. DETAILS OF ATTENDANCE OF DIRECTORS AT BOARD MEETINGS

There were four Board meetings held during the financial year ended 31 December 2021. Details of attendance of Directors at the said Board meetings are as follows:-

Director	No. of Meetings Attended
Tan Sri Lim Kim Hong	4/4
Puan Sri Tey Siew Thuan	4/4
Ng Chee Kiet*	3/3
Peck Boon Soon*	3/3
Goh Yeang Kheng	4/4
Tan Sri Dato' Sri Dr. Lau Ban Tin**	1/1

Notes:-

* Appointed on 17 May 2021

** Resigned on 31 March 2021

➤ ADMINISTRATIVE GUIDE FOR THE CONDUCT OF 55TH ANNUAL GENERAL MEETING (“55TH AGM”)

Date & Time : Tuesday, 28 June 2022 at 4.30 p.m.
Venue : Level 33, Mercu Maybank
i-City, Selangor Golden Triangle
40000 Shah Alam, Selangor
Malaysia

Dear Shareholders of I-Berhad (the “Company”)

Pursuant to the Guidance Note on the Conduct of General Meetings for Listed Issuers by the Securities Commission Malaysia, please find the guidance below on the requirements and method of participating in the 55th AGM:

A. Public Health Precautions and Preventive Measures

- In light of the COVID-19 outbreak, we appreciate if all shareholders, proxies and invited guests/attendees could take all the necessary preventive measures and precautionary practices as issued by the Ministry of Health Malaysia when attending the 55th AGM.
- Members/proxies/corporate representatives who wish to attend the 55th AGM in person **ARE REQUIRED TO PRE-REGISTER** with the Company’s Share Registrar, Tricor Investor & Issuing House Services Sdn Bhd, via TIIH Online website at <https://tiih.online> no later than Sunday, 26 June 2022 at 4.30 p.m. Alternatively, you may also appoint the Chairman of the meeting as your proxy to attend and vote on your behalf at this AGM. You may refer to the Pre-Registration Procedure below.
- If you have been in contact with a COVID-19 affected person prior to the date of the 55th AGM or if you are unwell with sore throat, flu, fever, cough, aches and pains, nasal congestion, diarrhea or shortness of breath or any symptoms of the COVID-19, you are required to quarantine yourself or seek medical advice and may not be allowed to attend the 55th AGM. You are hereby strongly advised and encouraged to appoint a proxy or the Chairman of the meeting to attend and vote at the 55th AGM on your behalf.
- Any person showing symptoms of respiratory illness such as coughing and sneezing, will be denied entry into the meeting venue.

For safety purposes, the Company requires all shareholders/proxies and the attendees to sanitize their hands and wear a face mask before the meeting and throughout the AGM as well as maintain social distancing throughout the meeting.

Due to the constant evolving COVID-19 situation in Malaysia, we may have to change the arrangement of our 55th AGM at short notice. Kindly check the Company’s website at <http://www.i-bhd.com/> or announcements released to Bursa Malaysia from time to time for the latest updates on the status of the 55th AGM. The Company will continue to observe the directives and guidelines issued by the Government of Malaysia, the Ministry of Health, the Malaysian National Security Council, Securities Commission Malaysia and/or other relevant authorities and will take all relevant precautionary measures as advised.

B. Eligibility to Attend based on the Record of Depositors

Only a shareholder whose name appears on the Record of Depositor as at 21 June 2022 shall be entitled to attend or appoint proxy(ies) to attend and/or vote on his/her behalf.

ADMINISTRATIVE GUIDE FOR THE CONDUCT OF 55TH ANNUAL GENERAL MEETING (“55TH AGM”) (CONT'D)

C. PRE-REGISTRATION PROCEDURE

Members/proxies/corporate representatives/attorneys who wish to attend and vote at the 55th AGM are to follow the procedure as summarised below:

	Procedure	Action
BEFORE THE 55th AGM DAY		
(a)	Register as a user with TIIH Online	<ul style="list-style-type: none"> Using your computer, access the website at https://tiih.online. Register as a user under the “e-Services” select “Create Account by Individual Holder”. Refer to the tutorial guide posted on the homepage for assistance. Registration as a user will be approved within one (1) working day and you will be notified via e-mail. If you are already a user with TIIH Online, you are not required to register again. You will receive an e-mail to notify you that the Pre-Registration for I-Berhad 55th AGM is available for registration at TIIH Online.
(b)	PRE-REGISTRATION to attend AGM	<ul style="list-style-type: none"> Registration is open from 10.00 a.m. Friday, 29 April 2022 up to 4.30 p.m. Sunday, 26 June 2022. Login with your user ID and password and select the corporate event: “(REGISTRATION) I-BERHAD 55TH AGM”. Read and agree to the Terms & Conditions and confirm the Declaration. Insert the CDS account number and indicate the number of shares. Submit to register your physical attendance. System will send an e-mail to notify you that your registration to attend the AGM physically is received and will be verified. After verification of your registration against the General Meeting Record of Depositors as at 21 June 2022, the system will send you an e-mail after 26 June 2022 to approve or reject your registration for pre-registration to attend the 55th AGM.

D. Appointment of Proxy

A shareholder who is unable to attend the 55th AGM on 28 June 2022 may appoint proxy and indicate the voting instructions in the form of proxy. Please deposit the form of proxy with the Company's Share Registrar, Tricor Investor & Issuing House Services Sdn. Bhd. at Unit 32-01, Level 32, Tower A, Vertical Business Suite, Avenue 3, Bangsar South, No. 8, Jalan Kerinchi, 59200 Kuala Lumpur, Malaysia or alternatively, at its Customer Service Centre at Unit G-3, Ground Floor, Vertical Podium, Avenue 3, Bangsar South, No. 8, Jalan Kerinchi, 59200 Kuala Lumpur, Malaysia.

You may also submit the form of proxy electronically via TIIH Online website at <https://tiih.online>, not less than forty-eight (48) hours before the time appointed for holding the 55th AGM or any adjournment thereof, otherwise the form of proxy shall not be treated as valid. Please do read and follow the procedures below to submit form of proxy electronically.

ADMINISTRATIVE GUIDE FOR THE CONDUCT OF 55TH ANNUAL GENERAL MEETING (“55TH AGM”) (CONT'D)

E. Electronic Lodgment of Form of Proxy

The procedures to lodge your form of proxy electronically via Tricor's TIIH Online website are summarised below:

Procedure	Action
i. Steps for Individual Shareholders	
Register as a User with TIIH Online	<ul style="list-style-type: none"> Using your computer, please access the website at https://tiih.online. Register as a user under the “e-Services”. Please refer to the tutorial guide posted on the homepage for assistance. If you are already a user with TIIH Online, you are not required to register again.
Proceed with submission of form of proxy	<ul style="list-style-type: none"> After the release of the Notice of Meeting by the Company, login with your user name (i.e. email address) and password. Select the corporate event: I-BERHAD 55TH AGM - “Submission of Form of Proxy”. Read and agree to the Terms and Conditions and confirm the Declaration. Insert your CDS account number and indicate the number of shares for your proxy(s) to vote on your behalf. Appoint your proxy/proxies and insert the required details of your proxy/proxies or appoint the Chairman as your proxy. Indicate your voting instructions – FOR or AGAINST, otherwise your proxy will decide on your votes. Review and confirm your proxy(s) appointment. Print the form of proxy for your record.
ii. Steps for corporation or institutional shareholders	
Register as a User with TIIH Online	<ul style="list-style-type: none"> Access TIIH Online at https://tiih.online Under e-Services, the authorised or nominated representative of the corporation or institutional shareholder select “Create Account by Representative of Corporate Holder”. Complete the registration form and upload the required documents. Registration will be verified, and you will be notified by email within one (1) to two (2) working days. Proceed to activate your account with the temporary password given in the email and re-set your own password. <p><i>Note: The representative of a corporation or institutional shareholder must register as a user in accordance with the above steps before he/she can subscribe to this corporate holder electronic proxy submission. Please contact our Share Registrar if you need clarifications on the user registration.</i></p>
Proceed with submission of form of proxy	<ul style="list-style-type: none"> Login to TIIH Online at https://tiih.online Select the corporate exercise name: “I-BERHAD 55TH AGM - Submission of Form of Proxy” Agree to the Terms & Conditions and Declaration. Proceed to download the file format for “Submission of Form of Proxy” in accordance with the Guidance Note set therein. Prepare the file for the appointment of proxies by inserting the required data. Login to TIIH Online, select corporate exercise name: “I-BERHAD 55TH AGM - Submission of Form of Proxy”. Proceed to upload the duly completed proxy appointment file. Select “Submit” to complete your submission. Print the confirmation report of your submission for your record.

The last date and time for lodging the form of proxy is **Sunday, 26 June 2022 at 4.30 p.m.**

ADMINISTRATIVE GUIDE FOR THE CONDUCT OF 55TH ANNUAL GENERAL MEETING (“55TH AGM”) (CONT'D)

F. Registration on the day of the 55th AGM

Upon arrival at the lobby of Mercu Maybank, please follow the following procedures:-

Step 1: Scan your MySejahtera

Shareholders are required to scan their MySejahtera upon entering the building. Face mask is compulsory and shareholders are also encouraged to sanitise their hands.

Step 2: Download i-City SuperApp & sign up

Download the i-City SuperApp via Appstore for iOS and Playstore for Android. QR code will be generated after completing in-app registration.

Step 3: Register at Reception Counter

The shareholders are required to register their details to the Security at Level G reception counter. Present your QR code from the i-City SuperApp upon registration.

Step 4: Proceed to turnstile & designated lift

After the registration is completed, you may pass through the turnstile via facial recognition or QR code. The turnstile display will show the designated lift to Level 33.

Registration will start at 3.30 p.m. at Level 33 Mercu Maybank, i-City, Selangor Golden Triangle, 40000 Shah Alam, Selangor, Malaysia.

Original MyKad or passport is required to be presented during registration for verification.

Upon verification of your MyKad or passport and signing of attendance list, you will be given an identification wristband to enter the meeting. There will be no replacement of wristband in the event that it is lost or misplaced.

Please note that you will only be allowed to enter the meeting venue if you are wearing the identification wristband.

You will not be allowed to register on behalf of another person even with the original MyKad or passport of that person.

Please vacate the registration area immediately after registration to prevent congestion. If you have any enquiry, please proceed to the Help Desk counter located near the registration area.

G. Enquiry

If you have any enquiries on the above, please contact the following persons during office hours on Mondays to Fridays from 9.00 a.m. to 5.30 p.m. (except on public holidays):

Tricor Investor & Issuing House Services Sdn Bhd Unit 32-01, Level 32, Tower A Vertical Business Suite, No. 8, Jalan Kerinchi 59200 Kuala Lumpur, Malaysia	General Line:	603-2783 9299
	Contact person:	
	Ms. Wong Pang Yi	603-2783 9242
	Mr. Ang Wai Meng	603-2783 9281
	Fax Number:	603-2783 9222
	Email:	is.enquiry@my.tricorglobal.com

No. of Shares Held	CDS Account No.

PROXY FORM

I/We _____

I.C. No./Passport No./Company No. _____ of _____

being a member of I-BERHAD hereby appoint _____

I.C. No./Passport No. _____ of _____

and him/her _____

I.C. No./Passport No. _____ of _____

or failing him/her/them, THE CHAIRMAN OF THE MEETING as *my/our proxy to vote for *me/us on *my/our behalf at the 55th Annual General Meeting of the Company to be held at Level 33, Mercu Maybank, i-City, Selangor Golden Triangle, 40000 Shah Alam, Selangor, Malaysia on Tuesday, 28 June 2022 at 4.30 p.m. or at any adjournment thereof and *my/our proxy/proxies is/are to vote as indicated below:-

No.	Resolutions	For	Against
1.	Approval of Directors' fees of RM276,000 for the financial year ended 31 December 2021.		
2.	Approval of Directors' fees of RM294,000 for the Non-Executive Directors.		
3.	Re-election of Y. Bhg. Dato' Eu Hong Chew pursuant to Clause 84 of the Company's Constitution.		
4.	Re-election of Mr Lim Boon Soon, Ricky pursuant to Clause 84 of the Company's Constitution.		
5.	Re-election of Y. Bhg. Tan Sri Lim Kim Hong pursuant to Clause 96 of the Company's Constitution.		
6.	Re-appointment of Messrs. Deloitte PLT as Auditors of the Company and to authorise the Directors to fix their remuneration.		
7.	Proposed retention of Madam Goh Yeang Kheng as Independent Non-Executive Director.		
8.	Authority for the Directors to issue shares pursuant to Sections 75 & 76 of the Companies Act 2016.		
9.	Proposed authority for share buy-back renewal.		

Please indicate with a cross ("X") in the spaces provided how you wish your vote to be cast. In the absence of specific directions, your proxy may vote or abstain from voting at his discretion.

Where a member appoints 2 proxies, please specify the proportions of the member's shareholdings to be represented by each proxy:-

Dated this _____ day of _____ 2022

Signature/Common Seal of Shareholder

For appointment of two proxies, percentage of shareholdings to be represented by the proxies:		
	No of shares	Percentage
Proxy 1		%
Proxy 2		%
		100%

Notes:

- In respect of deposited securities, only members whose names appear in the Record of Depositors on 21 June 2022 (General Meeting Record of Depositors) shall be entitled to attend and vote at this 55th AGM.
- A member entitled to attend, speak and vote at the general meeting is entitled to appoint any person as his proxy to attend, speak and vote in his stead.
- Where a member of the Company is an authorised nominee as defined in the Securities Industry (Central Depositories) Act 1991 ("Central Depositories Act"), it may appoint not more than two (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 of the Company is an exempt authorised nominee which holds ordinary shares in the Company for multiple beneficial owners in one 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 Central Depositories Act which is exempted from compliance with the provisions of Section 25A(1) of the Central Depositories Act.
- Where a member appoints more than one (1) proxy, the proportion of shareholdings to be represented by each proxy must be specified in the instrument appointing the proxies.
- The Form of Proxy shall be in writing under the hand of the appointer or his attorney duly authorised in writing or if such appointer is a corporation, under its common seal or the hand of an officer or attorney duly authorised.
- For a corporate member who has appointed a representative, please deposit the ORIGINAL certificate of appointment with the Share Registrar of the Company at Tricor Investor & Issuing House Services Sdn. Bhd., Unit 32-01, Level 32, Tower A, Vertical Business Suite, Avenue 3, Bangsar South, No. 8, Jalan Kerinchi, 59200 Kuala Lumpur, Malaysia or alternatively, at its Customer Service Centre at Unit G-3, Ground Floor, Vertical Podium, Avenue 3, Bangsar South, No. 8, Jalan Kerinchi, 59200 Kuala Lumpur, Malaysia. The certificate of appointment should be executed in the following manner:
 - If the corporate member has a common seal, the certificate of appointment should be executed under seal in accordance with the constitution of the corporate member.
 - If the corporate member does not have a common seal, the certificate of appointment should be affixed with the rubber stamp of the corporate member (if any) and executed by:
 - at least two (2) authorised officers, of whom one shall be a director; or
 - any director and/or authorised officers in accordance with the laws of the country under which the corporate member is incorporated.

Notes: (Cont'd)

8. Any authority pursuant to which such an appointment is made by power of attorney must be deposited with the Share Registrar of the Company at Tricor Investor & Issuing House Services Sdn. Bhd., or alternatively, at its Customer Service Centre not less than forty-eight (48) hours before the time appointed for holding the AGM or adjourned general meeting at which the person named in the appointment proposes to vote. A copy of the power of attorney may be accepted provided that it is certified notarially and/or in accordance with the applicable legal requirements in the relevant jurisdiction in which it is executed.
9. The appointment of a proxy may be made in a hard copy form or by electronic means in the following manner and must be received by the Company's Share Registrar not less than forty-eight (48) hours before the time appointed for holding the AGM or adjourned general meeting at which the person named in the appointment proposes to vote:
 - (i) In hard copy form
In the case of an appointment made in hard copy form, the proxy form must be deposited with the Share Registrar of the Company at Tricor Investor & Issuing House Services Sdn. Bhd., or alternatively, at its Customer Service Centre.
 - (ii) By electronic form
The proxy form can be electronically lodged with the Share Registrar of the Company via TIIH Online at <https://tiah.online>. Kindly refer to the Administrative Guide on the procedures for electronic lodgement of proxy form via TIIH Online.
10. Please ensure ALL the particulars as required in the proxy form are completed, signed and dated accordingly.
11. Last date and time for lodging the proxy form is Sunday, 26 June 2022 at 4.30 p.m.
12. Pursuant to Paragraph 8.29A (1) of the Main Market Listing Requirements of Bursa Malaysia Securities Berhad, all resolutions set out in this Notice will be put to vote by way of poll.

Personal data privacy:

By submitting an instrument appointing a proxy(ies) and/or representative(s), the members accept and agree to the personal data privacy terms set out in the Notice of Annual General Meeting dated 29 April 2022.

PLEASE FOLD HERE TO SEAL

AFFIX
STAMP

Share Registrar of I-Berhad

Tricor Investor & Issuing House Services Sdn. Bhd.
Unit 32-01, Level 32, Tower A
Vertical Business Suite, Avenue 3
Bangsar South, No. 8, Jalan Kerinchi
59200 Kuala Lumpur
Malaysia

PLEASE FOLD HERE TO SEAL

 i-Berhad

i-bhd.com