ANNUAL REPORT 2021

EASTERN & ORIENTAL
BERHAD

www.easternandoriental.com

EXPECT
NOTHING ORDINARY

Enriched by our heritage,
crafting legacies for the future

Our inheritance of values such as grace,
refinement and appreciation of beauty,
has emboldened us to seek fresh interpretations
of the old to forge ahead and create anew

PURPOSE

E&O designs and builds properties that cater to the lifestyle aspirations of discerning individuals.

VALUES

At E&O, we do things differently, always for the better, with sincerity, integrity and passion.

10-YEAR GROUP FINANCIAL HIGHLIGHTS

RM'000	2021	2020	2019	2018	2017	2016	2015	2014	2013	2012
STATEMENTS OF COMPREHENSIVE INCOME										
Revenue	304,725	486,802	886,320	982,706	704,764	422,183	449,497	497,141	605,536	492,151
(Loss)/Profit before tax	(48,038)	(155,610)	161,898	189,083#	125,296	54,755	202,136	167,173	187,271	171,172
Income tax expense	(21,187)	(36,728)	(85,534)	(79,261)#	(34,380)	(15,926)	(45,470)	(47,389)	(50,505)	(43,433)
(Loss)/Profit attributable to owners of the parent	(71,741)	(195,942)	61,918	94,298#	86,604	37,191	152,088	113,239	129,556	123,296
STATEMENTS OF FINANCIAL POSITION										
Issued and Paid-up capital (unit)	1,456,942	1,456,942	1,456,937	1,326,707	1,262,319	1,259,784	1,252,095	1,135,622	1,135,622	1,133,463
Weighted Average Number of shares	1,431,349	1,432,448	1,316,724	1,307,535	1,256,430	1,240,722	1,221,324	1,217,332	1,106,182	1,093,675
Shareholders' Fund	1,668,779	1,767,462	2,007,574	1,844,162#	1,698,831	1,638,405	1,599,974	1,474,912	1,389,868	1,289,523
Total Assets	3,615,092	3,385,974	4,195,014	4,098,557#	3,896,977	3,758,725	3,070,500	2,473,998	2,477,871	2,178,319
Total Loans and Borrowings	1,266,649	1,044,261	1,413,373	1,650,573	1,532,349	1,518,339	1,164,189	728,159	772,014	604,825
RATIOS										
Net (Loss)/Earnings per share (sen)	(5.0)	(13.7)	4.7	7.2#	6.9	3.0	12.5	9.3	11.7	11.3
Net Dividend per share (sen)	–	1.00	3.00	***	3.00	2.00	**	3.00	3.38	3.19
Net Assets per share attributable to owners of the parent (RM)*	1.17	1.23	1.40	1.42	1.35	1.31	1.31	1.33	1.26	1.17
Net Gearing (times)	0.48	0.42	0.28	0.61	0.73	0.78	0.60	0.31	0.35	0.26

* Net assets per share is computed based on the number of ordinary shares in issue net of treasury shares at:
- 31.3.2021 of 1,431,348,925
- 31.3.2020 of 1,431,348,925
- 31.3.2019 of 1,432,544,648
- 31.3.2018 of 1,299,367,797
- 31.3.2017 of 1,257,197,597
- 31.3.2016 of 1,254,944,463
- 31.3.2015 of 1,222,654,764
- 31.3.2014 of 1,106,182,310
- 31.3.2013 of 1,106,182,310
- 31.3.2012 of 1,104,023,810

\# Restated following the effects of transition to Malaysian Financial Reporting Standards as disclosed in the audited financial statements for the financial year ended 31 March 2019.

*** The Company distributed a total of 25,937,951 treasury shares, being payment of the first and final dividend by way of distribution of treasury shares at the ratio of one (1) treasury share for every fifty (50) ordinary shares held in the Company.

** The Company distributed a total of 24,601,619 treasury shares, being payment of the first and final dividend by way of distribution of treasury shares at the ratio of one (1) treasury share for every fifty (50) ordinary shares held in the Company.

CONTENTS

COMPANY PROFILE

Idamansara, Kuala Lumpur

The Mews, Kuala Lumpur

Conlay, Kuala Lumpur

Conlay, Kuala Lumpur

Ariza, Seri Tanjung Pinang

Quayside Seafront Resort Condominiums , Seri Tanjung Pinang

Eastern & Oriental Berhad (E&O or The Group), a company listed on Bursa Malaysia, has a sterling reputation as the preferred luxury lifestyle developer for the discerning.

The E&O name is synonymous with creating placemaking addresses of enduring value. Its portfolio spans hospitality through to luxury living, headlined by Penang's globally renowned Eastern & Oriental Hotel. The Group's activities are driven by four main growth engines in Kuala Lumpur, Penang, Johor's Iskandar Malaysia and Central London.

In Kuala Lumpur, E&O is known for its portfolio of distinctive properties like The Mews, St Mary Residences, Dua Residency, Idamansara, and Seventy Damansara, all located in the most prestigious neighbourhoods of the capital city.

Currently in development is the Conlay. Designed by world-renowned Kerry Hill Architects and located strategically in Kuala Lumpur City Centre, Conlay marks E&O's second successful collaboration with Mitsui Fudosan Group, Japan's largest real estate developer, following the completion of The Mews in September 2017.

In December 2019, E&O cemented its alliance with the Mitsui Fudosan Group with its third joint-venture agreement to develop 3.94 acres of freehold land in a prime, elevated parcel of land in Damansara Heights. Comprising 54 units of low rise condo-villas, the development has a GDV of RM348 million and is slated for launch in the second half of 2021.

In Penang is the first-of-its-kind masterplanned seafront development of Seri Tanjung Pinang (STP), a 240-acre township that celebrates the best of island living. Located along the coast of Tanjung Tokong, the development stands prominently between the UNESCO World Heritage City of George Town and the famed beaches of Batu Ferringhi.

Following its launch in 2005, the award-winning STP has grown into a vibrant international community of 3,000 homes and over 30 nationalities, and is today hailed as Penang's most desired residential address.

Majestic sea-facing villas, Straits-inspired terraced and semi-detached homes, luxury condominiums and executive apartments are among the stunning residential properties that make up STP. All the homes - Martinique Villas-By-The-Sea®, Ariza Courtyard Terraces, the Suites at Straits Quay, Quayside Seafront Resort Condominiums and the Tamarind Executive Apartments - combine detailed craftsmanship with innovative design features that make these residences unique.

At the heart of STP is Penang's first and only seafront retail marina, Straits Quay. Framed by a wide promenade and the open sea, this must-visit destination features restaurants, cafes and bars, antique shops and art galleries, a selection of interesting retail options, as well as the island's first dedicated performing arts centre.

E&O's achievements with STP are not just in terms of its extensive land reclamation efforts to create this remarkable address. Its true success comes from the company's focus on value creation and community building, by conceptualising innovative luxury residential enclaves, reinventing tropical architecture, focusing on luxurious details and designing vibrant retail spaces.

As buyers saw the proven results through each phase of the development, demand grew, resulting in E&O being able to command benchmark prices, delivering impressive returns to investors, and creating a brand cache that no other property developer has been able to replicate in Penang.

COMPANY PROFILE

E&O is now taking its proven track record to a stellar new development; one that will redefine the future of Penang. Located directly across the waters of Seri Tanjung Pinang Phase 1 and the upcoming Gurney Wharf public realm and park, this remarkable development is set to become the future pulse of Penang.

The reclamation of the first tranche of 253 acres of this 760-acre island was completed in late 2019. E&O is currently finalising the masterplan design of Seri Tanjung Pinang Phase 2A (STP2A), incorporating several bold, game-changing components to anchor it as a truly unique destination to live, play and work.

STP2A will offer a range of residential, commercial and leisure facilities to appeal to international investors, tourists and homeowners. E&O's vision is to create a living environment that respects the heritage of Penang, provides a high-quality public realm and accessible waterfront, and nurtures a series of neighbourhoods within an integrated mixed-use community.

STP2A is expected to have a GDV of over RM17 billion and will be developed over a period of 15 years. Infrastructure works began in May 2018 with the building of the first vehicular bridge marking the gateway onto the island.

STP2A's highly-anticipated maiden property launch, comprising two towers of millennial homes, is scheduled for the second half of 2021.

To the south in Johor, Avira is a residential enclave within Bandar Medini Iskandar, benefitting from easy accessibility to the Second Link connection to Singapore.

E&O's international foray into real estate investment and development is within prime locations in Central London, including Princes House along Kingsway, ESCA House in Bayswater, and a commercial property in Hammersmith.

The Group's leading position as a lifestyle developer is anchored in luxury hospitality by its namesake Eastern & Oriental Hotel. Established in 1885, the original grande dame of Southeast Asia's luxury heritage hotels by the pioneering Sarkies Brothers is a treasured landmark in the George Town UNESCO World Heritage Site.

In December 2019, the E&O Hotel completed an extensive refurbishment to its Heritage Wing, which re-opened to higher occupancy levels and increased average room rates.

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Seri Tanjung Pinang Phase 2A

Avira, Medini Iskandar, Johor

Princes House, United Kingdom

Eastern & Oriental Hotel, Penang

PORTFOLIO OF COMPLETED PROJECTS

PROPERTY DEVELOPMENT	**KUALA LUMPUR** • Sri Se-Ekar Apartments, Kuala Lumpur • 202DC, Kuala Lumpur • Kampung Warisan, Kuala Lumpur • Seventy Damansara, Damansara Heights • Idamansara, Damansara Heights • Dua Residency, KLCC • St Mary Residences, KLCC • The Mews, KLCC **PENANG ISLAND – SERI TANJUNG PINANG** • Ariza Courtyard Terraces • Bungalow Parcels by-the-sea • Avalon Semi Detached Homes • Acacia Semi Detached Homes • The Suites at Straits Quay • Skye Villas By-The-Sea® • Abrezza Villas By-The-Sea® • Martinique Villas By-The-Sea® • Ariza Seafront Terraces • Quayside Seafront Resort Condominium • Caspian Semi Detached Homes • Cayman Villas By-The-Sea® • Andaman at Quayside • Andorra Skyloft Terraces • 18 East at Andaman • The Tamarind • Amaris Terraces By-The-Sea® **JOHOR** • Avira Garden Terraces, Medini Iskandar – Phase A • Avira Garden Terraces, Medini Iskandar– Phase B

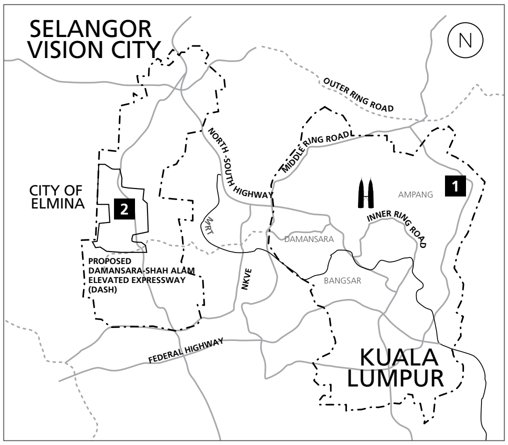
PROPERTY INVESTMENT	**KUALA LUMPUR** • St. Mary Place • Dua Annexe **PENANG ISLAND** • Straits Quay Retail Marina • Wisma AIA **UNITED KINGDOM** • The Lincoln Suites (formerly known as Princes House), Kingsway *(operational in Autumn 2021)*
HOSPITALITY	**KUALA LUMPUR** • E&O Residences *(ceased operations)* **PENANG ISLAND** • Eastern & Oriental Hotel

PORTFOLIO OF PROJECTS CURRENTLY IN DEVELOPMENT

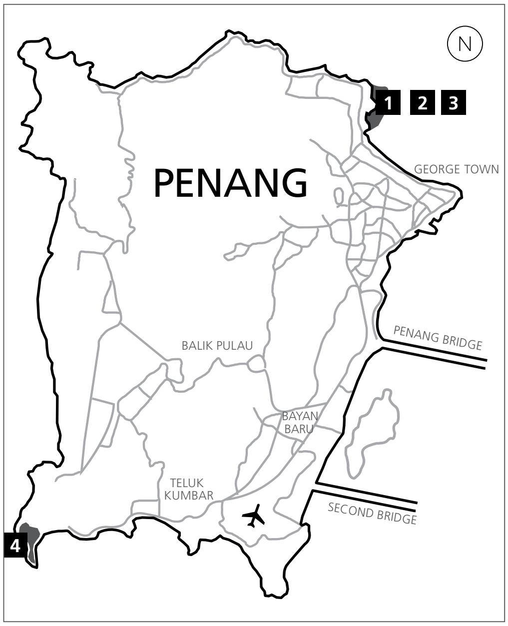
PROPERTY DEVELOPMENT	**KUALA LUMPUR** • Conlay, KLCC • The Peak, Damansara Heights *(targeted launch in the second half of 2021)* **PENANG – PULAU ANDAMAN** • Millennial Homes *(targeted launch end 2021)* **JOHOR** • Avira Garden Terraces, Medini Iskandar – Phase C • Avira Garden Terraces, Medini Iskandar – Phase D *(yet to be launched)* **UNITED KINGDOM** • ESCA House *(yet to be launched)* • Hammersmith *(yet to be launched)*

PORTFOLIO OF LANDBANKS*

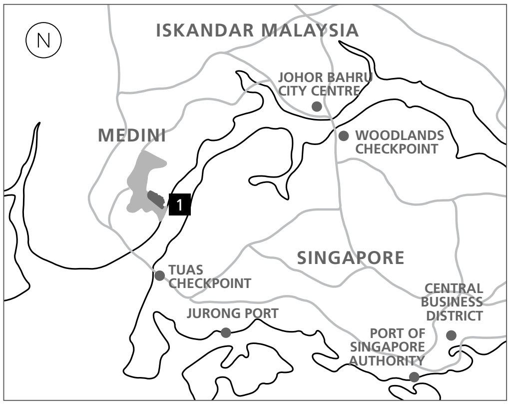
KLANG VALLEY	ACRES
1. Kemensah Heights, Ulu Kelang	309.5
2. Elmina West, Selangor	65.93



PENANG ISLAND	ACRES
1. Seri Tanjung Pinang, Tanjung Tokong, Phase 1	0.7
2. Seri Tanjung Pinang, Tanjung Tokong, Phase 2A	253
3. Seri Tanjung Pinang, Tanjung Tokong, Phase 2B & 2C	**507
4. Gertak Sanggul	347.2



JOHOR	ACRES
1. Avira, Medini, Iskandar Malaysia	32.9



* *Land for future development*
** *Reclamation works on-going*

EVOLUTION OF SERI TANJUNG PINANG

Tanjung Pinang Development Sdn Bhd (TPD), a subsidiary of E&O, holds the Concession Rights to the reclamation and development of the project known as Seri Tanjung Pinang (STP) located at the northeast coast of Tanjung Tokong, Penang Island, Peninsular Malaysia.

In totality, STP encompasses 1,000 acres, divided into two main phases. Reclamation of the first phase (STP1) comprising 240 acres, was completed in 2006. Reclamation of the 760-acre second phase (STP2) commenced in May 2016, first focusing on the area zoned as STP2A opposite the existing Seri Tanjung Pinang development and closest to the Gurney Drive foreshore.

In March 2017, TPD entered into a partnership with Kumpulan Wang Persaraan (Diperbadankan) ("KWAP") or the Retirement Fund (Incorporated), to jointly develop STP2A covering a total gross area of approximately 253 acres. In this regard, TPD entered into a conditional sale and purchase agreement with KWAP to dispose of 20% of the STP2A development land measuring approximately 1.445 million sq ft of net development land to KWAP for a cash consideration of RM766 million. At the same time, TPD entered into a conditional joint venture (JV) agreement with KWAP to develop the entire STP2A development land via a special purpose vehicle (SPV), Persada Mentari Sdn Bhd, which is owned 80%/ 20% by TPD and KWAP respectively.

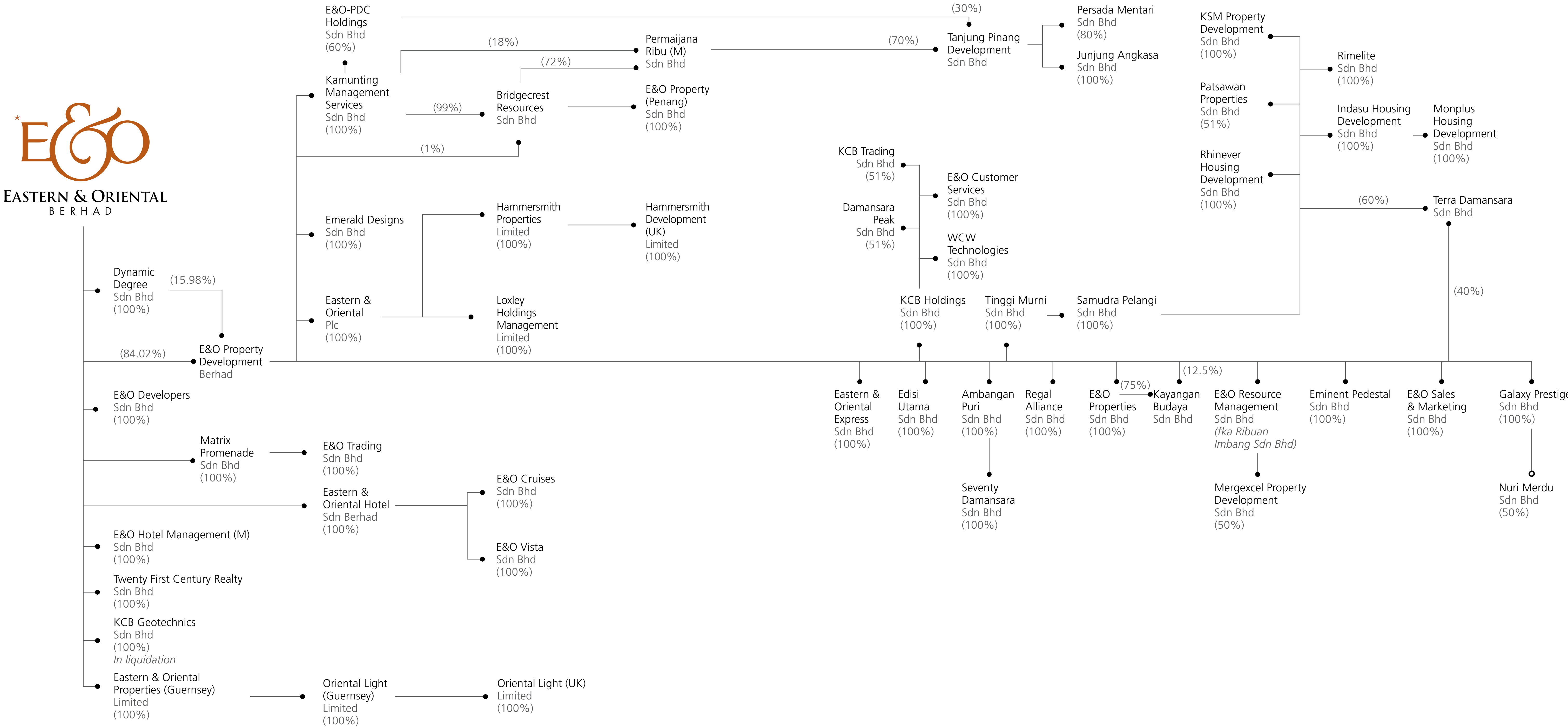
In February 2018, TPD obtained all land titles for STP2A from the relevant authorities. In September 2019, in addition to the completion of STP2A reclamation works, TPD also completed reclamation, at its own cost, of 131 acres off the Gurney Drive foreshore for the Penang State Government whereby sectional handover to the State began in October 2019. Despite facing unavoidable delays in sectional handover completion owing to full adherence to Movement Control Orders (MCO), Ministry of Health and Construction Industry Development Board's (CIDB) directives, 124 acres have been handed over to the State as of March 2021.

Moving ahead, with STP2A land fully reclaimed and clearly visible, detailed design works based on the parameters of its conceptual masterplan are in progress. In October 2020, TPD awarded the STP2A Sewerage Treatment Plant (gSTP) and all infrastructure works consisting of roadside surface water drainage and sewerage reticulation systems. As of March 2021, the first bridge linking STP1 to STP2A has reached 75% in construction progress and is scheduled for completion by the second half of 2021.

Throughout the planning, reclamation and construction process, TPD has continued to place great emphasis on full compliance to all conditions and regulatory requirements. From the outset, we have also engaged with the many communities within our project vicinity and these stakeholder activities are elaborated in the Sustainability Statement section of this Annual Report.

GROUP CORPORATE STRUCTURE

AS AT 30 JUNE 2021



* Listed on Bursa Malaysia Securities Berhad
● Subsidiary Company
○ Jointly Controlled Entity

EASTERN & ORIENTAL HOTEL
PENANG

CORPORATE INFORMATION

DIRECTORS

Datuk Tee Eng Ho	– Executive Chairman
Dato' Seri Tham Ka Hon	– Executive Deputy Chairman
Mr Kok Tuck Cheong	– Managing Director
Mr Khoo Siong Kee	
Mr Lim Kien Lai @ Lim Kean Lai	
Ms Tee Bee Kim	

COMPANY SECRETARY

Wong Yah Yee (MAICSA 7040513)
SSM Practicing Certificate No. 202008001898

MAIN BANKERS

AmBank (M) Berhad
Affin Bank Berhad
Alliance Bank Malaysia Berhad
Hong Leong Bank Berhad
HSBC Bank Malaysia Berhad
Maybank Islamic Berhad
MUFG Bank (Malaysia) Berhad
Public Bank Berhad
RHB Islamic Bank Berhad

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
T 03-2783 9299
F 03-2783 9222

AUDITORS

Ernst & Young PLT
Level 23A, Menara Milenium
Jalan Damanlela
Pusat Bandar Damansara
50490 Kuala Lumpur
T 03-7495 8000
F 03-2095 9076

REGISTERED OFFICE

Level 3A (Annexe)
Menara Milenium
8 Jalan Damanlela
Damansara Heights
50490 Kuala Lumpur
T 03-2095 6868
F 03-2095 9898

STOCK EXCHANGE LISTING

Main Market of Bursa Malaysia Securities Berhad

WEBSITE

www.easternandoriental.com

DIRECTORS' PROFILE

DATUK TEE ENG HO
Executive Chairman

Datuk Tee Eng Ho, a Malaysian, male, aged 56, was appointed to the Board of Eastern & Oriental Berhad on 1 June 2017 as a Non-Independent Non-Executive Director. He was redesignated to Executive Chairman on 12 May 2021.

Graduating from Tunku Abdul Rahman College with a Diploma in Technology (Building) in 1988, Datuk Tee has more than 30 years' experience in Civil & Building Construction. In 1995, he formed Kerjaya Prospek (M) Sdn Bhd (KPMSB), a property construction firm.

In 2011, Datuk Tee acquired a majority stake in Bursa Malaysia Main Board listed company Fututech Berhad (now known as Kerjaya Prospek Group Berhad or KPGB) and assumed the role of Executive Chairman. On 12 May 2021, he was redesignated as the Non-Independent Non-Executive Chairman of KPGB.

DATO’ SERI THAM KA HON
Executive Deputy Chairman

Dato’ Seri Tham Ka Hon, a Malaysian, male, aged 68, is the Executive Deputy Chairman of Eastern & Oriental Berhad. He previously held the position of Managing Director of the E&O Group from 16 May 1994 until 30 June 2016. Prior to that, he served as Executive Director at Land & General Group from 1988 to 1994 where he was in-charge of the property division.

Dato’ Seri Tham’s earlier innovative property projects include 202 Desa Cahaya, Kampung Warisan and Sri Se-Ekar in Kuala Lumpur. In 1994, he acquired Jack Chia Enterprise Berhad which owned the Eastern & Oriental Hotel in Penang, recognising the potential brand value such an iconic heritage landmark could be built upon. He undertook the restoration and refurbishment of the historic 136-year old Hotel, from which the E&O Group proudly takes its name.

Leveraging on luxury hospitality, Dato’ Seri Tham further extended E&O’s expertise in developing premier properties in prime areas, cultivating the E&O marque with Dua Residency, Idamansara and Seventy Damansara in the capital city. In Penang, Dato’ Seri Tham led E&O to assume the rights and obligations for the 980-acre reclamation concession off Tanjung Tokong in 2003, creating the island’s first seafront masterplanned development, Seri Tanjung Pinang (STP). With STP Phase 1 successfully reaching development maturity, the focus is to realise the reclamation and development of STP Phase 2. Dato’ Seri Tham took the E&O brand abroad by identifying prime sites in Central London with redevelopment and development potential for residential and commercial properties.

MR KOK TUCK CHEONG
Managing Director

Mr Kok Tuck Cheong, a Malaysian, male, aged 65, is the Managing Director of Eastern & Oriental Berhad. He was appointed a Director and Managing Director of Eastern & Oriental Berhad on 1 July 2016.

Mr Kok holds a Bachelor of Science (Honours) in Commerce and Accountancy and a Master of Science in Financial Managerial Controls from the University of Southampton, United Kingdom. He started his career in investment banking with AmInvestment Bank Berhad (AmInvestment Bank), where he began in line functions and progressed to managerial roles and thereafter, served in various leadership positions at the bank. He retired from AmInvestment Bank as its Chief Executive Officer and Managing Director after serving for 34 years with the last 10 years focused on strategic development and management of the various businesses.

MR KHOO SIONG KEE
Independent Non-Executive Director

Mr Khoo Siong Kee, a Malaysian, male, aged 71 was appointed as Independent Non-Executive Director of Eastern & Oriental Berhad on 12 May 2021. He is the Chairman of the Audit Committee, the Risk Management Committee and the Nomination, Remuneration and Scheme Committee.

Mr Khoo holds a B.A (Major in Accounting), Macquarie University, Australia. He is a fellow member of Chartered Accountants Australia and New Zealand, Associate Member of Malaysian Institute of Accountants (MIA), Associate Member of The Malaysian Institute of Certified Public Accountants (MICPA), Fellow Member of Chartered Tax Institute of Malaysia (CTIM), Member of Financial Planning Association of Malaysia and Member of Malaysian Association of Company Secretaries.

Mr. Khoo is a Chartered Accountant trained in Australia with more than 30 years of experience in the profession. He also has many years of experience in company restructuring and advisory liquidation, taxation and financial planning.

MR LIM KIEN LAI @ LIM KEAN LAI
Independent Non-Executive Director

Mr Lim Kien Lai @ Lim Kean Lai, a Malaysian, male, aged 69 was appointed as Independent Non-Executive Director of Eastern & Oriental Berhad on 12 May 2021. He is a member of the Audit Committee, the Risk Management Committee and the Nomination, Remuneration and Scheme Committee.

Mr Lim has a Diploma in Technology (Building) from Tuanku Abdul Rahman College and holds a Degree in Master of Science in Construction Management, Aston University, United Kingdom. Mr. Lim served as a lecturer in Tunku Abdul Rahman College before venturing into his own practice on project management and construction services in 1983. He was the Managing Director of Macro Resources Sdn. Bhd., a subsidiary of Lien Hoe Corporation Bhd and had undertaken and completed many projects in Malaysia. He was also the Chief Executive Officer of Integrated Professional Services Sdn. Bhd., a company involved in the construction of medical centres.

MS TEE BEE KIM
Independent Non-Executive Director

Ms Tee Bee Kim, a Malaysian, female, aged 57 was appointed as Independent Non-Executive Director of Eastern & Oriental Berhad on 12 May 2021. She is a member of the Audit Committee, the Risk Management Committee and the Nomination, Remuneration and Scheme Committee.

Ms Tee Bee Kim graduated from the University of Malaya in 1989 with a Bachelor of Laws Degree. She was admitted to the Malaysian Bar in March 1990. Thereafter, Ms Tee entered the legal practice as a legal assistant (advocate and solicitor) at several legal firms within the Klang Valley, eventually being promoted to the position of Senior Partner. In 2004, Ms Tee established her own legal firm Tee Bee Kim and Partners, offering legal services to a wide range of clients. With over thirty years of experience in the legal practice, Ms Tee's expertise is mainly in Family Law, Banking & Finance Law, Companies & Corporate Law, Commercial Law and Conveyancing & Property Law. Ms Tee is currently the Managing Partner of Messrs. Tee Bee Kim & Partners.

Besides core legal practice, Ms. Tee has been contributing to the integrity of the legal profession as a member of the Bar Council Disciplinary Committee Panel – Advocates and Solicitors Disciplinary Board since 2010.

OTHER INFORMATION

Family Relationship with Directors and/or Major Shareholders

Datuk Tee Eng Ho is currently a major shareholder of the Company. Datuk Tee is the brother of Mr Tee Eng Seng and spouse of Datin Toh Siew Chuon, both are major shareholders of the Company. None of the other directors have any family relationship with any Director and/or major shareholder of the Company.

Conflict of Interests with the Company

None of the Directors have any conflict of interests with the Company.

Conviction for Offences

None of the Directors have any convictions for any offences within the past five years nor have any public sanctions or penalties imposed by the regulatory bodies during this financial year.

EASTERN & ORIENTAL HOTEL
PENANG

SENIOR MANAGEMENT PROFILE

DATUK TEE ENG HO
Executive Chairman

DATO' SERI THAM KA HON
Executive Deputy Chairman

MR KOK TUCK CHEONG
Managing Director

The profiles of the Executive Chairman, Executive Deputy Chairman, and Managing Director are outlined in the Board of Directors chapter on pages 18 and 19 respectively.

SENIOR MANAGEMENT PROFILE

MADAM KOK MENG CHOW

Finance Director

Madam Kok Meng Chow, a Malaysian, female, aged 61, is the Finance Director of Eastern & Oriental Berhad since 1 October 1999. She was appointed to the Board of Eastern & Oriental Berhad on 11 August 2008 and has resigned as a Board member on 12 May 2021.

Madam Kok holds a Bachelor of Economics (Accounting) Degree from Monash University, Australia. She is a member of the Malaysian Institute of Accountants and a Fellow of the Institute of Chartered Accountants, Australia and New Zealand, as well as a certified member of the Financial Planning Association of Malaysia. She has more than 30 years working experience, both local and in Australia, covering auditing, finance and accounting; and has received a 25-year long membership certificate of recognition from the Institute of Chartered Accountants in Australia in March 2010. She is the Finance Director of E&O Property Development Berhad and an Alternate Director of the Performing Arts Centre of Penang.

MR LUM KWOK WENG @ LUM KOK WENG

Senior Director
Development & Construction Management

Mr Lum Kwok Weng @ Lum Kok Weng, a Malaysian, male, aged 70, is the Senior Director, Development & Construction Management of Eastern & Oriental Berhad. He joined Eastern & Oriental Berhad as Project Manager in 1995 and was appointed Project Director, Construction Management in 2007 and subsequently as Group Project Director in 2011. On 1 July 2015, he was appointed to his current position as Senior Director, Development & Construction Management.

Upon completing his formal schooling, Mr Lum ventured into civil and structural engineering that led him to a career spanning close to 43 years in this field where he began with an appointment at Rakanan Jurutera Perunding in 1969 until 1974. From his employment at Jurutera TSSC Lim (1974-1994), Mr Lum joined Eastern & Oriental Berhad. His extensive experience spans a range of civil and structural engineering projects such as bridges, reservoirs, high-rise buildings, mass housing and factories.

MR MICHAEL TAN HWEE HIAN

Director
Development & Construction Management

Mr Michael Tan Hwee Hian, a Malaysian, male, aged 56, is the Director, Development & Construction Management of Eastern & Oriental Berhad. He joined Eastern & Oriental Berhad as General Manager in 2007 and was promoted to Senior General Manager in 2010. On 1 April 2015, he was appointed to his current position as Director, Development & Construction Management.

Mr Tan holds a PAM Certificate of Architecture. He has more than 20 years' experience in architectural design, which include years with BEP Akitek Sdn Bhd and GDP Architects Sdn Bhd, two of Malaysia's leading architectural firms. His extensive architectural design experience covers a range of projects including public buildings, commercial complexes, hotels, medium- to high-end residential condominiums and landed properties.

MR LOI KOK MUN

Chief Financial Officer

Mr Loi Kok Mun, a Malaysian, male, aged 51, is the Chief Financial Officer of Eastern & Oriental Berhad since 1 November 2019.

Mr Loi is a member of The Malaysian Institute of Certified Public Accountants and Malaysian Institute of Accountants. He started his career with KPMG and since then, he has served in senior management positions in a number of public listed and private companies across a variety of industries. He has over 20 years' experience in the area of finance and accounting, corporate finance, strategic planning, management and audit, risk management and assessment.

MS EMILY TEH HOOI CHUAN

Director
Projects & Property Investments

Ms Emily Teh Hooi Chuan, a Malaysian, female, aged 53, is the Director, Projects & Property Investments of Eastern & Oriental Berhad. She joined Eastern & Oriental Berhad in 2010 as Senior Manager, Group Retail and was appointed Senior General Manager, Projects & Property Investments in 2017. On 1 April 2018, she was appointed to her current position as Director, Projects & Property Investments.

Ms Teh was a Certified Real Estate Negotiator (CREN) operating mainly in the Penang and Kuala Lumpur markets and has over 20 years' experience in leasing, sales and management of residential, retail and commercial assets.

OTHER INFORMATION

Family Relationship with Directors and/or Major Shareholders

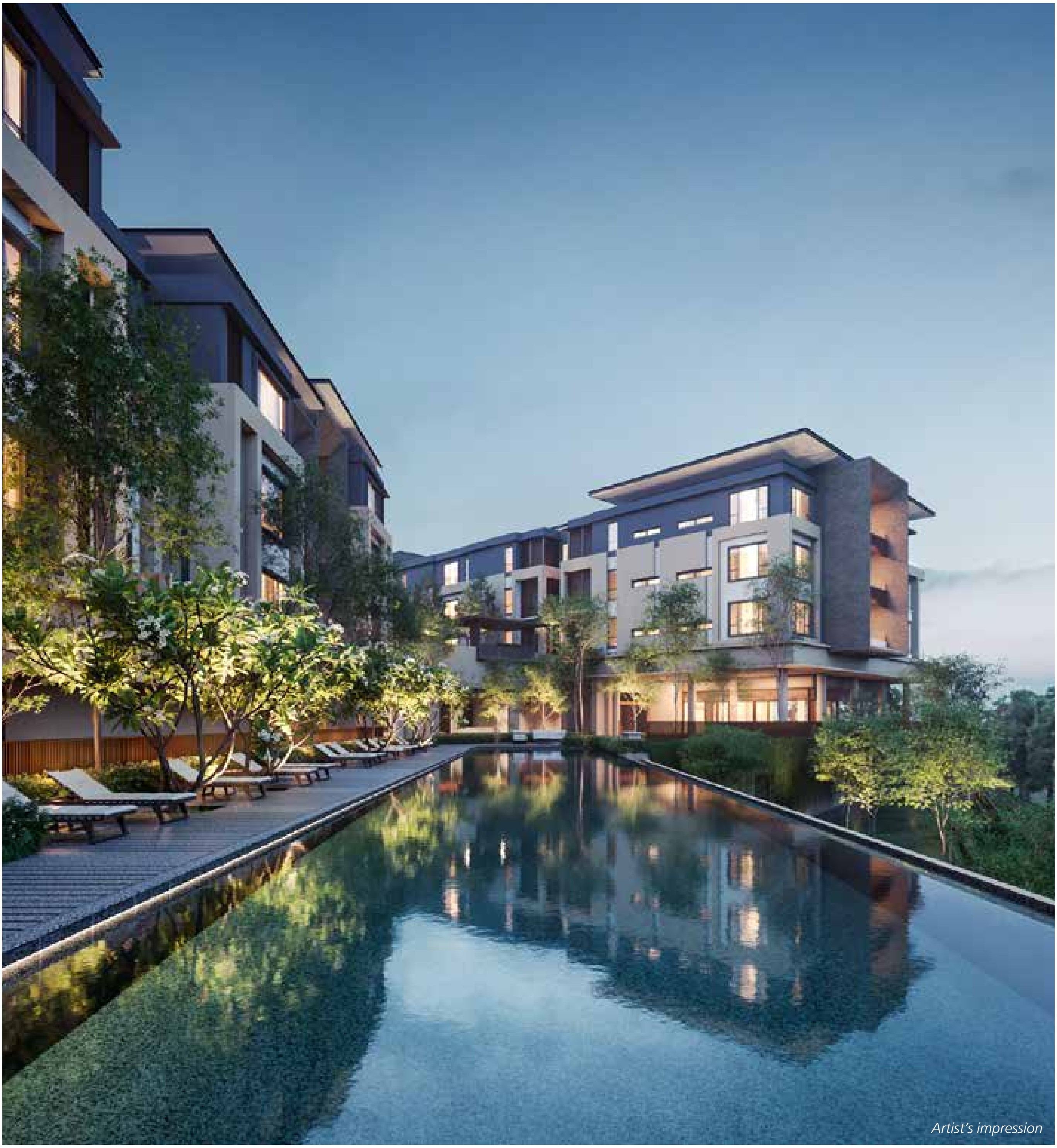
None of the Senior Management has any family relationship with any Director and/or major shareholder of the Company.

Conflict of Interests with the Company

None of the Senior Management has any conflict of interests with the Company.

Conviction for Offences

None of the Senior Management has any convictions for any offences within the past five years nor has any public sanctions or penalties imposed by the regulatory bodies during this financial year.



Artist's impression

THE PEAK
DAMANSARA HEIGHTS
KUALA LUMPUR

CHAIRMAN’S STATEMENT

My fellow shareholders and friends of E&O,

Eastern & Oriental Berhad (E&O or The Group) is a company that commands a premium brand position across its portfolio of projects, to which others in the industry aspire to. It is an honour to address you as its Executive Chairman.

Coming on board in an executive role amidst a pandemic, the roadmap ahead must take into consideration the challenges and opportunities which will shape our priorities. Building upon the successes of the Group will take a combination of rigorous operational efficiencies and strict financial management. This, without losing the vision, innovation and style that the E&O brand is known and valued for.

Firstly, we must ensure optimal cost management throughout the Company and in our external business dealings. I intend to utilise my experience and expertise in the construction sector to introduce greater efficiencies and synergies that will have a positive impact, qualitatively as well as quantitatively.

In view of the growing importance of Environmental, Social and Governance (“ESG”) considerations in business practices, we shall endeavour to undertake more sustainability-related initiatives in the coming years, whilst integrating ESG factors into our decision-making.

This leads to driving the core businesses of E&O, enhancing our leadership as the most respected and coveted brand within the premier property development and luxury hospitality sectors. In Kuala Lumpur, our upcoming new development at the peak of prestigious Damansara Heights will appeal to our brand loyalists, reinforcing E&O's position as the pre-eminent lifestyle developer to the discerning.

In Penang, the much-anticipated maiden launch on our prime reclaimed island will attract a wider target audience as we introduce new concepts to market. This first property launch at Seri Tanjung Pinang Phase 2A marks a milestone upon which we intend to cultivate, capture and delight a new following of customers, investors and partners for the future.

In summary, consistent value creation for the E&O Group, and in turn, sustainable returns to our shareholders, represent the primary goals. For this, there is much to do. Whilst I give full recognition and sincere thanks to the E&O management team and employees for what has been achieved so far, I ask that we redouble our efforts and work together with shared purpose.

For the foundation laid to date, let me put on record my appreciation to the immediate past Chairman and Board of Directors for their long service, dedication and guidance. Their collective contributions have helped steer the Company to achieve its business objectives within clear corporate governance parameters. At this juncture, let me also take this opportunity to welcome our incoming Board members who will ably provide continuity and counsel in this capacity.

Finally, to our valued shareholders and stakeholders, I thank you for your support and confidence. It is on your expectations that we pledge not only to uphold the esteemed E&O brand, but to strive to raise the benchmark further.

DATUK TEE ENG HO
Executive Chairman

CONLAY SERVICED RESIDENCES

KUALA LUMPUR

MANAGEMENT DISCUSSION & ANALYSIS

OVERVIEW OF THE GROUP'S BUSINESS & OPERATIONS

Eastern & Oriental Berhad (E&O or The Group) is one of Malaysia's most reputable property brands, with interests in property development, property investment and hospitality.

The E&O name is synonymous with timeless elegance and discernment, inspired by the rich heritage of the globally-renowned Eastern & Oriental Hotel in Penang established in 1885. The Group's success stems from its commitment to quality and innovative design, resulting in addresses of enduring value.

Its property development portfolio is spread across four main growth engines spanning major destinations in Kuala Lumpur, Penang and Johor's Iskandar Malaysia as well as internationally, in Central London (refer to portfolio details in Corporate Profile section).

The Group's ambition is to cement its position as the preferred property brand for homeowners and property buyers, investors and joint-venture partners, retailers and tenants, as well as being recognised as a responsible and innovative player in the development of Malaysia's built environment.

To this end, the Group has committed to these long-term growth strategies:

1. Continue to craft unique and differentiated luxury developments that appeal to our core target group of discerning property owners.
2. Nurture a following of new buyers by finding ways to take the E&O brand to broader segments of the marketplace.
3. Leverage on the success of Seri Tanjung Pinang Phase 1 in Penang and the reputation we have established, ensuring the success of our new masterplanned community on Seri Tanjung Pinang Phase 2. This 760-acre development will be the mainstay of our development portfolio in the coming years, and the catalyst to future earnings and renewed brand building.

GROUP BUSINESS REVIEW

PROPERTY DEVELOPMENT

E&O has a proud history of delivering homes and communities of quality, whilst setting new benchmarks for design excellence, innovation and placemaking. This ethos, combined with our established track record and sound fundamentals, has enabled us to create exceptional addresses in our four key locations.

Facing the challenges of the 2020 operating environment, the property development segment delivered sales of RM81.1 million worth of properties in the financial year that ended 31 March 2021 (FY2021), a 73.4% decrease compared to financial year that ended 31 March 2020 (FY2020). This in turn resulted in a revenue of RM93.7 million from property development in FY2021.

Key activities for the year under review:

Kuala Lumpur

- We continued to focus our efforts on the marketing of Conlay serviced residences in the KLCC area in Kuala Lumpur. Designed by the acclaimed Kerry Hill architects, this iconic development marks our second joint venture with the Mitsui Fudosan Group. The muted property market has impacted the sales of Conlay, but we expect sentiment to change in 2021 and 2022 as markets reopen, and Kuala Lumpur once again welcomes international business visitors and tourists.

- Plans are underway for the Group's return to the affluent suburb of Damansara Heights with the launch of The Peak, a*not*her partnership with the Mitsui Fudosan Group. This 3.94-acre, low density development comprises just 54 units and is expected to attract keen interest from those looking for the privacy and exclusivity the location offers, coupled with easy access to the city and the mature amenities nearby. The Peak is slated to be launched in second half of 2021.

Penang

- Seri Tanjung Pinang Phase 1 in Penang remains a sought-after address with unsold units equivalent to a value of just RM5.3 million at the end of FY2021. Our team continues to work closely with the local community to ensure this vibrant, safe and close-knit community thrives.

- Late 2019 also saw the completion of reclamation works for Seri Tanjung Pinang Phase 2A, a significant milestone that will pave the way for the highly anticipated maiden launch on this new island in 2021. One of our growth strategies is to broaden our product offerings to appeal to a wider segment of the property-buying market. In line with this, our first launch at STP2 will comprise two towers of serviced apartments set on four acres of freehold land, targeted at the millennial segment. This will be our first offering to this segment, and we are carefully curating a product that will appeal whilst being uniquely E&O.

Iskandar, Johor

- We completed Phase B of Avira Garden Terraces in Iskandar, Johor, comprising 70 units of landed homes. Progressive handover began in August 2020. The development's attractiveness has been boosted by its accessibility as well as the expansion of commercial and retail facilities in the vicinity, with sales currently standing at 87%.

United Kingdom

- Princes House now known as Lincoln Suites, the Group's maiden project in the UK, consisted of the conversion of a 1920s office building into 20 premier residential apartments and 54 serviced units. All 20 units of residential apartments have been completed, sold and handed over to buyers. In FY2021, the Group completed refurbishment works on the remaining 54 serviced apartments. Following a rigorous selection process, we entered into a Hotel Management Agreement with a hotel operator to run these apartments, with a target to open for business in Q3 2021.

- Located in the highly sought-after area of Bayswater bordering Notting Hill, ESCA House is an office building that was acquired by the Group for its redevelopment potential. In response to challenging market conditions, the site has been segmented into three parts, providing the opportunity to either progress into three separate premium residential schemes, or sell them individually with planning consent.

- The Mews - Chapel Side has consent for conversion into eight premium residential units totalling 5,500 sq ft. Given strong interest in properties of this size, the Group accepted an offer of GBP5.9 million in December 2020, with the sale completed in January 2021.

- Originally a grand Edwardian house, consent has been secured to convert 32 Palace Court into five premium residential units of 3,500 sq ft each. The market for this type of property remains resilient; following a short marketing exercise in Q4 2020, a substantial offer of GBP4.1 million was received for the property. A contract for sale was entered in FY2021 and the transaction was completed in May 2021.

- Originally an office building, the Group has secured consent for the development of 11 premium residential units within ESCA House - 34 Palace Court, totalling 11,000 sq ft, with 2,500 sq ft set aside for office / leisure use. The Group intends to retain its interest in this site, and will commence building on the site with the intention to either sell or rent the units when completed in Q1 2022.

- The Group acquired this prominent 1.3 acre site in Hammersmith, comprising two existing buildings, Landmark House and Thames Tower, in 2015. The site is strategically located in Hammersmith Town Centre, within walking distance to three Underground lines and with excellent connectivity to Heathrow Airport. It is also adjacent to the A4, the main arterial route into Central London from the West. In Q3 2017, the Group obtained detailed planning consent to demolish the existing buildings and construct three new buildings with a total gross area of 375,000 sq ft, including a 22-storey hotel tower, two office buildings and ground level restaurant and retail space. In May 2019, consent was given for an optimised scheme which improved the design, while increasing the gross area to 392,000 sq ft. Demolition of the existing buildings was completed in March 2020, and the site cleared for the next phase of construction. London's office and hotel market is starting to show signs of recovery and the Group is hopeful that a tenant for the hotel can be secured, for development to commence.

Out of necessity, 2020 saw a marked rise in digitalisation activities across the Group, as we looked for new ways to engage buyers and stay in touch with our communities. Our digitisation initiatives include the adoption of e-brochures and virtual walkthroughs as sales tools, and the increased use of digital advertising and social media marketing.

PROPERTY INVESTMENT

The property investment segment's commercial assets comprise Wisma AIA and Dua Annexe, while St Mary Place and Straits Quay Retail Marina make up the retail assets in Malaysia. The pandemic had impacted our commercial and retail assets.

The latter was a result of the various MCO that have been in effect since March 2020, which saw a sharp reduction in both foot traffic and sales performance at our retail operations. The Group focused on supporting tenants and retailers through this challenging period and ensured we could operate as an essential community service.

We are now working closely with tenants to support the recovery process by introducing relief measures, where applicable, as well as exploring ideas for compelling promotions to drive foot traffic when appropriate. We are also monitoring emerging risks such as accumulated arrears and rental rate pressures upon expiration of tenancies, with a plan to enhance Tenant Relationship Management and secure new leases to ensure future revenue streams.

The Group's priority in 2020 was to safeguard the health and safety of its staff members, as well as its tenants and customers. This was done while continuing to operate the assets as effectively as possible and introducing operational efficiencies. In addition to implementing Standard Operating Procedures (SOPs) and ensuring they were adhered to, we scheduled regular cleaning and sanitisation of all our premises to minimise any possibility of downtime due to closures.

For the financial year in review, the properties in the Group's property investment portfolio collective generated revenue of RM17.1 million (FY2020: RM18.8 million), and gross profit of RM10.9 million (FY2020: RM10.1 million) for the 12-month period ended 31 March 2021. The main contributor remains Straits Quay Retail Marina, which achieved a rental income of RM10.0 million in FY2021.

HOSPITALITY

The COVID-19 pandemic has taken its toll on the global hospitality industry; the impact on our hospitality division was no different.

E&O Hotel could only welcome domestic travellers in 2020, which diluted its performance significantly. The hotel achieved an occupancy rate of 18.2% in FY2021, with an Average Room Rate of RM507.42 up to March 2021. 94.8% of the hotel bookings between April 2020 and January 2021 came via the booking engine on the hotel website, primarily as a result of staycation packages being offered only on our own platform. The most popular promotion, aimed at Penangites, sold 2,940 room nights which generated approximately RM1.2m in revenue, followed by the Malaysian Residents promotion which sold 2,299 room nights with about RM1.12m in revenue. Top geographical markets for E&O Hotel guests in 2020 were Malaysia (95.8%), United Kingdom (1.9%), Australia (0.8%), Japan (0.8%), and the USA (0.7%).

HOTEL PROPERTIES PERFORMANCE

DESCRIPTION	EASTERN & ORIENTAL HOTEL*		E&O RESIDENCES**	
	FY2021	FY2020	FY2021 (UP TILL SEPT 2020)	FY2020
No. of Keys	232		200	
Occupancy	18.2%	67.9%	14.5%	55.3%
Occupied Rooms – Net (room days)	15,366	39,801	6,125	40,450
No. of Available Rooms (room days)	84,680	58,612	42,400	73,200
Average Room Rate (RM)	507.42	694.08	292.58	383.97
MICE Facilities	3,240sqm Covering 2 ballrooms and 12 functions rooms		Not available	

The hotel was closed during the first Movement Control Order (MCO) from March 18 to May 3, 2020. There was a slight improvement in revenue during the Conditional Movement Control Order (CMCO) which took place between May 4 to June 9, 2020. Thereafter, revenue started to gain momentum during the Recovery Movement Control Order which began on June 10, during which interstate travel was allowed, and the hotel could assume normal operations. During this period, the hotel was able to provide banqueting services, and host small groups and weddings, which helped sustain revenue levels.

In October 2020, Kuala Lumpur and Selangor went back into CMCO, which affected business coming into Penang, which then went into CMCO on November 9, 2020. Travel restrictions were lifted during the Christmas season, which brought some relief. However, this proved temporary, as the country went back into MCO on January 13, 2021. The Malaysian Association of Hotels estimates that the industry incurs losses of approximately RM300 million for every two weeks of the MCO.

The Group is making every effort to mitigate the impact of the pandemic on our hospitality business, including promoting local staycations and domestic tourism when possible, curating interesting F&B promotional events, and introducing takeaways, cooked meats, cookies, breads and delivery services to the Penang public, all of which have also kept the brand in the news and on the radar of the public. The hotel has also effectively utilised government hospitality industry subsidies to offer competitive promotional rates and set a benchmark for other properties to follow.

In Kuala Lumpur, the E&O Residences faced intense pressure from the highly-competitive luxury serviced residences markets in Kuala Lumpur and ceased operations in September 2020, achieving 14.5% YTD occupancy at the point of closure.

GROUP FINANCIAL REVIEW

Revenue

The Group recorded revenue of RM304.7 million for FY2021, a decrease of RM182.1 million or 37.4% as compared to RM486.8 million recorded in the preceding FY2020.

SEGMENT REVENUE (RM'000)	FY2021	FY2020	% DIFFERENCE
Properties	287,361	418,372	-31.3%
Hospitality	15,257	63,392	-75.9%
Investments and Others	2,107	5,038	-58.2%
Total	**304,725**	**486,802**	**-37.4%**

Lower revenue was mainly attributed to the properties segment registering a decrease of RM131.0 million, and the hospitality segment registering a decrease of RM48.1 million. Reduction in revenue in the properties segment was due to lower revenue recognition from the land reclamation of STP2A and lower sales of completed properties in STP1.

The hospitality segment recorded a reduction in revenue from RM63.4 million in FY2020 to RM15.3 million in FY2021, mainly due to the COVID-19 pandemic that severely impacted the tourism, travel and hospitality industries. The highly-restrictive travel conditions imposed on international and local tourists coupled with limitations of adhering to physical distancing measures resulted in low occupancies at the E&O Hotel and E&O Residences. As a result of this, the Group ceased the operations of E&O Residences on 18 September 2020.

Revenue from investments and others recorded a reduction from RM5.0 million in FY2020 to RM2.1 million in FY2021, mainly as a result of lower management fees income.

Further detailed breakdown of the Group revenue is as follows:

	REVENUE (RM'000)		
	FY2021	FY2020	% DIFFERENCE
Sales of properties under development	93,672	90,079	4.0%
Sales of completed properties	78,348	301,467	-74.0%
Sale of land	98,282	8,000	1,128.5%
Rental income	17,059	18,826	-9.4%
Sub-total for properties segment	**287,361**	**418,372**	**-31.3%**
Hotel & restaurant operations	15,257	63,392	-75.9%
Sub-total for hospitality segment	**15,257**	**63,392**	**-75.9%**
Management services fees	2,107	5,027	-58.1%
Dividend income	–	11	-100%
Sub-total for investments & others segment	**2,107**	**5,038**	**-58.2%**
Grand total	**304,725**	**486,802**	**-37.4%**

Operating expenses

Total operating expenses before finance costs and share of results in joint ventures of the Group in FY2021 was RM388.2 million as compared with RM608.4 million in FY2020, a decrease of RM220.2 million.

OPERATING EXPENSES (RM'000)	FY2021	FY2020	% DIFFERENCE
Cost of sales	181,953	284,519	-36.0%
Administrative expenses	36,010	74,017	-51.3%
Selling and marketing expenses	3,386	5,895	-42.6%
Other expenses	166,874	243,939	-31.6%
Total	**388,223**	**608,370**	**-36.2%**

The lower operating expenses were due to the following:

i. Cost of sales decreased by 36.0% on the back of lower revenue recorded.

	COST OF SALES (RM'000)		
	FY2021	FY2020	% DIFFERENCE
Property development costs	59,064	46,044	28.3%
Cost of completed properties	48,386	170,618	-71.6%
Cost of land sold	45,176	8,000	464.7%
Rental related costs	6,158	8,716	-29.3%
Properties segment sub-total	**158,784**	**233,378**	**-32.0%**
Cost of hotel and restaurant operations	21,091	45,068	-53.2%
Cost of sales with respect to management services rendered	2,078	6,073	-65.8%
Grand total	**181,953**	**284,519**	**-36.0%**

The cost of sales of the properties segment decreased by 32.0% in line with the decrease of segment revenue of 31.3%.

The disproportionate decrease in the cost of sales of the hotel operations of RM24.0 million (-53.2%) compared to reduction in revenue by 75.9% was mainly due to unavoidable utilities and staff costs incurred during the MCO period.

ii. The decrease of RM38.0 million or 51.3% in administrative expenses was mainly due to lower operating costs and lesser expenditure for corporate exercises during the financial year.

iii. The drop of 42.6% or RM2.5 million in the Group's selling and marketing expenses in the financial year was mainly attributed to fewer inventories available for sale and fewer promotional activities during MCO period.

iv. Included in other expenses of FY2021 were impairment losses and write-downs on certain assets and properties of the Group amounting to RM141.0 million as compared to RM209.6 million in FY2020. The impairment losses and write-downs were a consequence of subdued and uncertain global and local economic conditions.

Other income

The Group's other income increased by RM43.2 million from RM32.2 million in FY2020 to RM75.4 million in FY2021. The improvement was largely due to the strengthening of the Sterling Pound against the Ringgit, which resulted in an unrealised foreign gain of RM43.8 million.

Finance costs

The Group's finance costs expensed to the Income Statement decreased by 45.5% from RM62.0 million in FY2020 as compared to RM33.8 million in FY2021. This was due to lower interest expense arising from the repayment of RCMTN at the beginning of the financial year.

For FY2021, the Group capitalised interest expenses of RM17.7 million (FY2020: RM14.3 million) in land held for property development and property development costs. The increased interest expense capitalised was mainly attributed to additional drawdown of the loan principal.

Loss before tax (LBT)

For FY2021, the Group recorded LBT of RM48.0 million compared to RM155.6 million in FY2020, a lower loss of RM107.6 million or 69.1%.

Despite lower revenue achieved, the Group suffered a lower loss due to lower operating expenses incurred, lower finance costs and higher other income.

Income tax expense

The Group's tax expense for FY2021 was RM21.2 million, which is lower compared with RM36.7 million in FY2020. The decrease was mainly due to the lower profits generated from the properties segment.

The effective tax rate for the Group for the financial year under review is higher than the statutory tax rate of 24% mainly due to certain expenses of the Group being non-deductible and deferred tax assets not recognised for certain loss-making subsidiaries.

Assets

The Group's total assets increased by RM229.1 million from RM3,386.0 million at 31 March 2020 to RM3,615.1 million at 31 March 2021. The increase was largely attributed to an increase in inventories, receivables and bank balances.

The inventories of land held for property development increased by RM262.6 million mainly due to the cost of conversion to freehold status and additional infrastructure works in STP2A. On the other hand, inventories of completed units reduced by RM43.0 million from RM48.3 million in FY2020 to RM5.3 million in FY2021 due to the continuation of the "E&O Luxury Living" sales campaign which successfully reduced the inventory levels further. The Group achieved cumulative sales of completed units of RM81.1 million for the current financial year end as compared to RM305.3 million in the previous financial year.

The increase in receivables by RM71.4 million was mainly from other receivables from joint venture companies and deposits receivables from sale of land.

Cash and bank balances increased by RM172.9 million, from RM296.4 million at 31 March 2020 to RM469.3 million at 31 March 2021 due to the drawdown of loan principal and collections from the purchasers on the properties and land sold.

Net assets per share as at 31 March 2021 was RM1.17 per share as compared to RM1.23 per share in the preceding year.

Liabilities and gearing ratio

The Group's total liabilities increased by RM325.3 million from RM1,573.4 million at 31 March 2020 to RM1,898.7 million at 31 March 2021. The increase was mainly due to increases in loans and borrowings of RM222.3 million and increases in the trade and other payables of RM128.1 million.

The Group's total loans and borrowings increased from RM1.0 billion as at 31 March 2020 to RM1.3 billion as at 31 March 2021.

(RM 'MIL)	FY2021	FY2020
Loans and borrowings	1,266.6	1,044.3
Less: Cash and bank balances	(469.3)	(296.4)
Net debt	797.3	747.9
Equity attributable to owners of the parent	1,668.8	1,767.5
Gross gearing ratio (times)	**0.76**	**0.59**
Net gearing ratio (times)	**0.48**	**0.42**

The net gearing ratio of the Group as at 31 March 2021 was 0.48x as compared to 0.42x as at 31 March 2020, mainly due to drawdown of loans during the financial year and lower total equity of RM1.67 billion as at 31 March 2021 compared to RM1.77 billion as at the end of the previous financial year.

Dividend

On 28 September 2020, the Company paid RM14.3 million to shareholders as the first and final single-tier dividend of 1 sen per share in respect of the financial year ended 31 March 2020.

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

OUTLOOK & FOCUS

The Group continues to take proactive measures to ensure we remain resilient as we move forward. We will continue to build on our leadership position in the premier residential market, through projects currently under development and by utilising the suitable landbanks we have in hand.

The anchor underpinning our growth trajectory in the coming years will be in Penang at STP2. Just as STP1 is viewed as E&O's track record for success these past 15 years, so will Phase 2 of the reclamation development be the catalyst of the Group's future earnings and renewed brand building in the next decade.

These efforts will be balanced by a more stringent and disciplined effort to manage costs and efficiencies across our properties and hospitality segments. We are committed to doing so in a way that is sustainable, to ensure our reputation for quality and service remains.To this end, our property team has been exploring new and innovative ways of building and fitting out our upcoming properties. On the hospitality side, the team is introducing ways to continue to deliver the exceptional service that E&O Hotel is known for, to keep service levels warm, welcoming, and memorable.

In terms of financial management, our aim is to preserve the balance sheet capacity and flexibility, both to ensure that we can weather a prolonged downturn but also so that we are well placed to capitalise on any opportunities that emerge over time. We will control capital expenditure carefully and retain flexibility over our development programmes so that we can adapt our approach as the longer-term impact of COVID-19 become clearer.

Malaysia's economy contracted 4.5% in 2020[1] owing to the effects of the COVID-19 pandemic. According to Bank Negara Malaysia (BNM) Economic and Monetary Review 2020 report, GDP is expected to rebound at a rate of between 6.0% to 7.5%, albeit largely due to the low base of 2020.

This recovery remains uncertain and hinges on the effectiveness of a national as well as international vaccination rollout. Once implemented, we can hope to look forward to the lifting of MCO and relaxation of international border controls, both of which will result in higher economic activity and have a corresponding multiplier effect.

To stimulate the economy, the Malaysian Government has passed the largest budget in the country's history, totalling RM322.5 billion, of which RM69 billion has been set aside as capital expenditure. Its allocation of RM65 billion to the KITA Prihatin supplementary assistance package, which will put much-needed funds in the hands of the populace most impacted by the pandemic, also reinforces its focus on being an inclusive budget for all Malaysians.

BNM is expected to maintain its historically low interest rate of 1.7% which was revised lower four times in 2020, from 3.0% to 1.7%. This accommodating monetary policy stance, coupled with prudent fiscal policies, is expected to jumpstart the economy and generate a positive sentiment to encourage spending. The national unemployment rate reached a high of 4.2% in 2020 and is expected to fall to 3.5%, improving public sentiment.

We are cautiously optimistic that the worst may be over and that we can look forward to the progressive recovery of the economy in general, and the property and real estate industry in particular. We share the sentiments of developers who took part in a REHDA property survey conducted in March 2021, where 20% of the respondents said they were optimistic about the likelihood of growth in the sale of residential properties in the second half of 2021.

PROPERTY DEVELOPMENT

Malaysia

Across the Group, our collective effort now is to capitalise on this more optimistic economic and property market outlook. Over the past 4.5 years, we worked diligently to sell down our existing inventory, which we have successfully done, reducing our inventory from RM455.1 million in March 2017 to RM5.3 million in March 2021. This then allowed us to pivot our focus and energies to the future.

We took advantage of the lull in development activities this past year to review our product development strategies. The pandemic and the resulting lockdown had resulted in people reflecting on what they wanted and appreciated in their homes, and in many cases, resulted in different perspectives when looking at future homes. Our research and conversations with them over the past few months have provided useful insights into how our future products should be designed.

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(1) *Bank Negara Economic and Monetary Review 2020 https://www.bnm.gov.my/documents/20124/3026377/emr2020_en_book.pdf*

Many of these insights have been carried through to our plans for STP2A. The first launch on this masterplanned island, scheduled for the second half of 2021, will be targeted at young and first-time homeowners. The product we have curated and timing of the nascent economic recovery, bode well for our plans. We are confident the debut launch will be well received given that there has not been any significant residential property launch in the last four years in the highly-desirable Tanjung Tokong area.

In Kuala Lumpur, our planned luxurious condominium project at The Peak of Jalan Teruntung in Damansara Heights is a rarity. Located in an affluent area largely dominated by bungalows, this land parcel is the last significant tract available in this coveted neighbourhood. Early indications from our research is encouraging, and we look forward to a successful launch of this 54-unit development later this year.

Sales of the Conlay at KLCC and Avira at Iskandar Medini have traditionally been driven by the international market. Whilst overseas travel is restricted or prohibited, we are mitigating this challenge by refocusing efforts to attract local interest, particularly via digital platforms.

While the low interest rate environment is expected to continue in the near term, we acknowledge there are several factors that could dampen purchase sentiment. These include the challenge of accessing credit, as banks and lenders apply more stringent requirements to buyers. There are also concerns around the increased ratio of property sector loans in relation to total loans outstanding in the banking sector, which limits the banks' ability to lend more to property developers.

United Kingdom

The events of 2020 have had a catastrophic impact on the retail and hospitality sectors in the UK, with businesses in general focusing on consolidation and survival rather than growth. The market remains extremely challenging. However, there are some reasons for cautious optimism with a Brexit deal secured and an efficient vaccine roll out underway. Current predictions suggest the UK economy should recover to pre-pandemic levels by 2022, however continued uncertainty surrounding certain sectors (retail, hotels/hospitality, aviation and tourism) means any such forecasts need to be heavily caveated.

While the London residential market performed surprisingly well throughout 2020 (aided by reductions in Stamp Duty) minimal growth is expected in 2021 as the Stamp Duty holiday and Government's job protection scheme come to an end. More substantive growth is predicted for 2022 and beyond. In view of these uncertainties, we will continue to prudently manage our risk exposure in the UK.[2][3]

PROPERTY INVESTMENT

The retail sector has suffered acutely from the impact of the pandemic, and recovery is expected to be slower. Retail sales growth performed below market expectations at a rate of -9.7% in Q3 of 2020[4], and the extended MCO continue to impact the overall retail environment.

We expect the retail operating landscape to remain difficult in 2021 as retailers grapple with the rising cost of doing business, lower sales and weaker cashflow. However, the rollout of the national immunisation programme is a positive step, and we expect that we will move into recovery mode before the end of the year as restrictions lift and consumer confidence returns.

In the meantime, the Group will focus on intensifying our digital and media presence to remain engaged with our communities and to draw visitors in for essential services. Shopper reward programmes and targeted tenants' activities will also be held to support retail partners. We will continue to monitor operating costs to optimise efficiencies, whilst striving to ensure the shopper experience is not compromised.

Overall, the commercial space segment has seen a year of significant change, with the pandemic introducing a widespread adoption of the work-from-home practice. Markets that are reopening are seeing the increased incidence of companies adopting a hybrid approach to work arrangements, giving employees more flexibility in terms of how frequently and under what circumstances they come to the office.

While initially daunting, this evolution in actuality presents developers with an exciting opportunity to redesign workplaces of the future. With the trend on shared workspaces and more lifestyle-driven office environments, we intend to embrace change and introduce such new concepts into our planned commercial spaces at STP2.

HOSPITALITY

Malaysia welcomed 4.3 million tourists from January until September 2020. By comparison, there were 20.1 million tourists to Malaysia over the same period the previous year, marking decrease of 78.6%. Tourism receipts for the same period in 2020 was RM12.6 billion, a decrease of 80.9% compared to RM66.1 billion previous year.

Top primary markets contributing to visitor traffic during this duration were Singapore, Indonesia, China, Thailand, India, Brunei, South Korea, Japan, Australia and the Philippines. There was negative growth across all segments of the travel market, with the short-haul ASEAN market shrinking by 78.8%, the medium-haul market by 80%, and long-haul market by 74%. This is of particular significance when we consider that in 2019, there were 284 international flights coming into Penang per week. In November and December 2020, Penang only recorded 18 international flights per week.

Malaysia has been actively working on reciprocal green lane/travel corridor arrangements, initially with Singapore, for business travellers. This was implemented temporarily in August 2020, but was suspended for three months beginning February 2021, and is currently under review. As at February 2021, the Malaysian Tourism Minister has been given the green light by Indonesia to have a travel corridor arrangement between both nations, subject to bilateral discussions[5][6].

The rate of vaccination globally, the differing views amongst countries on how these travel corridors will be opened and managed, and how digital vaccination passports will be issued and monitored means that it will be a while yet before travellers from any country will be allowed to move freely across borders.

This puts continued pressure on the E&O Hotel. Our strategy in the immediate term will therefore be to continue to pursue and develop a vibrant domestic market, by curating compelling accommodation and food & beverage packages to appeal to a wider local audience. In the immediate future, we will focus on controlling costs whilst driving revenue wherever possible, ensuring the property is properly maintained and place added emphasis on retraining staff members.

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(2) *Savills UK Cross Sector Outlook 2021 (Jan 2021)*
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(3) *Knight Frank UK Property Market Outlook (Jan 2021)*
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(4) *Knight Frank Real Estate Highlight Research (2nd Half 2020)*
https://content.knightfrank.com/research/179/documents/en/malaysia-real-estate-highlights-2h-2020-7724.pdf
(5) *Malaysia Tourism Statistics in Brief https://www.tourism.gov.my/statistics*
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CONLAY SERVICED RESIDENCES
KUALA LUMPUR

SUSTAINABILITY STATEMENT

ABOUT THIS STATEMENT

This statement focuses on E&O's primary business operations in Malaysia and E&O's principal business as a property developer. It comprises operational functions such as property development, associated reclamation works and hospitality services. This statement contains sustainability data from 1 April 2020 to 31 March 2021, with one year of comparative historical data wherever applicable.

This Sustainability Statement has been prepared in accordance with the Global Reporting Initiative ("GRI") standards and adheres to Bursa Malaysia Securities Berhad Main Market Listing Requirements relating to Sustainability Statements in Annual Reports.

Through this report, we aim to provide our stakeholders with updated economic, environmental and social ("EES") information about the Group. We assure our stakeholders that we are reporting fully, honestly and transparently.

Our data collection and management processes are continuously reviewed, and will include external assurances in the future. Stakeholders are welcome to submit queries or comments on this report, or suggestions to improve future reports, at **corp.comm@easternandoriental.com.**

SUSTAINABILITY AT E&O

We are committed to driving responsible business practices throughout the organisation by instilling the principles of sustainability into our strategies, policies and procedures, whilst integrating economic, environmental, social and governance considerations into our decision- making.

As a developer and manager of premium lifestyle properties, we create economic value from all our developments and deliver products of exceptional quality.

Towards this end, we strive to:

- Undertake responsible sustainability practices to minimise the environmental impact of our developments and operations;
- Conserve the environment by consuming resources and materials responsibly;
- Promote responsible business practices by achieving high standards of governance in our business operations;
- Improve the quality of life of the individuals and communities we operate in and support the underprivileged by meeting their social needs.

OUR VALUE CHAIN

Figure 1: Value Chain at E&O

Project Initiation
- Land purchase
- Land creation

Financing
- Strategic partnership
- Financiers
- Investors

Development
- Planning and design
- Approvals
- Licensing
- Procurement
- Construction
- Assessment/ Audit
- Branding

Transaction
- Marketing and Sales
- Agents
- Handover
- Customer Service

Property Investment
- Property management
- Retail

Hospitality
- Branding
- Hospitality Management

In line with our aim to be a sustainable developer, we manage our supply chain across the entire life cycle of projects, from its initiation and development through to construction and operations. We hold our contractors and suppliers accountable for their activities and products in line with industry best practices.

We have put in place procurement processes to ensure all purchases are of appropriate quality and at reasonable cost. Vendors' performances are assessed periodically to ensure they remain competitive in terms of product quality and pricing.

SUSTAINABILITY POLICY

The Group explores and implements sustainable practices across the business whilst attempting to achieve the right balance between economic success, the requirements of our stakeholders and larger society. The Group's Sustainability Policy aims to integrate the principles of sustainability into the Group's strategies, policies and procedures. Additionally, we strive to cultivate a culture of sustainability within the Group and the wider community, with an emphasis on incorporating economic, environmental, social, and governance considerations into decision-making and in the delivery of outcomes.

STAKEHOLDER ENGAGEMENT

Our stakeholders consist of groups who are impacted by, and have a vested interest in, our business operations. Continuous engagement with our stakeholder groups is vital for us to better understand their expectations and appreciate how our actions impact them. This in turn allows us to align our business objectives, social goals, and conduct in a more effective manner. We continuously strive to improve our engagement with stakeholders so as to be better equipped to manage emerging issues and drive change on the ground.

A summary of engagement activities with our stakeholders is shown here (Figure 2).

Figure 2: How We Engage Our Stakeholders

STAKEHOLDER ENGAGEMENT	CHANNEL	ENGAGEMENT FREQUENCY	STAKEHOLDERS' CONCERNS	RESPONSE TO STAKEHOLDERS' CONCERNS
Customers (existing & potential)	• Marketing materials • Marketing events and roadshows • Sales galleries • Corporate announcements & publications • Customer Careline • Written communications • Corporate website and social media channels	Ongoing	• Product quality • Product value proposition • Future launches • Market outlook	We aim to uphold our proven track record of delivering products of high quality and standards whilst ensuring that we are responsive to the concerns of our customers in an efficient and timely manner.
Financiers / Investors / Shareholders	• Annual General Meetings ("AGMs") • Analyst briefings • Corporate announcements • Dedicated Investor Relations team • Media engagements • News releases/ announcements • Corporate website and social media channels • Periodic site visit • Annual report	Annual, quarterly, ongoing	• Financial performance • Business risks • Corporate governance	We provide timely updates on our financial performance and corporate developments. We ensure that our financial statements are duly reviewed and audited as an assurance that we provide reliable disclosures.

STAKEHOLDER ENGAGEMENT	CHANNEL	ENGAGEMENT FREQUENCY	STAKEHOLDERS' CONCERNS	RESPONSE TO STAKEHOLDERS' CONCERNS
Regulatory Authorities and Local Governments	• Regular consultation and meetings • Reporting	Ongoing	• Compliance with laws and regulations • Local community/ public interests	We maintain close consultations with, and provide regular updates to, the regulatory authorities and local governments. In doing so, we ensure that we are continuously in compliance with the law and are supporting the broader State and National objectives.
Employees	• Internal emails • Departmental briefing	Annual, Ongoing	• Training and development • Work-life Balance • Employee benefits and welfare	We engage with our employees to understand their interests and needs. Through our HR initiatives, employees and departments are encouraged to collaborate with one another to reinforce team spirit and increase work process efficiencies.
Local Communities	• Online meetings • Engagement sessions • Volunteerism	Ongoing, ad-hoc	• Livelihood • Personal well-being	We are committed to achieving long-term meaningful community engagement, including providing meaningful support to enrich the lives of the communities we operate in. Anchoring our efforts in this area is the Think Green community engagement programme which started in 2013.
Contractors	• Meetings and discussions	Ongoing	• Payment • Compliance issues	Supported by our technical and environmental consultants, we engage closely with our contractors to facilitate compliance with the relevant requirements, including regulatory requirements. We have established standard operating procedures to ensure timely disbursement of payments.
Non-Governmental Organisations ("NGOs")	• Online meetings and collaborations	Ongoing, ad-hoc	• Environmental and social issues • Local community interests	We continuously collaborate with key NGOs and their representatives, e.g our Think Green eco-education programme.

SUSTAINABILITY GOVERNANCE STRUCTURE

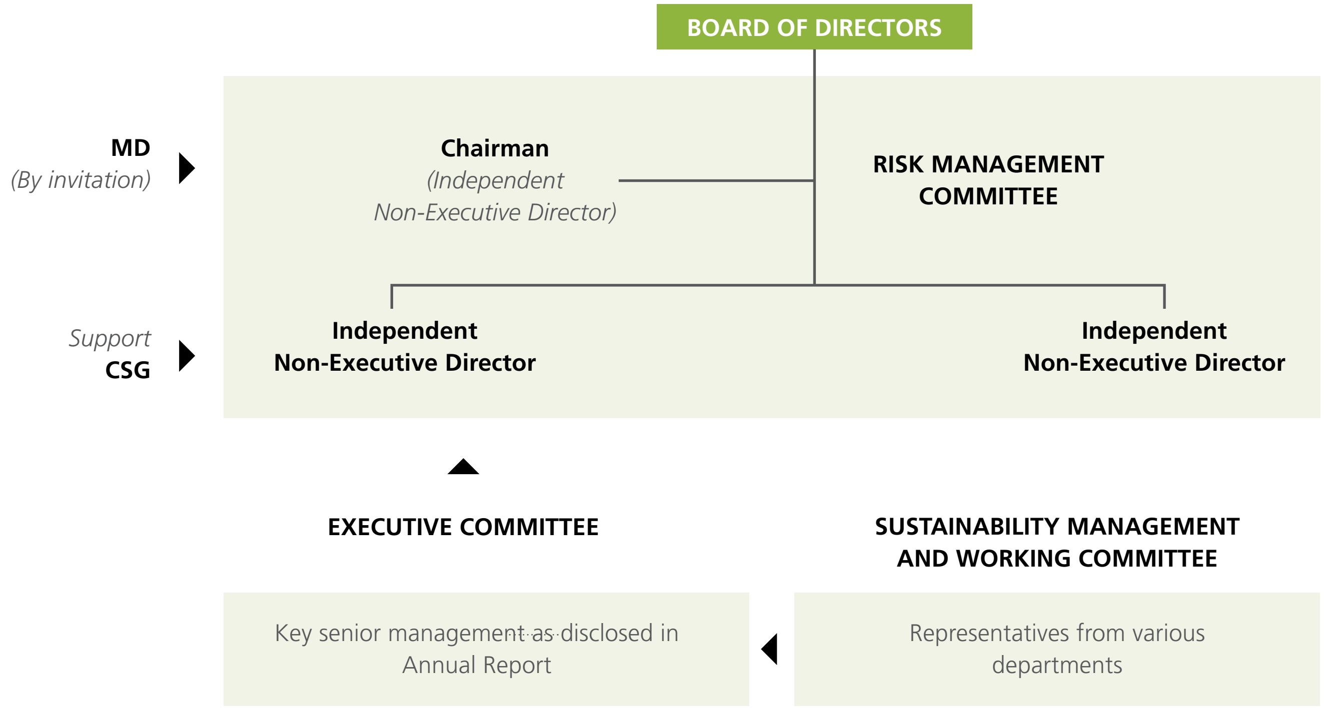
We uphold the belief that commitment to high standards of corporate governance is essential to ensure the sustainability of the Company, as well as to safeguard shareholders' interests and deliver long-term value. This is reflected in our sustainability governance structure which permeates across key levels of the Group.

Risk Management Committee ("RMC")
The Board of Directors undertakes an oversight role over the Group's sustainability efforts, including our sustainability strategy and management of material sustainability issues, through the RMC. The RMC reviews the Sustainability Statement and makes recommendations to the Board for approval.

Executive Committee ("EXCO")
Sustainability governance is driven at the management level by the EXCO members, chaired by the Managing Director. The EXCO meets on a quarterly basis to discuss material issues and strategies pertaining to the Group, including sustainability-related matters.

Sustainability Management and Working Committee ("SMWC")
This committee comprises representatives from various departments across the Group, with a combination of diverse functions. This committee reports to the EXCO. The SMWC focuses on driving engagement on the sustainability agenda and proposes ideas on sustainability-focused activities for continuous improvement. While this committee reports and monitors the implementation of ongoing projects and initiatives on sustainability, each department manages its own set of sustainability initiatives and data collection. The current governance structure for sustainability is illustrated in Figure 3.

Figure 3: Sustainability Governance Structure at E&O



LEGEND

MD - Managing Director
CSG - Company Secretarial & Governance Department

OUR MATERIAL ISSUES

We recognise the importance of understanding our economic, environmental and social priority areas. It forms the basis of our sustainability initiatives, the impact of which is aligned to the Group's strategies. We identified our material sustainability issues by conducting a materiality assessment exercise in FY2019. The process is illustrated in Figure 4.

In FY2021, we continued to focus on managing these material sustainability issues as they remain as our priority areas.

Figure 4: Materiality assessment process

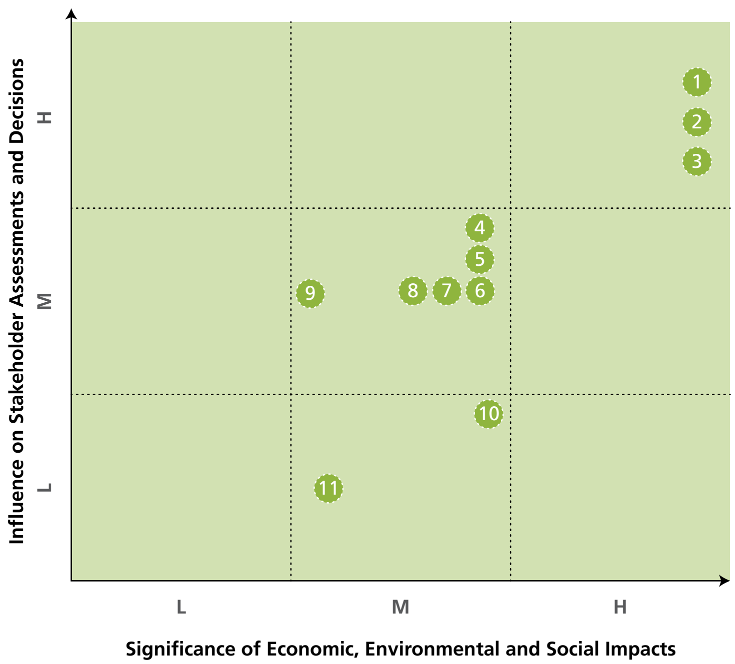
1 **Identification -** We collated a preliminary list of issues through peer companies' comparative analysis and benchmark of industry best practises. We then identified the sustainability issues that are material to the Group through internal management discussions.

2 **Prioritisation -** We prioritised the material issues based on our assessment on significance of economic, environmental and social impacts and how they influence stakeholders' assessments and decisions. The perspectives and interests of internal and external stakeholders were considered.

3 **Validation -** The materiality matrix was then presented to the EXCO and RMC for validation.

Adopting a matrix-based approach, materiality was assessed based on two criteria, namely, the significance of economic, environmental and social impacts; and influence on stakeholders' assessments and decisions. The outcomes of the materiality assessment exercise are presented in Figure 5.

Figure 5: Materiality Matrix



LEGEND

1. Financial Sustainability
2. Compliance with Regulatory Authorities
3. Occupational Health and Safety
4. Corporate Governance
5. Product Responsibility
6. Waste Management
7. Energy Conservation
8. Water Management
9. Community Engagement
10. Talent Attraction, Retention & Development
11. Material Sourcing and Supply Chain Management

MEASURING SUSTAINABILITY PERFORMANCE

To strengthen our commitment towards achieving high standards in sustainability, in FY2021, we have identified a set of key performance indicators (KPIs) and targets corresponding to four out of eleven material issues. Having these targets in place, we are able to benchmark our sustainability performance and monitor our progress over time. In addition, strategies and initiatives are also in the pipeline to ensure we are on track in meeting those targets.

KEY PERFORMANCE INDICATORS	TARGETS
Product Responsibility	
1. Assurance on quality of products and workmanship	Achieve at least 70% of QLASSIC Score for all existing and new development projects
2. Green Building Certification	Achieve a minimum certified rating from GreenRE or Green Building Index (GBI) for all existing and new development projects
3. Provision of green space	Provide at least 10% of the total development area for green space (for STP2 land)
Water Management	
4. Reduction of potable water consumption	Provide rainwater harvesting system which will lead to reduction of potable water consumption for irrigation by at least 10% in all new development projects
Material Sourcing and Supply Chain Management	
5. Sourcing of building materials locally	At least 50% of building materials procured are manufactured locally
Talent Attraction, Retention and Development	
6. Gender diversity in the workforce	Maintain at least 40% female representation in the workforce
7. Training and development of employees	Opportunities for at least 80% of employees to participate in training

UNITED NATIONS SUSTAINABLE DEVELOPMENT GOALS ("UN SDGs")

We are cognisant of the United Nation's 2030 Agenda for Sustainable Development and the 17 Sustainable Development Goals ("SDGs") which has seen countries across the world making binding commitments towards global sustainability, entering into climate agreements and supporting the ideals of the UN SDGs.

As the UN SDGs call on businesses to advance sustainable development through the business practices they adopt and investments they make, it is our aspiration that our material issues and initiatives resonate with, and are amplified towards the achievement of these global goals.

Figure 6: Lists of E&O's material issues in order of priority, mapping against GRI topics and aligning them to SDGs

PRIORITY	MATERIAL ISSUES	GRI TOPICS	SDGs
1	Financial Sustainability	Economic Performance	8 DECENT WORK AND ECONOMIC GROWTH
2	Compliance with Regulatory Authorities	Environmental Compliance, Socioeconomic Compliance	8 DECENT WORK AND ECONOMIC GROWTH; 12 RESPONSIBLE CONSUMPTION AND PRODUCTION
3	Occupational Health and Safety	Occupational Health and Safety	3 GOOD HEALTH AND WELL-BEING; 8 DECENT WORK AND ECONOMIC GROWTH
4	Corporate Governance	Governance, Anti-Corruption	16 PEACE, JUSTICE AND STRONG INSTITUTIONS
5	Product Responsibility	Marketing and Labelling Sustainability Certification, Rating and Labelling	9 INDUSTRY, INNOVATION AND INFRASTRUCTURE; 11 SUSTAINABLE CITIES AND COMMUNITIES
6	Waste Management	Effluent and Waste	3 GOOD HEALTH AND WELL-BEING; 12 RESPONSIBLE CONSUMPTION AND PRODUCTION
7	Energy Conservation	Energy, Emissions	7 AFFORDABLE AND CLEAN ENERGY; 13 CLIMATE ACTION

PRIORITY	MATERIAL ISSUES	GRI TOPICS	SDGs
8	Water Management	Water	3 GOOD HEALTH AND WELL-BEING; 6 CLEAN WATER AND SANITATION
9	Community Engagement	Local Communities	3 GOOD HEALTH AND WELL-BEING; 4 QUALITY EDUCATION
10	Talent Attraction, Retention & Development	Employment, Training and Education, Diversity and Equal Opportunity	4 QUALITY EDUCATION; 8 DECENT WORK AND ECONOMIC GROWTH
11	Material Sourcing and Supply Chain Management	Procurement Practice	8 DECENT WORK AND ECONOMIC GROWTH

Overall, there are three key themes driving E&O's efforts to operate in a sustainable manner. The material issues corresponding to these key themes are depicted as follows:

Ensuring Sustainable Growth

- Financial Sustainability
- Corporate Governance
- Compliance with Regulatory Authorities
- Occupational Health and Safety
- Product Responsibility

Minimising Environmental Impact

- Waste Management
- Energy Conservation
- Water Management
- Material Sourcing & Supply Chain Management

Contributing to Better Society

- Community Engagement
- Talent Attraction, Retention and Development

ENSURING SUSTAINABLE GROWTH

As a premier lifestyle property developer, our key objective is to create economic value from all our developments. At the same time, we plan, execute, and operate our projects according to sustainable fiscal strategies. We emphasise long-term planning, cost savings, prudent investment, and good business ethics.

Financial Sustainability

In FY2021, the Company took the prudent step of delaying its planned launches for the year as the COVID-19 pandemic continued to negatively impact Malaysia and the global economy. We instead focused on putting in place strategies and initiatives to achieve the continued financial well-being of the group, including:

- Extending the repayment schedules and tenures of some banking facilities to provide the Group with enhanced financial flexibility.
- Securing additional banking facilities to take advantage of the low-interest cost environment, to increase the return on equity through higher debt financing on development projects.

For property development, we are focusing on finalising plans for the launch of STP2 and its first property offering. We used the past year to improve the product further, right-sizing and right-pricing the product to current home buyers' needs and requirements. We also worked closely with the banks to structure attractive financing packages.

We explored ways to broaden the product mix on STP2 to appeal to a larger segments of the market as we look to roll out the 253-acre development.

In Kuala Lumpur, we are finalising plans for the launch of an exclusive 54-unit condominium in Damansara Heights that is likely to attract dicerning customers in the segment as there are limited low-density luxury residential condominiums in the area.

Together, STP2 and the Damansara Heights development reduce the concentration risk of products in development given their different geographic locations and target market segments.

With investment properties, we continue to remain nimble, working closely with tenants and partners for mutual benefits. Flexible rental payment schemes and a temporary reduction in rental rates, along with carefully-planned marketing activities to improve footfall to these properties.

On the hospitality front, we closed E&O Residences which had suffered continued lossess due to low occupancy even before COVID-19 pandemic. Our flagship E&O Hotel sustained 18.2% occupancy in FY2021. We have put in place several cost-saving measures to mitigate any impact should the pandemic continue and result in local and international travel restrictions, and low occupancy rates. The hotel has come up with various innovative packages to sustain its occupancy rate, and the F&B outlets are gaining popularity in the Northern region, enabling the F&B revenue to offset some amount of loss of rooms revenue.

The Company's economic performance for FY2021 is disclosed in the Management Discussion & Analysis in this Annual Report.

Corporate Governance

Apart from prudent financial management, we believe that full commitment to high standards of corporate governance is essential to ensure the sustainability of the Group, as well as to safeguard shareholders' interests and maximise long-term shareholder value. The Company has adopted, where appropriate, the principles and practices as set out in the Malaysian Code of Corporate Governance 2017 ("MCCG"). These standards include having clear policies, best practices, and sound internal controls as well as a system of continuous improvement. The overview of the Company's application of the principles as set out in the MCCG is disclosed in the Corporate Governance Overview Statement in this Annual Report.

The Group aims to achieve the highest level of business ethics and prevent any occurrence of corruption activities. We have established an Anti-Corruption Framework comprising key policies and procedures that, together with general internal controls of the Group, are aimed at mitigating overall corruption risks. The Anti-Corruption Policy sets out the Group's expectations for internal and external parties working with and for the Group in upholding the Group's zero-tolerance stance against corruption. This policy, together with the Whistleblowing Policy, are accessible by all employees via the company intranet and by the external stakeholders through the corporate website. Trainings have been provided to internal and external stakeholders to reinforce their understanding of the Group's stance on anti-corruption, as well as relevant policies and procedures. The Group shall be provided with assurance by requiring documented acknowledgement by all Directors and employees on their understanding of, and agreement to adhere to, the Group's Code of Conduct and Ethics on an annual basis.

There have been **no major disciplinary cases** reported on corruption practices that resulted in the dismissal of employees.

ZERO

We received **zero fines and penalties** in relation to corruption from the authorities during the reporting period.

Compliance with Regulatory Authorities

E&O is committed to comply with all laws, regulations and voluntary codes concerning:

1) Construction and development activities
2) Occupational health and safety standards
3) Environment
4) Labour practices
5) Marketing communications
6) Product health and safety and labelling

By ensuring compliance with the regulatory requirements in these areas, we are able to operate smoothly and without disruption.

Internal systems and processes have been put in place to monitor our compliance with relevant laws and regulations. Additionally, we remain in close consultation with the relevant authorities to ensure that we clearly understand our compliance obligations. Committees have also been formed to oversee and deliberate over pertinent issues of compliance, development, and operations in relation to the STP2 reclamation and development works.

For STP2, it is imperative that we comply with the comprehensive environmental requirements stipulated by the project's Detailed Environmental Impact Assessment ("DEIA") study as well as those imposed by the relevant authorities. The Department of Environment ("DOE") imposes 51 approval conditions which cover project concept and design; source of sand and rock, transportation of materials, as well as an environmental management programme ("EMP") which scrutinises the contractor's construction methods, coastal control, waste management, marine safety and emergency risk control, environmental audit, project abandonment plan, and reporting and administration procedure.

The DEIA approval conditions have been included in the contract with the contractor to ensure strict compliance. In addition to this, the EMP serves as a comprehensive guide to all our employees, contractors, sub-contractors, and consultants regarding the working practices and procedures, with accreditations ISO 9001, OHSAS 18001 and ISO 14001 as management tools.

Other measures to ensure compliance with regulatory requirements include monitoring sub-contractors' capabilities and competencies in environmental matters through third-party audits. The findings of these audits are submitted to the DOE and a corrective action report is issued in the event of any non-compliance to ensure these are rectified immediately.

There were **no instances of non-compliance** that resulted in significant fines or penalties in FY2021.

As we lay the necessary infrastructure for STP2A, we will continue to be in regular consultation with relevant authorities, contractors, and consultants to ensure full compliance with regulatory requirements.

We continue to review our policies and procedures to identify areas for improvement, while fostering closer engagement with the authorities and consultants, with the aim of maintaining the current status of zero legal notices with regards to non-compliance.

Occupational Health & Safety

The nature of our business exposes our employees and contractors to occupational health and safety ("OHS") risks. Health and safety violations can result in fines or stop-work orders, impeding the progress of our developments.

We are therefore vigilant in safeguarding the well-being, health and safety of employees, contractors, and the public at large during construction activities. Our OHS initiatives are aimed at avoiding incidences of occupational injury and fatality, as well as downtime due to injuries on site. To demonstrate our commitment to improve our safety performance, we have put in place a Safety Policy which has been endorsed by top management and communicated to all relevant staff members through various platforms, such as the Company's intranet and newsletters, to instil the importance of safety and to promote safe behaviour at the workplace.

Our safety performance is continuously improved in line with the internationally-recognised OHSAS 18001 health and safety management system, as well as our internal processes that address potential incidents of occupational injury and fatality.

We recognise the importance of fostering a culture of safety in all activities at our worksites. In this regard, given the large number of people involved in the construction of the STP2 project, a comprehensive health and safety framework is imperative. This priority is impressed upon our STP2 project contractors, who have undertaken the following measures:

- An Emergency Response Plan ("ERP") which specifies the procedures for handling all types of emergencies that may occur during the project implementation of STP2.

- The appointment of a Safety and Health Officer ("SHO") who is responsible for monitoring and inspecting all worksites to ensure workers and sub-contractors remain vigilant and comply with all relevant regulatory requirements and safe work practices. The SHO is also responsible for performing Job Safety Analysis on each construction activity to identify potential hazards and recommend steps to mitigate safety risk, as well as ensuring documentation relating to safety training, injuries, accidents and hazards are completed and properly stored.

- Proactive engagement with sub-contractors to develop and implement safety initiatives at worksites as well as provide stewardship and support to meet regulatory safety standards. The health and safety requirements that sub-contractors need to adhere to are clearly specified to facilitate compliance.

- Regular training programmes for workers to instil the importance of safety and to promote safe behaviour at the worksites. These programmes include:
  - Grand Tool Box
  - Personal Protective Equipment Use of Safety Harness
  - Safe Lifting Operation and Spill Kit
  - Health, Safety and Environment Committee Walkabout
  - Scheduled Waste Training
  - Emergency Response Training - Evacuation drill, fire, man overboard
  - CIDB Green Card Course before workers are allowed to enter construction sites

Our contractors have recorded **zero**
Lost Time Injury Frequency Rate ("LTIFR")

We continue to engage with our contractors to develop and implement safety initiatives at worksites as well as provide stewardship and support to meet regulatory safety standards.

The health and safety processes at our other development construction sites, which are at a smaller scale compared to STP2, are equally rigorous. OHS is a priority for us and we continue to manage and improve our performance.

In view of the COVID-19 pandemic, a COVID-19 Control Procedures was developed as a proactive measure to prevent spread of COVID-19 at the worksites - a guideline upon which internal procedures were established based on:

- SOPs and Guidelines for Construction Industry issued by Ministry of International Trade and Industry
- SOPs and Guidelines for operation during Movement Control Order (MCO) issued by Ministry of Works (KKR) and Construction Industry Development Board (CIDB)
- COVID-19 preventive measures at construction sites issued by KKR and CIDB
- Guidelines for Centralised Labour Quarters and Construction Workers Accommodation during MCO issued by KKR and CIDB

Training on COVID-19 standard operating procedures such as social distancing and maintaining personal hygiene were also given to workers to ensure strict compliance, ultimately ensuring their health and safety.

Product Responsibility

As a responsible developer, we have a proven track record for excellence, and it is vital that we uphold this reputation for the sustainability of our business. E&O is committed to delivering products of high quality and sustainable — a pledge which guides our choice of materials, product designs and concepts. The Group is also mindful that building reliable, resilient and accessible infrastructure drives economic growth and promotes social wellbeing. Our vision for STP2 as a vibrant and sustainable district adheres to urban design guidelines that take into account elements such as connectivity, walkability and human scale to encourage safe, comfortable mobility, with dedicated pedestrian paths and bicycle lanes throughout the island. Such enhanced connectivity aims to reduce the use of vehicles especially when travelling within the island, thus reduce GHG emissions.

Recognising that customer feedback is crucial to continuous improvement, our Customer Careline managed by a dedicated team continues to manage and resolve any issues and queries that may arise. Customer surveys were conducted upon the handover of The Tamarind at STP to gauge overall satisfaction levels with our products and services. We have also engaged a brand consultant to undertake a brand audit of the STP1 development, as part of the brand development exercise for STP2.

Going forward, the Group remains focused on delivering products of superior quality by incorporating an integrated approach to design, construction, and development of sustainable properties as well as encouraging the adoption of green features at the onset of the project's conceptualisation. We continue to distinguish our properties with the hallmark of enduring quality and value, on which the E&O brand is premised.


LCC-Z-P070-01-0001 / 2019

DIAMOND

RECOGNITION

This is to verify that

MAJLIS BANDARAYA PULAU PINANG

for the

TANJUNG PINANG STRAITS QUAY

Low Carbon Zone

has successfully reduced its GHG emissions by **2.80 %** since **2016** across **3 elements** which is equivalent to **171.86 tCO_2e** and has **increased** its carbon sequestration potential by **106.00 %** to **157.64 tCO_2/year**

ELEMENT	REDUCTION ACHIEVED	DIAMOND LEVEL
ENERGY	(0.36 %)	
WATER	(4.21 %)	
WASTE	11.00 %	
MOBILITY	-	
ELEMENT	**SEQUESTRATION**	**DIAMOND LEVEL**
GREENERY	INCREASED BY 106.00 %	

YB PUAN YEO BEE YIN
Minister
Ministry of Energy, Science, Technology, Environment and Climate Change

There were **no incidents of non-compliance** concerning health and safety impacts of products and services

STRAITS QUAY OFFICE (Wisma AIA) - Awarded with GreenRE SILVER Certification

Energy Efficiency
- LED lighting at common corridors and lift lobbies.
- Energy efficient fluorescent light (T5) for carparks and service rooms.
- All carparking lots located above ground level for natural ventilation.
- Energy-efficient lifts with regenerative drive for higher efficiency.

Environmental Management Practice
- Provision of Green Lease, the occupiers are encouraged to incorporate the recommendations set out in the Provision of Green Lease to achieve the intended environment performance during building operations.

Water Efficiency
- Water efficiency fittings which are Water Energy Labelling Scheme (WELPS) certified.
- Water sub-meter to monitor water usage and detect leak.

Sustainable Products/ Materials
- Use of environmental friendly products recognised by approved local certification body.

Indoor Environmental Quality
- Use of low volatile organic compounds (VOC) paint.

Amenities
- Bus station located in front of the development.
- Covered bicycle parking bay.

THE TAMARIND - Awarded with GreenRE SILVER Certification

Energy Efficiency
- Design to achieve good and natural ventilation.
- 3-stars rating air-conditioning systems.
- LED lighting at common corridors and lift lobbies.
- Windows facing north and south directions for optimum sunlight and less heat penetration into the building.
- Carparking lots located above ground level.
- Energy-efficient lifts with regenerative drive for higher efficiency.

Water Efficiency
- Water efficiency fittings which are WELPS certified.
- Water sub-meter to monitor all major water usage and detect leak.

Environmental Protection
- Provision of green space.
- Conservation or relocation of existing trees.
- Recycling of horticulture waste to produce compost.
- Two stormwater catchment areas for STP1.

Sustainable Products/ Materials
- Use of environmental friendly products recognised by approved local certification body.

Indoor Environmental Quality
- Concrete shearwall of minimum thickness to achieve ambient internal noise level.
- Use of paints and adhesive of low VOC.
- Waste disposal rooms at common corridor with natural cross ventilation.

Connectivity
- Bus station located within 800m walking distance.
- More than 10 basic services within 1km walking distance from the development.
- Covered bicycle parking bay.

CONLAY SERVICED RESIDENCES

Energy Efficiency

- Low-emissivity (Low-E) glass to reduce heat travelling into the building and therefore directly reduce cooling load requirements.
- 5-stars rating air-conditioning and ceiling fans.
- Daylight factor in carpark to reduce usage of artificial lighting.
- Provision of energy-efficient lifts with regenerative drive for higher efficiency.
- Other energy efficient products such as oven.

Waste Recycling

- Recycling bin at every floor for waste separation.
- Recyclable items will be collected and send to recycling facility.

Water Efficiency

- 75% of the water fittings are labelled with WEPLS of 3-stars rating.
- Rainwater harvesting tank for landscape irrigation.

Sustainable Products or Materials

- Green cement - replacement of 30% Ordinary Portland Cement with green aggregates.
- Use of other environmental friendly products certified by local certification body.
- Green paint and adhesive of low VOC.

Amenities

- Greenery reaching maximum green plot ratio (GnRR) of 6.0.
- Covered bicycle parking bay up.
- Good access to public transport and other existing infrastructure.
- Electric vehicles (EVs) charging stations and priority parking lots for hybrid cars.

STP2 INFRASTRUCTURE AND LANDSCAPE

Bicycle lane

Penang is one of the bicycle-friendly states in the country. In conjunction to the riding on the concept of green connectivity implemented by Penang government together with the Penang Island City Council (MBPP), STP2 provide good cycling infrastructure with approximately 2m width of bicycle lane over the entire new township.

Irrigation system

Provision of landscape Irrigation with buried in ground tap point over the landscaping area in the entire township. This reduces the reliance on the water tanker vehicle for watering within the island, reducing fuel consumption and thus GHG emission.

Green park

A greenery park designed with undulating topo and mounding landscape comprising of full turfing, trees, shrubs, walkway, benches, playground equipment, etc.

Landscape nursery

A nursery plant center is a discipline of horticulture concerned with the growing and maintaining landscape plants and related species of plants which designed and planned for the entire township.

Pedestrian Path

The township have provision of the pedestrian walkway at width of approx. 1.5m along the road incorporated the blister surface for pedestrian crossing points. This provides a warning to visually impaired people who would otherwise find it difficult to differentiate between where the footway ends and the carriageway begins. The surface is an essential safety feature for this group of road users at pedestrian crossing points, where the footway is flush with the carriageway to enable wheelchair users to cross unimpeded.

Rainwater harvesting

Allocation of a place as rainwater harvesting tank to collect rainfall as a supplementary source of water supply for landscape watering / irrigation of plants, other use at the island.

Wetland

Wetland has been planned at the edge of the ocean to maintain the existing waterbodies and ecosystem. They include a broad variety of habitats that encompass some combination of land and water: lake, existing vegetation at site (mangroves, hair grass, softstem bullrushes, etc.) and biodiversity (migratory birds, fishes, etc.)

MINIMISING OUR ENVIRONMENTAL IMPACT

E&O is committed to minimising the environmental impact of our businesses. We uphold our reputation through the adoption of sustainable practices and strive for continual improvement in environmental performance.

We manage this through compliance with the relevant environmental laws and regulations, complemented by an internal system of self-regulation, monitoring and regular consultation with the authorities. Guided by the Group Environment Policy, we constantly focus on developing a positive and proactive environmental culture to be embraced in all aspects of our business, with the goal of zero pollution incidents. We acknowledge the importance of compliance as it not only upholds the Group's license to operate, but more importantly, contributes to sustainable development and the well-being of communities.

Tanjung Pinang Development's Environmental Policy

TPD is committed to minimizing the environmental impact of its operations through the adoption of sustainable practices and continual improvement in environmental performance. This is driven by our goal for zero pollution incidents which is our key objective within the business.

We are constantly focused on developing a positive and proactive environmental culture, not only for our own people, but also our clients.

The management and staff of TPD shall commit to satisfy the interested parties in their Quality, Occupational Health and Safety and Environmental interest at all times.

Adverse impacts during dredging and reclamation activities towards the environment will be minimized as far as practicable.

The objectives of the policy are:

a. To comply with our legal obligations under the current Occupational Safety and Health Act 1994 and Environmental Quality Act (Amendment) Act 2012, along with all other applicable statutory provisions and relevant codes of practices;
b. To promote health, safety and environmental awareness throughout the organization;
c. To maintain a safe and healthy working environment for our employees, with adequate facilities appropriate to the nature of the activities involved;
d. The materials used during the project activities are environmental friendly that result in low impact to the environment; and
e. To promote awareness to all employees to adopt good work etiquette by practicing the concept of 3R (Reduce, Reuse and Recycle)

Management and Improvement Plan

We shall work as a team to comply with the applicable legal and other requirements and continually improve our management policy, using ISO 9001, OHSAS 18001 and ISO 14001 as management tools.

a. Management and Leadership - The Directors and Senior Managers will provide visible leadership in Environmental matters and consider the environmental as part of the business.
b. Managing Risk - Assess project activities to minimize significant environmental impacts including:
   i. Water quality;
   ii. Sedimentation and erosion;
   iii. Air and noise quality;
   iv. Marine traffic;
   v. Fishermen's issues
c. Working with Employees - All employees will be actively encourage to engage in any relevant environmental training and awareness programmes.
d. Working with contractors - Sub-contractors' capability and competence in environmental matters will be assessed and continually monitored.
e. Effective Procedures and Guidance
   i. The environmental management system will be maintained and developed as a comprehensive guide for our people regarding working practices and procedures, and;
   ii. Our ISO 9001, OHSAS 18001 and ISO 14001 accreditations will be maintained

Waste Management

We endeavour to consume material responsibly and reduce wastage in our operations by employing the 3R concept – Reduce, Reuse and Recycle. We are encouraged to reduce waste generation and to ensure the proper handling of unavoidable waste.

As part of our operations, we generate scheduled and non-scheduled waste such as solid waste, construction waste, biomass removal waste, environmental waste as well as domestic waste. In line with the regulations governing scheduled waste handling, scheduled waste is stored at designated areas and only licensed scheduled waste handlers are allowed to handle the transportation and disposal of such waste.

There were **no incidents of significant spills** reported in FY2021.

In FY2021, **76 tonnes of steel were recycled** by the contractor in the development of infrastructure at STP2.

Construction waste is segregated and recycled as much as possible to reduce the cost of procuring raw materials and to minimise the amount of construction waste going to landfills. Timber framework are properly handled after being dismantled for recycling. To do this, a team of workers are assigned with the responsibility to segregate construction waste at sites.

In FY2021, we continue to explore opportunities to use dredged materials, where suitable, as fill material for reclamation on STP2. Aside from potential sand and fuel savings, this also reduces our carbon footprint as it eliminates the need to transport the dredged material to designated offshore disposal grounds. Our tracking of vessels via satellite using a dredging and disposal management system ("DDMS") ensures that dredged material is only released at approved disposal grounds. This system is available online for employers, engineers and the DOE to monitor the disposal activities. We continue to work closely with our contractors to identify new sustainability initiatives including reducing construction waste.

Our retail division continues to emphasise sustainable waste management. Residents and building tenants have easy access to strategically-located segregated waste disposal bins at recycling corners to cultivate the practice of solid waste separation at source. Recyclable waste is sold to recycling companies while non-recyclable materials are collected by third party licensed contractors for responsible disposal.

The retail team has also successfully organised an ongoing campaign by collaborating with a "Go Green" vendor, Riiicycle, for collection of recyclable items. Members of the public who drop recyclable items such as e-waste, plastic, paper, metal and aluminium at designated bins are rewarded with points that can then be exchanged for shopping vouchers or items. It is estimated that 190kg of items are collected for recycling every month through this campaign. The team also conducted a "Drop n Go" in conjunction with Earth Day 2020, where members of the public were encouraged to bring recyclable items in exchange for edible rice straws.

Our reduce-reuse-recycle efforts also extend to our hotel operations. E&O Hotel's ongoing initiatives to reduce the usage of single-use plastic in its daily operations include replacing plastic bottles with glass bottles for drinking water and ceramic containers for bathroom amenities, as well as the introduction of paper straws and bamboo stirrers, echoing the Penang State Government's effort to reduce single-use plastic waste going to landfills, and in line with the Government's target to zero single-use plastic by the year 2030.

We continue to evaluate our operations to identify new opportunities where we can incorporate practical sustainability initiatives and enhance our performance in waste management.

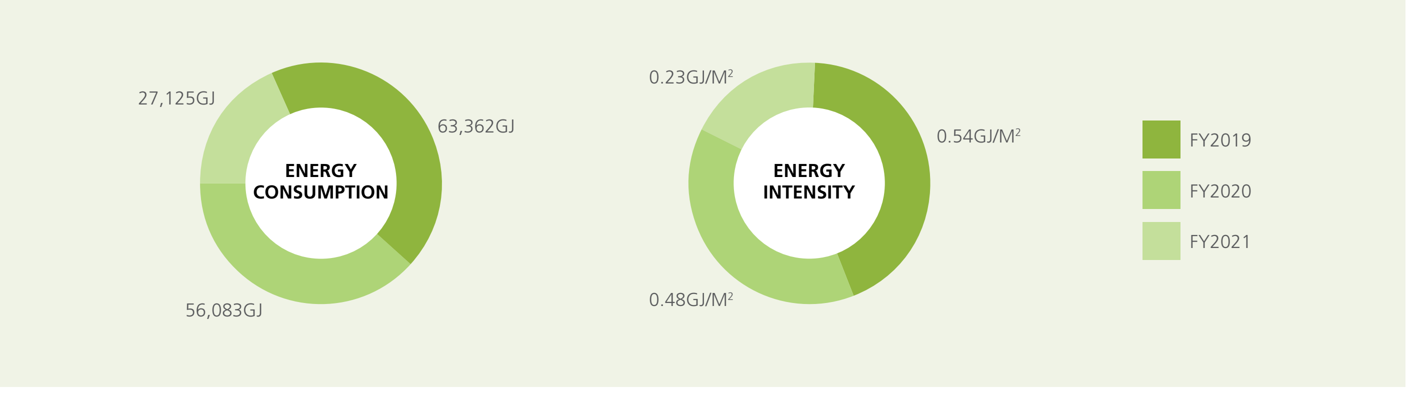
Energy Conservation

The Group's carbon emissions include direct emissions from fuel and loss of refrigerant in air conditioning systems, indirect emissions due to purchased electricity consumed at investment properties, hotels and offices, as well as other indirect emissions arising from employees' daily activities.

A considerable amount of energy in the form of electricity and the use of generators is required for the running of Straits Quay Retail Marina and E&O Hotel. Our construction activities at STP2 also need large quantities of fuel to operate machinery and vehicles. In line with Malaysia's commitment to reduce 45% of its greenhouse gas intensity by 2030, we strive to manage our energy usage by improving efficiency, reducing emissions and conserving resources through energy management and data collection policies.

In FY2021, we recorded a rise in fuel consumption as compared to the previous year due to the increase in construction activities in STP2 including infrastructure works, middle bridge, dredging and surcharge removal. The E&O Hotel and Straits Quay Retail Marina have collectively recorded a reduction in energy consumption from 56,083 GJ in FY2020 to 27,125 GJ in FY2021, and a corresponding reduction in energy intensity from 0.48 GJ/M^2 to 0.23 GJ/M^2 in FY2021. This is mainly due to the imposition of the various MCO and slowdown in business activities as a result of the COVID-19 pandemic. We will continue with our efforts to identify energy and water saving opportunities whilst raising awareness on responsible consumption amongst staff, visitors and guests.

Figure 7: Energy consumption and energy intensity for E&O Hotel and Straits Quay Retail Marina



Water Management

We implement various mitigation measures to manage the impact of construction and operational activities on water quality. This includes using an online Total Suspended Solids ("TSS") monitoring system at STP2 worksites, which provides real time reading from multiple remote stations using smart sensor, wireless and internet technologies. When the TSS readings exceed the threshold set at 45mg/L (which is below the regulatory requirement of 50mg/L suspended solid concentration), email alerts are sent out to inform various stakeholders, including our contractors and reclamation consultants, for immediate action to be taken.

Other control measures such as controlled dredging and reclamation, shoreline monitoring systems as well as silt curtains are in place to mitigate the impact of sedimentation and erosion. To date, the water quality monitoring system has complied with all the requirements as set out in the DEIA and EMP.

We are also mindful of water consumption at our worksites. Initiatives to conserve water include the deployment of pumped seawater to access points and routes at sites to be used to prevent excessive dust and air pollution, as well as rainwater harvesting systems that are used to channel rainwater to toilets and for the cleaning of floors, replacing the need for fresh water supply.

Material Sourcing and Supply Chain Management
We are cognisant of our responsibility to effectively manage our supply chain. We employ stringent screening and assessment processes in the selection of main contractors for new projects. Screening criteria include a good track record, excellent financial capabilities, a sterling record of past performance, a track record for timely delivery, a commitment to high quality standards, as well as a commitment to uphold health, safety and environmental standards. Other relevant criteria such as pricing and the contractor's order book are also taken into consideration.

To demonstrate our commitment towards sustainability including sourcing and procurement, the group has established a Sustainable Procurement Policy. Under this policy, our purchases from vendors and suppliers are guided by procurement processes to ensure all materials and solutions procured are of appropriate quality, costs commensurate with quality and environmental friendly. Purchases are made via vendors on preferred vendor lists maintained by each department. The performance of these vendors is assessed periodically to ensure they remain competitive in terms of timely delivery, product quality and pricing.

We recognise that working with local suppliers and supporting local businesses are key to creating economic value for the Malaysian economy and building capability in local communities. We prefer to source for materials and services locally as much as possible in our procurement practices.

CONTRIBUTING TO SOCIETY

As the Group continues to navigate the impact of the ongoing pandemic, its corporate social responsibility (CSR) initiatives have also moved in tandem to focus on safeguarding the well-being of our community.

Since mid-March 2020, E&O has been adhering to the Malaysian Education Ministry's call to suspend all co-curricular activities in line with the Health Ministry's guidelines. This has impacted some of the outreach programmes we do in Penang.

With social distancing playing a pivotal role in mitigating the spread of this infection, E&O's community engagement activities have been put on hold until they are deemed safe to be carried out by the Health Ministry.

Community Engagement
As a responsible lifestyle property developer, E&O recognises the need to infuse forward-looking ideas and placemaking strategies by building properties that integrate innovative designs with community needs. Our community engagement programmes live out five key thrusts – placemaking for the community, nurturing the younger generation through the Think Green programme, reaching out to special communities, supporting Government initiatives, and documenting the E&O legacy which is richly intertwined with Penang's history.

E&O aims to promote meaningful community engagement in the long-term. As an organisation with strong roots as well as an ever-growing presence on Penang Island, our efforts extend to diverse stakeholder groups that include students, teachers, fishermen, NGOs, children with special needs, and the elderly.

While the pandemic has disrupted the Group's CSR programmes, our pledge to give back to society through relevant contributions remains. We acknowledge that at a time like this, it is vital to balance business continuity for the Group with the essential needs of our stakeholders.

For the year under review, E&O continued to provide annual school supplies to fishermen's children as well as deserving students from the Think Green community education programme's partner schools. Launched in 2013, this initiative provides every child an equal opportunity to proper schooling basics. E&O has also made available provisions for the Society of Disabled Persons Penang and Penang Ru Yi Home during the festive season; an especially meaningful contribution as public donations to organisations such as these significantly reduced during the pandemic period.

Following the rise in COVID-19 cases, E&O took precautionary measures by temporarily halting all engagements and gatherings such as festive open houses and weekly exercises for the community as well as the Think Green sessions. We look forward to the resumption of our CSR initiatives when the situation permits.

E&O continued the Group's long-standing support of the Penang State's Chinese New Year celebrations, which were held virtually this time in view of the pandemic by contributing RM50,000.

THINK GREEN

A COMMUNITY EDUCATION PROGRAMME BY E&O

7 SCHOOLS INVOLVED
- **1** KINDERGARTEN
- **1** SPECIAL NEEDS SCHOOL
- **4** PRIMARY SCHOOLS
- **1** SECONDARY SCHOOL

167 NATURE-BASED EDUCATION SESSIONS SINCE 2013

20 CROSS CULTURAL ACTIVITIES SINCE 2013

1240 STUDENTS INVOLVED SINCE 2013

5 THINK GREEN POP-UP BOOTHS

1800 MANGROVE TREES PLANTED BY STUDENTS AND COMMUNITY IN 2016 - 2017

4 SCHOOLS WITH THEIR OWN THINK GREEN GARDEN

3 SCHOOLS NAMED THINK GREEN AS BEST CO-CURRICULUM OF 2020

Talent Attraction, Retention and Development

Managing changes in business operations and workforce dynamics were a key thrust of the Group's focus during the COVID-19 pandemic.

We quickly adapted our workforce to new ways of working in order to maintain business continuity and productivity. We were fortunate that we had moved to cloud technology in 2015, which ensured our staff could be easily deployed to work from home. Over 80% of computer users in our workforce were equipped to work remotely with cloud-based delivery applications, whilst remaining staff members were able to access data or internal communication via mobile devices during this pandemic.

Recruitment activity was kept to a minimum, and only for certain replacement positions as we re-assessed our workforce configuration and resource requirements. This did not compromise the company's business continuity and operations. Figures 8 and 9 provide the distribution of new hires rate by age group or gender and the company's employee turnover rate for the year respectively.

Figure 8: New Hires Rate by Age and Gender in FY2021

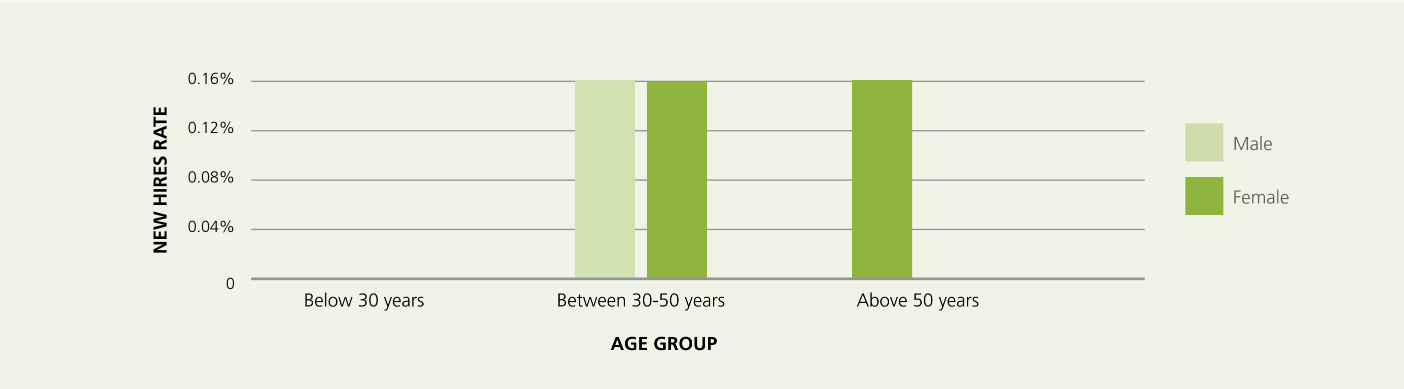
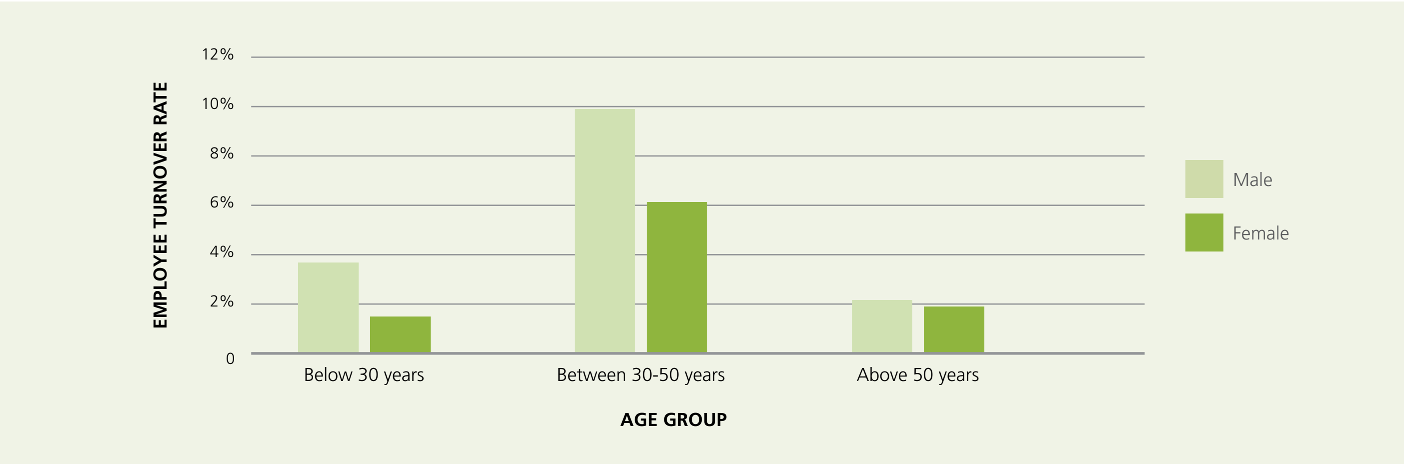


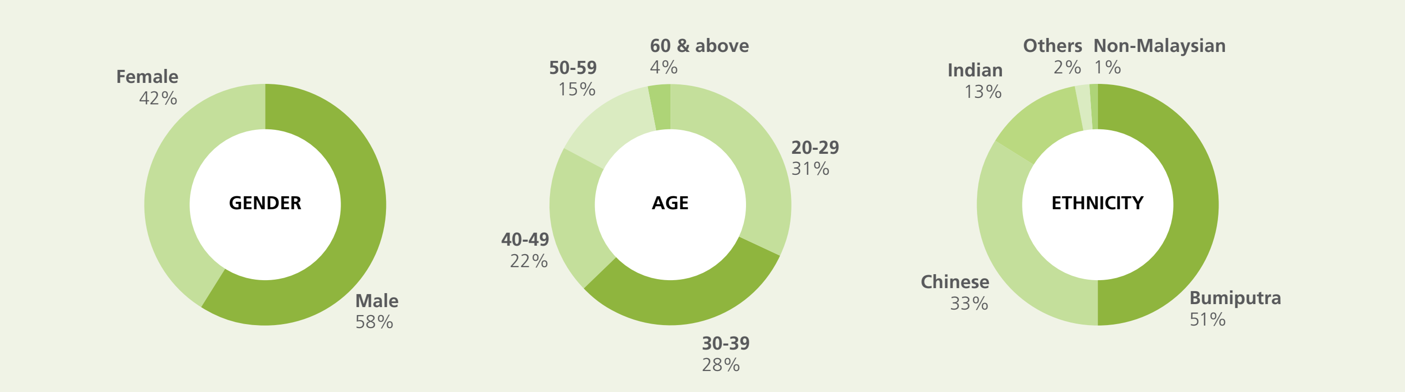
Figure 9: Employees Turnover Rate by Age and Gender in FY2021



i. Diversity and Inclusion

We continue to maintain a diverse and inclusive workforce. The composition of our workforce by gender, age and ethnicity in FY2021 is represented in the following diagram.

Figure 10: Group Workforce Composition FY2021



ii. Training and Development

A critical priority at this time is to accelerate the upskilling of our staff members to be able to effectively carry out work tasks on a digital platform, in view of the multiple MCO in place as a result of the COVID-19 pandemic. In FY2021, we shifted our training focus to self-learning and encouraged employees to participate in virtual learning or online webinars.

For Property Division, there were minimal training conducted due to the pandemic. The Hospitality Division of E&O Group kept their training programmes to small cohorts and supported this with the use of course materials and on-the-job assessments. The average training hours by employment category is presented in Figure 11 and 12.

Figure 11: Average Training Hours by Employee Category for Property Division

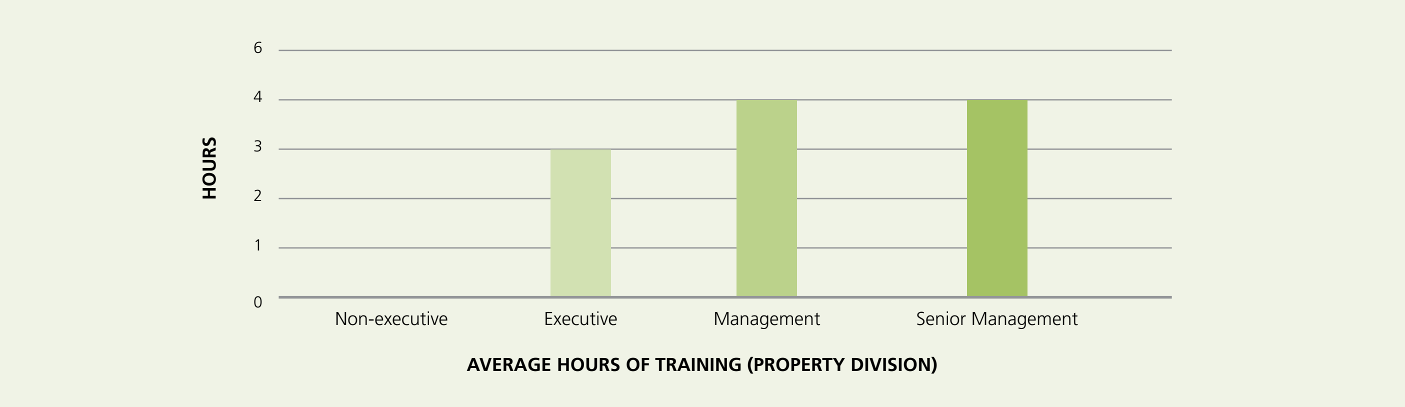
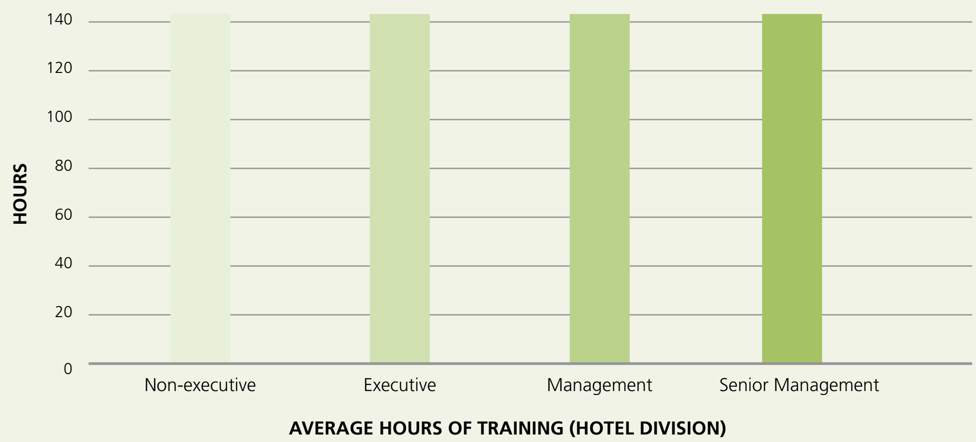


Figure 12: Average Training Hours by Employee Category for Hospitality Division



iii. Employee Engagement

The health and wellbeing of our staff members remained firmly on the company's radar through this period of change and the challenges of operating in this new normal. We have strived to keep communication lines open and equipped employees with tips and techniques on how to work effectively from home. We also boosted staff morale through activities like "Random Acts of Kindness" where staff members shared stories of the acts of kindness they initiated or received; these were then shared via the company intranet to promote positive vibes.

GLOSSARY OF TERMS

Code of Conduct & Ethics – A formal statement of the values and business practices of a company. It is a pledge that the company will adhere to these values and requires its suppliers and contractors to do the same.

Global Reporting Initiative – GRI is an international independent organisation that helps businesses, governments and other organisations understand and communicate the impact of their business on critical sustainability issues. GRI provides the most widely-used standards on sustainability reporting and disclosure.

Indicators – Ways to measure how well a company is meeting its own expectations and those of its stakeholders in the realm of sustainability. Indicators are a way to measure whether targets are achievable and the company's progress in reaching its goals.

Material Issues – The issues that are of the most interest to a company's stakeholders and which play a leading role in how the stakeholders perceive the company, its operations and its commitment to economic, environmental and social progress.

Stakeholder – Anyone who can influence or is impacted by the operations and practices of the company. Stakeholders may include customers, employees, financiers, shareholders, governments, communities, and non-governmental organisations.

Sustainability – A way of doing business that strives to create value for the present while demonstrating commitment to the long-term preservation and enhancement of economic, environmental and social resources.

UN SDGs – United Nation Sustainable Development Goals, also known as Agenda 2030, is a collection of 17 global goals and 169 targets which cover the three dimensions of sustainable development: economic growth, social inclusion and environmental protection.

GLOBAL REPORTING INITIATIVE ("GRI") CONTENT INDEX

This report is developed in accordance with GRI “core” requirements.

GENERAL STANDARDS DISCLOSURE			
GRI STANDARDS	**PROFILE DISCLOSURE**	**DESCRIPTION**	**REFERENCE PAGE / EXPLANATIONS**
GRI 102: General Disclosure 2016	**ORGANISATIONAL PROFILE**		
	102-1	Name of the organisation	Page 29, Management Discussion & Analysis (“MDA”)
	102-2	Activities, brands, products, and services	Page 29-39, MDA
	102-3	Location of headquarters	Page 29-39, MDA
	102-4	Location of operations	Page 29-39, MDA
	102-5	Ownership and legal form	Page 29-39, MDA
	102-6	Markets served	Page 29-39, MDA
	102-7	Scale of the organisation	Page 29-39, MDA
	102-8	Information on employees and other workers	Page 61-63
	102-9	Supply chain of the organisation	Page 41
	102-10	Significant changes to the organisation and its supply chain	Page 73, Section "Board Composition and Balance"
	102-11	Precautionary Principle or approach	Page 84-87, Statement of Risk Management and Internal Control
	102-12	External initiatives	Not applicable
	102-13	Memberships of associations and advocacy organisations	FIABCI-MALAYSIA, MSWG, REHDA[1]
	STRATEGY		
	102-14	Statement from most senior decision-maker	Page 27, Chairman’s Statement
	102-15	Key impacts, risks and opportunities	Page 29-39, MDA
	ETHICS AND INTEGRITY		
	102-16	Values, principles, standards, and norms of behaviour	Page 72, Section “Board Charter and Code of Conduct & Ethics”
	102-17	Mechanisms for advice and concerns about ethics	Page 72, Section “Anti-Corruption Framework and Whistle-Blowing Policy”
	GOVERNANCE		
	102-18	Governance Structure	Page 44

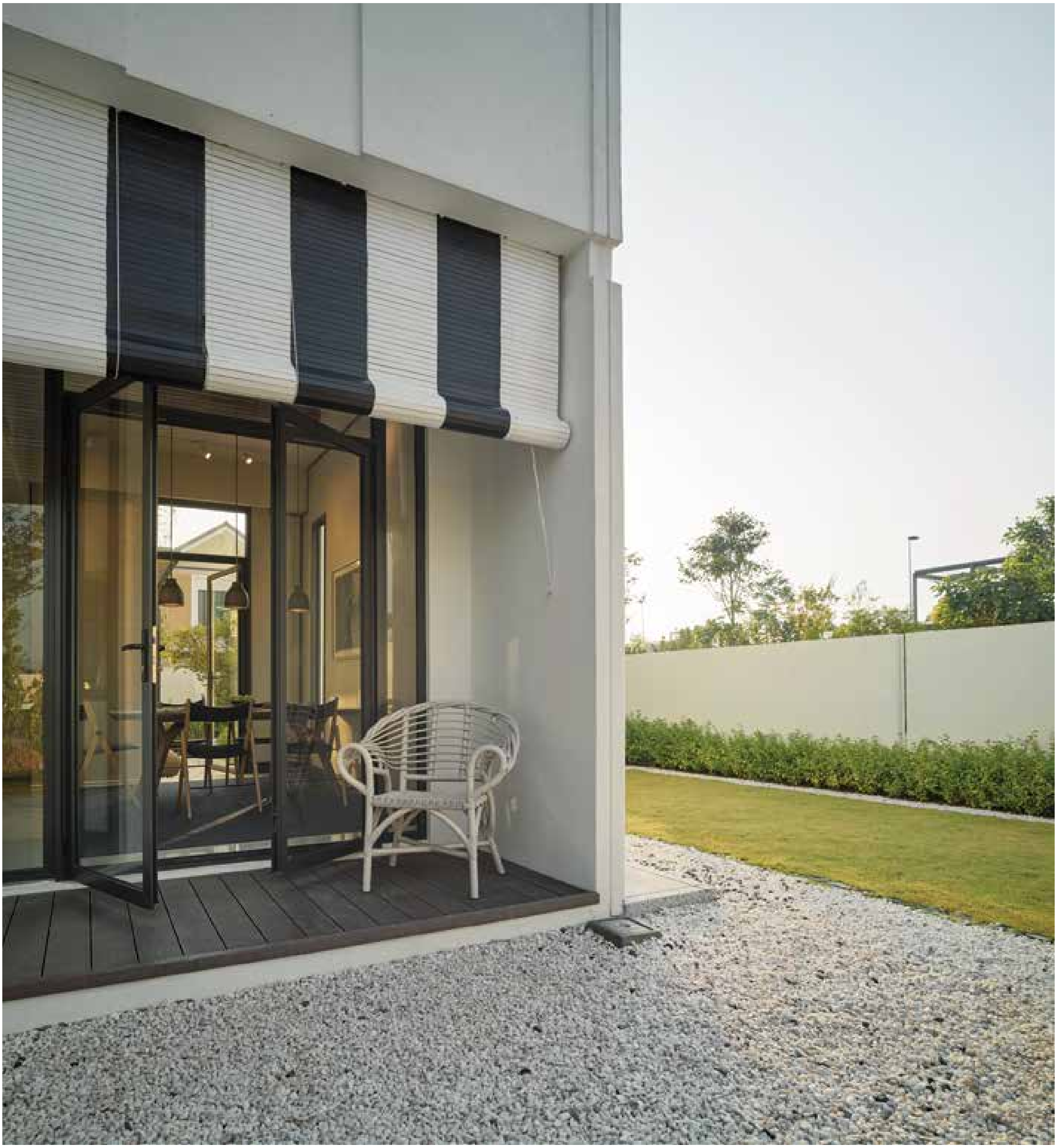
[1] The International Real Estate Federation - Malaysia, Minority Shareholders Watch Group, Real Estate and Housing Developers’ Association Malaysia.

GENERAL STANDARDS DISCLOSURE			
GRI STANDARDS	PROFILE DISCLOSURE	DESCRIPTION	REFERENCE PAGE / EXPLANATIONS
	STAKEHOLDER ENGAGEMENT		
	102-40	List of stakeholder groups	Page 42-43
	102-41	Collective bargaining agreements	Not applicable
	102-42	Identifying and selecting stakeholders	Page 42-43
	102-43	Approach to stakeholder engagement	Page 42-43
	102-44	Key topics and concerns raised	Page 42-43
	REPORTING PRACTICE		
	102-45	Entities included in the consolidated financial statements	Page 174-178
	102-46	Defining report content and topic Boundaries	Page 41
	102-47	List of material topics	Page 45
	102-48	Restatements of information	Not applicable
	102-49	Changes in reporting	No significant changes from previous reporting
	102-50	Reporting period	Page 41
	102-51	Date of most recent report	E&O's Annual Report 2020
	102-52	Reporting cycle	Page 41
	102-53	Contact point for questions regarding the report	Page 41
	102-54	Claims of reporting in accordance with the GRI Standards	Page 41
	102-55	GRI Content Index	Page 64-67
	102-56	External Assurance	Page 41
FINANCIAL SUSTAINABILITY			
GRI 103: Management Approach 2016	103-1,2,3	Management Approach	Page 49
GRI 201: Economic Performance 2016	201-1	Direct economic value generated and distributed	Page 49
GRI 203: Indirect Economic Impacts 2016	203-1	Infrastructure investments and services supported	Page 49, 59-60

GLOBAL REPORTING INITIATIVE ("GRI") CONTENT INDEX

SPECIFIC STANDARDS DISCLOSURE			
GRI STANDARDS	**PROFILE DISCLOSURE**	**DESCRIPTION**	**REFERENCE PAGE / EXPLANATIONS**
COMPLIANCE WITH REGULATORY REQUIREMENTS			
GRI 103: Management Approach 2016	103-1,2,3	Management Approach	Page 50-51
GRI 307: Compliance 2016	307-1	Non-compliance with environmental laws and regulations	Page 50
GRI 419: Socioeconomic Compliance 2016	419-1	Non-compliance with laws and regulations in the social and economic area	Page 50
OCCUPATIONAL HEALTH AND SAFETY			
GRI 103: Management Approach 2016	103-1,2,3	Management Approach	Page 51-52
GRI 403: Occupational Health and Safety 2016	403-1	Occupational health and safety management system	Page 51-52
	403-5	Worker training on occupational health and safety	Page 51-52
	403-7	Prevention and mitigation of occupational health and safety impacts directly linked by business relationships	Page 51-52
	403-9	Work-related injuries	Page 51
CORPORATE GOVERNANCE			
GRI 103: Management Approach 2016	103-1,2,3	Management Approach	Page 49-50
GRI 205: Anti-corruption	205-2	Communication and training about anti-corruption policies and procedures	Page 49-50
	205-3	Confirmed incidents of corruption and actions taken	Page 50
PRODUCT RESPONSIBILITY			
GRI 103: Management Approach 2016	103-1,2,3	Management Approach	Page 52-55
SASB: Product and Service Labelling	CRE8	Type and number of sustainability certification, rating, and labelling schemes for new construction, management, occupation, redevelopment	Page 52-55
GRI 416: Customer Health and Safety 2016	416-2	Incidents of non-compliance concerning the health and safety impacts of products and services	Page 52

SPECIFIC STANDARDS DISCLOSURE			
GRI STANDARDS	**PROFILE DISCLOSURE**	**DESCRIPTION**	**REFERENCE PAGE / EXPLANATIONS**
WASTE MANAGEMENT			
GRI 103: Management Approach 2016	103-1,2,3	Management Approach	Page 57
GRI 306: Effluents and Waste 2016	306-2	Waste by type and disposal method	Page 57
	306-3	Significant spills	Page 57
ENERGY CONSERVATION			
GRI 103: Management Approach 2016	103-1,2,3	Management Approach	Page 58
GRI 302: Energy 2016	302-1	Energy consumption within the organisation	Page 58
	302-3	Energy Intensity	Page 58
WATER MANAGEMENT			
GRI 103: Management Approach 2016	103-1,2,3	Management Approach	Page 58
GRI 303: Water and effluents 2018	303-2	Management of water discharge-related impacts	Page 58
COMMUNITY ENGAGEMENT			
GRI 103: Management Approach 2016	103-1,2,3	Management Approach	Page 59-60
GRI 413: Local Communities 2016	413-1	Operations with local community engagement, impact assessments and development programs	Page 59-60
TALENT ATTRACTION, RETENTION AND DEVELOPMENT			
GRI 103: Management Approach 2016	103-1,2,3	Management Approach	Page 61-63
GRI 401: Employment 2016	401-1	New hires and employee turnover	Page 61
GRI 404: Training and/ Education 2016	404-1	Average hours of training	Page 62-63
GRI 405: Diversity and Equal Opportunity 2016	405-1	Diversity	Page 62
MATERIAL SOURCING AND SUPPLY CHAIN MANAGEMENT			
GRI 103: Management Approach 2016	103-1,2,3	Management Approach	Page 59



AVIRA GARDEN TERRACES
MEDINI ISKANDAR
JOHOR

DIRECTORS' RESPONSIBILITY STATEMENT

IN RESPECT OF THE PREPARATION OF FINANCIAL STATEMENTS

The Directors are required by the Companies Act 2016 to prepare financial statements for each financial year which have been made in accordance with applicable approved accounting standards and which give a true and fair view of the state of affairs of the Group and of the Company as at the end of the financial year and of the results and cash flows of the Group and of the Company for the financial year.

In preparing the financial statements, the Directors have:

- adopted and consistently applied appropriate accounting policies;
- made judgments and estimates that are prudent and reasonable; and
- stated whether applicable accounting standards have been followed, subject to any material departures disclosed and explained in the financial statements.

The Directors are responsible for ensuring that the Group and the Company keep accounting records which disclose with reasonable accuracy the financial position of the Group and of the Company to enable them to ensure that the financial statements comply with the Companies Act 2016. The Directors are responsible for taking such steps as are reasonably open to them to safeguard the assets of the Group and of the Company and to prevent and detect fraud and other irregularities.

CORPORATE GOVERNANCE OVERVIEW STATEMENT

The Board of Directors of Eastern & Oriental Berhad ("the Board") recognises the importance of establishing and maintaining good corporate governance throughout the Group. The Board adopts where appropriate the principles and practices as set out in the Malaysian Code on Corporate Governance ("the Code" or "MCCG") in conducting the business and affairs of the Group. The Board remains committed in employing the principles of integrity, transparency and professionalism to safeguard shareholders' investments and protect the interests of all stakeholders.

In making this Corporate Governance ("CG") Overview Statement, the Company is guided by Practice Note 9 of Main Market Listing Requirements ("MMLR") of Bursa Malaysia Securities Berhad ("Bursa Securities") and the CG Guide (3rd edition) issued by Bursa Securities. This statement provides an overview of the Company's application of the three principles set out in the MCCG as well as key focus areas and future priorities and is to be read together with the CG Report which provides an insight on how the Group has applied each practice as set out in the MCCG throughout the financial year ended 31 March 2021. The CG Report is available on the Company's website at www.easternandoriental.com.

PRINCIPLE A: BOARD LEADERSHIP AND EFFECTIVENESS

I. Board Responsibilities

Clear Roles and Responsibilities

The Group is led by the Board which has overall responsibility for strategic aims and directions, establishing goals for management and monitoring the achievement of these goals, overseeing the process of evaluating the adequacy and effectiveness of internal controls, identifying principal risks and ensuring the implementation of appropriate systems to manage these risks.

The Board is guided by a Board Charter in discharging its fiduciary duties and responsibilities. The Board Charter sets out the composition, roles, functions and processes of the Board and those functions delegated to Board Committees and Management.

The full Board Charter is available on the Company's website at www.easternandoriental.com.

In order to ensure effective discharge of the responsibilities, the Board has delegated certain responsibilities to Board Committees, namely, the Audit Committee, the Nomination, Remuneration and Scheme Committee and the Risk Management Committee. Each of the Board Committees operates within its respective Terms of Reference approved by the Board. The Board Committees report to the Board on matters considered and their recommendations thereon.

Although specific powers are delegated to the Board Committees, the Board keeps itself apprised of the key issues and decisions made by each Board Committee through the reports by the Chairman of the respective Board Committee and tabling of minutes of the Board Committee meetings at Board meetings.The ultimate responsibility for the final decision on all matters, however, lies with the Board. The Board has also delegated day-to-day management of the business of the Group to Executive Directors and Management subject to an agreed authority limit contemplated in the Group Authority Chart.

The diagram below shows a brief overview of the Board Committees of the Company:

BOARD OF DIRECTORS

Audit Committee	Nomination, Remuneration and Scheme Committee	Risk Management Committee
Responsibilities • Oversight on the Group's financial reporting • Review quarterly financial results, unaudited and audited financial statements • Monitoring of internal control systems • Review of Related Party Transactions and conflict of interest	**Responsibilities** • Nomination of new Directors • Annual assessment of the Board, the Board Committees and the contribution of each individual Director • Recommending to the Board the remuneration of Executive Directors and Non-Executive Directors • Administering the Company's Long-Term Stock Incentive Plan 2012	**Responsibilities** • Identifying, monitoring and managing of significant risks faced by the Group • Formulating and implementing risk management policies and strategies • Oversight on the Group's sustainability practice and management • Oversight on ethical conduct of the Group's business including anti-bribery controls

Separation of Positions of the Chairman, Executive Deputy Chairman and Managing Director

The roles of the Chairman, Executive Deputy Chairman and Managing Director are distinct and separate to engender accountability and facilitate clear division of responsibilities to ensure that there is a balance of power and authority in the Company. The Chairman is responsible for ensuring Board effectiveness, standards of conduct and governance of the Board while the Executive Deputy Chairman is responsible for strategic planning, business development and oversees the business operations with the Managing Director. The Managing Director is responsible for the implementation of the Company's strategic plan, policies and decisions adopted by the Board to achieve the Company's objective of creating long term value for its shareholders.

Supply and Access to Information

The Board recognises that the decision-making process is largely dependent on the quality of information furnished. All Directors on the Board and Board Committees of the Board have full and unrestricted access to senior management and the Company Secretary on all matters requiring information for deliberation. Information provided to the Board is compiled into reports in the form of Board papers which are circulated to Directors in a timely manner to enable them to discharge their duties and responsibilities effectively. All Directors have the consent of the Board, whether through the Board or in his or her individual capacity to take independent professional advice at the Company's expense where necessary, in the furtherance of their duties. A Director may consult the Chairman and other Board members prior to seeking any independent professional advice.

Company Secretary

The Board is supported by a qualified and competent Company Secretary who is responsible to the Board for ensuring that all governance matters and Board policies and procedures are adhered to and that applicable laws and regulations are complied with. The Company Secretary ensures that deliberations and discussions at Board and Board Committee meetings are well documented, and subsequently communicated to the relevant Management for appropriate actions. The Company Secretary has and will constantly keep herself abreast, through continuous training on the regulatory changes and development.

Board Charter and Code of Conduct & Ethics

The Board Charter and Code of Conduct & Ethics are established to strengthen the integrity and governance of the Group to be in line with the practices in the MCCG. The Board has on 20 May 2020 reviewed and approved the revised Board Charter and Code of Conduct & Ethics incorporating anti-corruption measures, guided by the Guidelines on Adequate Procedures issued pursuant to section 17A(5) of the Malaysian Anti-Corruption Commission Act 2009 ("MACC Act 2009"), of which the revised copies have been uploaded on the Company's website at www.easternandoriental.com.

The Board Charter clearly identifies the respective roles and responsibilities of the Board, Board Committees, individual directors and management; and issues and decisions reserved for the Board. In an effort to promote and maintain high ethical standards at all times, the Directors and employees of the Group are required to comply with the Company's Code of Conduct & Ethics. The Code of Conduct & Ethics is established to promote corporate culture which engenders ethical conduct that permeates throughout the Group.

Anti-Corruption Framework and Whistle-Blowing Policy

In response to the introduction of corporate liability to Malaysian commercial organisation for corruption via the MACC Act 2009, the Group has established an Anti-Corruption Framework ("Framework") that sets out the Group's principles and stance and adequate procedures against corruption/ bribery activities in the conduct of its businesses. The Board has on 20 May 2020 approved the Anti-Corruption Framework which comprises key policies and procedures that address the Group's corruption risks, and, together with general internal controls of the Group, are aimed to mitigate corruption risks of the Group. The Framework was reviewed on 18 June 2021, at least once in every three (3) years.

In order to enable the Group to effectively address and manage the corruption risks in its business operations, the Group has through enhancement of the enterprise risk management, identified and evaluated corruption risk areas, focusing especially on the Group's key corruption risk areas. The first corruption risk assessment exercise was conducted on 29 June 2020 and subsequently on 18 June 2021.

The Company has also put in place a Whistle-Blowing Policy which provides a mechanism for any employee of the Group as well as external parties to report genuine concerns relating to any malpractice or improper conduct of the Group's businesses to the Chairman of the Audit Committee. Any whistle-blowing person acting in good faith is protected from retaliation for raising such allegations. Procedures are in place for investigations and appropriate follow-up action.

The Anti-Corruption Policy and Whistle-Blowing Policy are available on the Company's website at www.easternandoriental.com.

Sustainability

The Board recognises the growing importance of sustainability in business and in creating long term value to stakeholders and society at large. The Company has established a Sustainability Policy aims to integrate the principles of sustainability into the Group's strategies, policies and procedures and create a culture of sustainability within the Group, and the community, with an emphasis on incorporating the economic, environmental, social and governance considerations into decision making and the delivery of outcomes.

Details of the Company's sustainability activities are disclosed in the Sustainability Statement in this Annual Report.

II. Board Composition

Board Composition and Balance

For the financial year ended 31 March 2021, the Board has ten (10) members, of whom three (3) are Executive Directors, four (4) are Independent Non-Executive Directors and three (3) are Non-Independent Non-Executive Directors. The Non-Executive members of the Board bring a wide range of business and financial experience to the Board, which contributes to the effective direction of the Group. The Company has fully complied with the requirement for one third (1/3) of its members to be independent as stated in Paragraph 15.02(1) of the MMLR of Bursa Securities.

The Board which is comprised of high calibre Directors has a wide mix of different skill sets and the professional diversity of the members provides an atmosphere where deliberations draw a wide range of viewpoints which are usually challenged before a decision is arrived at. There is no individual Director or group of Directors who dominates the Board's decision making. The Chairman encourages healthy deliberations and dissenting views are freely expressed.

The Independent Directors fulfil a pivotal role in providing unbiased and independent views, advice and judgement, taking into account the interest not only of the Company but also shareholders, employees, customers and communities in which the Company conduct business. The effective participation of Independent Non-Executive Directors serves to promote greater accountability and balance in the Board's decision making process. The Board is satisfied that it has the size that meets the needs of the kind of businesses the Company is involved in as well as diversity of the Company's shareholders, employees, customers, stakeholders and communities.

On 26 March 2021, the Board of Directors of the Company received a notice of conditional mandatory take-over offer from AmInvestment Bank Berhad on behalf of Amazing Parade Sdn Bhd ("Offeror"), triggered by the acquisition of a substantial stake in the Company by the Offeror, to acquire all the remaining ordinary shares in the Company not already owned by the Offeror, joint ultimate offerors (being Datuk Tee Eng Ho and members of his family) and persons acting in concert with them for a cash consideration of RM0.60 per Offer Share ("Offer"). As at 4 May 2021, upon the Offer having become unconditional, Datuk Tee Eng Ho's indirect stake in the Company had increased to 40.55% of the issued share capital of the Company (excluding treasury shares).

On 12 May 2021, the Company announced the re-designation of Datuk Tee Eng Ho as the Executive Chairman from a Non-Independent Non-Executive Director appointed on 1 June 2017. As an Executive Chairman, Datuk Tee is in a better position to contribute effectively together with the existing Executive Deputy Chairman and Managing Director in leading the Board towards achieving the Company's objective of creating long-term value for its shareholders. Furthermore, three (3) new Independent Non-Executive Directors were appointed on 12 May 2021 in replacement of all the other Directors who have resigned to bring objective and independent judgment to decisions taken by the Board.

Upon completion of the Offer on 18 May 2021, Datuk Tee Eng Ho's indirect stake in the Company had increased to 49.74% of the issued share capital of the Company (excluding treasury shares).

The profile of the Directors is set out in Directors' Profile in this Annual Report.

Nomination, Remuneration and Scheme Committee ("NRSC")

During the financial year 31 March 2021, the NRSC comprises four (4) members, all of whom are Non-Executive Directors, with a majority being Independent Directors as follows:

DIRECTORS	
Dato' Azizan bin Abd Rahman (Chairman, Independent Non-Executive Director)	*– resigned with effect from 12 May 2021*
Datuk Vijeyaratnam a/l V. Thamotharam Pillay (Member, Independent Non-Executive Director)	*– resigned with effect from 12 May 2021*
Encik Kamil Ahmad Merican (Member, Non-Independent Non-Executive Director)	*– resigned with effect from 12 May 2021*
Datuk Christopher Martin Boyd (Member, Independent Non-Executive Director)	*– resigned with effect from 12 May 2021*

On 12 May 2021, the above Directors ceased as the Chairman/members of NRSC following their resignation as Directors. The new composition of NRSC comprising three (3) members, all of whom are Independent Non-Executive Directors as follows:

DIRECTORS	
Mr Khoo Siong Kee (Chairman, Independent Non-Executive Director)	*– appointed with effect from 12 May 2021*
Mr Lim Kien Lai @ Lim Kean Lai (Member, Independent Non-Executive Director)	*– appointed with effect from 12 May 2021*
Ms Tee Bee Kim (Member, Independent Non-Executive Director)	*– appointed with effect from 12 May 2021*

The NRSC is primarily responsible for nominating new Directors, assessing annually the effectiveness of the Board, Board Committees and the contribution of each individual Director, recommending to the Board the remuneration of Executive Directors and Non-Executive Directors and administering the Company's Long-Term Stock Incentive Plan 2012 ("LTIP") in accordance with such power and duties conferred upon it under the By-Laws of the aforesaid scheme. The full Terms of Reference of NRSC is available on the Company's website at www.easternandoriental.com.

The main activities of the NRSC during the financial year ended 31 March 2021 are summarised as follows:

- reviewed the Non-Executive Directors' fees and recommended the Non-Executive Directors' fees for Board's approval;
- reviewed the results of performance evaluation on Board, Board Committees and Individual Directors;
- reviewed the independence of the Independent Directors;
- reviewed the training needs of the Directors;
- reviewed the retirement of Directors and retention of Independent Director;
- discussed and review the practices of MCCG relating to board leadership and effectiveness.

Tenure of Independent Directors

The Board is mindful of the recommendation of the Code on limiting the tenure of Independent Directors to nine (9) years of service. However, the Board may, in appropriate cases and subject to the assessment of the NRSC on an annual basis, retain an Independent Director who has served a consecutive or cumulative term of nine (9) years to continue to serve as Independent Director subject to shareholders' approval.

Currently, the Company does not have any long serving Independent Non-Executive Director who has exceeded a cumulative term limit of nine (9) years.

Board Membership Criteria

The NRSC is responsible for determining the appropriate character, skills, and experience for the Board as a whole and its individual members with the objective of having a Board with diverse composition, backgrounds and experience in business. All Directors are expected to be individuals with integrity, high personal and professional ethics, sound business judgment, and the ability and willingness to commit sufficient time to the duties of the Board.

In evaluating the suitability of individual Board members, the Board takes into account several factors, including skills, knowledge, expertise, experience, professionalism and time commitment to effectively discharge his or her role as a Director, contributions, background, character, integrity and competence. The Board is mindful of the importance of gender, age and ethnic diversity in the composition of the Board. In this respect, the Board has adopted a Board Diversity Policy which sets out the approach for achieving diversity on the Board of Directors.

The Board recognised the merits of gender diversity at board level on strengthening the performance of the Board and/or Board Committees. For the financial year ended 31 March 2021, there were two (2) women serving as members of the Board. With the composition, the Board views that its members have the necessary knowledge, experience, diverse range of skills and competencies to enable them to discharge their duties and responsibilities effectively.

In accordance with the Company's Constitution, at least one third (1/3) or the number nearest to one third (1/3) of the Directors, including the Managing Director, shall be subject to retirement by rotation once in every three (3) years. All retiring Directors shall be eligible for re-election.

Annual Evaluation of Board, Board Committees and Directors

The NRSC is responsible for conducting an annual performance evaluation of the Board, Board Committees and individual Directors. The annual evaluation includes an assessment of the independence of Independent Directors. The Board has formalised a Directors' Assessment Policy which sets out the procedures and criteria used in the assessments of Board, Board Committees, individual Directors and independence of Independent Directors. The key objective of the Board evaluation is to ensure that the Board is functioning well. The evaluation also serves as reference point for the Board to evaluate if a balanced, diversed, skilled Board across a wide range of areas and expertise is consistenly maintained.

The Board Effectiveness Evaluation ("BEE") for the financial year ended 31 March 2021 was carried out based on a combination of self and peer assessment by Board members via customised questionnaires, which are premised on qualitative and quantitative criteria. The assessment criteria are benchmarked against good governance practices prescribed by the regulators and best practices. The assessment of the Board and its Committees are based on specific criteria covering the board mix and composition, quality of information and decision-making, boardroom activities, board chairman's role and board skill sets. For Individual Directors, the criteria used in the assessment include professional experience, industry knowledge, specific competencies, business acumen, strategic vision, integrity, attendance, preparation for sessions, teamwork, active participation and general contribution and Director's training needs. The criteria for assessing the independence of an Independent Director include the relationship between the Independent Director and the Group and the Independent Director's involvement in Board and/or Board Committee deliberations and any significant transaction with the Group.

The results of the BEE was tabled to the NRSC. The NRSC has reviewed the outcome of the annual evaluation of Board, Board Committees, Audit Committee members and individual Directors for the financial year ended 31 March 2021 and has subsequently submitted its findings to the Board. The findings indicated that the Board is constituted of members who bring hard-edged skills and vast experience from multiple facets including property development, construction, valuation, architecture, business management, accounting and legal. The presence of high-calibre Directors with complementary skill sets has enriched the deliberation process and allowed the Board to make informed decision. The results of the BEE further indicated that the Directors, Board and Board Committees have discharged their duties and responsibilities effectively. The Board operates cohesively without compromising on the rigour of the deliberations during the Board and Board Committee meetings. Board members have been able to ask uncomfortable questions, challenge on another's assumptions and beliefs coherently as the boardroom is predicated on the values of professionalism, respect and candour. Directors can confidently put across their views without allowing discussions to degenerate into acrimonious proceedings. The Audit Committee is found to be well-positioned to apply a critical and probing view on the Company's transactions and effectively challenge Management's assertions on financials. The Board is of the view that its present size and composition is optimal based on the Group's operations and that it reflects a fair mix of financial, technical and business experiences that are important to the stewardship of the Group.

The Board is satisfied that the Board composition, which has been established after taking into consideration the mix of skills, calibre, competence, character and experience required to effectively stern the Group's directions, combined with expertise possessed by the Management, complement the effective functioning of the Board.

Annual Assessment of Independent Directors

An Independent Director of the Company is a Director who is independent of management and free from any business or other relationship which could interfere with the exercise of independent judgment or the ability to act in the best interest of the Company. The Board, via the NRSC assesses Independent Directors annually to ascertain if they display a strong element of detached impartiality. In conducting this assessment, the NRSC adopts a qualitative approach in assessing if Independent Directors possess the intellectual honesty and moral courage to advocate professional views without fear or favour. The NRSC determines the independence of each Director annually based on the definitions and enumerations of the MMLR of Bursa Securities and also considers whether the Independent Director can continue to bring independent and objective judgement to Board deliberations.

Time Commitment

The Board meets at least four (4) times a year or more when circumstances require. Where appropriate, decisions are also made by way of circular resolutions in between scheduled meetings during the financial year. Senior management and/or external advisors may be invited to attend Board meetings to advise and/or furnish the Board with information and clarification needed on relevant items on the agenda to enable the Directors to arrive at a considered decision.

All Board meetings are furnished with proper agenda with due notice issued and Board papers as well as reports are prepared by the Management and circulated prior to the meetings to all Directors with sufficient time for their review for effective discussion and decision-making during the meetings. All pertinent issues discussed at the Board meetings in arriving at decisions and conclusions are properly recorded by the Company Secretary.

The details of Directors' attendance for the financial year under review are set out as follows:

DIRECTORS	TOTAL BOARD MEETINGS ATTENDED	%
Dato' Azizan bin Abd Rahman *(Chairman, Independent Non-Executive Director)*	6/6	100
Dato' Seri Tham Ka Hon *(Executive Deputy Chairman)*	6/6	100
Mr Kok Tuck Cheong *(Managing Director)*	6/6	100
Mdm Kok Meng Chow *(Finance Director)*	6/6	100
Tan Sri Dato' Seri Mohd Bakke bin Salleh *(Non-Independent Non-Executive Director)*	6/6	100
Encik Kamil Ahmad Merican *(Non-Independent Non-Executive Director)*	6/6	100
Datuk Vijeyaratnam a/l V. Thamotharam Pillay *(Independent Non-Executive Director)*	6/6	100
Datuk Christopher Martin Boyd *(Independent Non-Executive Director)*	6/6	100
Ms Tan Kar Leng @ Chen Kar Leng *(Independent Non-Executive Director)*	6/6	100
Datuk Tee Eng Ho *(Non-Independent Non-Executive Director)*	6/6	100

The Board is satisfied with the level of the time commitment given by the Directors toward fulfilling their roles and responsibilities as Directors of the Company. This is evidenced by the attendance record of the Directors at the Board meetings as well as visits to property development sites and interaction with Management.

It is the Board's policy for Directors to notify the Chairman before accepting any new directorships in other public listed companies and the Chairman shall also notify the Board before he accepts any new directorships in other public listed companies. Each member of the Board holds not more than five (5) directorships in public listed company in compliance with the MMLR of Bursa Securities.

Directors' Training

All Directors of the Company have full opportunity to attend training through seminars, workshops and conferences. The Board is mindful of the need to enhance competency by improving on their skills and knowledge to stay abreast with the ever-changing business environment, regulatory requirements and corporate governance developments. The Board has reviewed the training needs of the Directors and one in-house training session for Directors and senior management was conducted during the financial year ended 31 March 2021.

Details of training attended by Directors during the financial year under review are as follows:

DIRECTORS	SEMINARS/WORKSHOPS/COURSES
Dato' Azizan bin Abd Rahman	• Digital Leadership and Communication During Turbulent Times • The Pandemic Digital Tipping Point and What to Expect in 2021 • Business Continuity Awareness for Directors
Dato' Seri Tham Ka Hon	• Business Continuity Awareness for Directors
Mr Kok Tuck Cheong	• The Regenerative Business of the Future • Digital Leadership and Communication During Turbulent Times • Business Continuity Awareness for Directors
Mdm Kok Meng Chow	• The Regenerative Business of the Future • Digital Leadership and Communication During Turbulent Times • The Modern Board Architecture • On Board: The Insider's Guide to Surviving Life in the Boardroom • The Pandemic Digital Tipping Point and What to Expect in 2021 • Business Continuity Awareness for Directors
Tan Sri Dato' Seri Mohd Bakke bin Salleh	• Business Continuity Awareness for Directors
Encik Kamil Ahmad Merican	• The Modern Board Architecture • Business Continuity Awareness for Directors
Datuk Vijeyaratnam a/l V. Thamotharam Pillay	• Section 17A of The Malaysian Anti-Corruption Commission (MACC) Act 2009 (Amendment 2018) • Business Continuity Awareness for Directors
Datuk Christopher Martin Boyd	• Post-Budget 2021 • Business Continuity Awareness for Directors
Ms Tan Kar Leng @ Chen Kar Leng	• Business Continuity Awareness for Directors
Datuk Tee Eng Ho	• Business Continuity Awareness for Directors

III. Directors' Remuneration

The Board believes in a remuneration policy that fairly supports the Directors' responsibilities and fiduciary duties in steering and growing the Group to achieve its long term goals and to enhance its shareholder value. In this respect, the Board has formalised a Remuneration Policy & Procedures of Directors and/or Senior Management which aims to attract, develop and retain high performing and motivated Directors and senior management with a competitive remuneration package, and the said policy has been uploaded to the Company's website.

The NRSC is responsible for evaluating, deliberating and recommending to the Board the compensation and benefits that are fairly guided by market norms and industry practices. The NRSC is also responsible for evaluating the Executive Directors' remuneration which is linked to the performance of the Executive Directors and performance of the Group.

The NRSC recommends the Directors' fees payable to Non-Executive Directors of the Board and this recommendation is deliberated and decided by the Board before it is presented at the Annual General Meeting ("AGM") for shareholders' approval. All fees, allowances and other benefits payable to Directors are subject to the approval of shareholders at the AGM in accordance with the Companies Act 2016 ("CA 2016").

The remuneration in the form of fees for the Non-Executive Directors, as members of the Board and Board Committees for the financial year ended 31 March 2021 is as follows:

BOARD/COMMITTEE	CHAIRMAN (RM'000/YEAR)	MEMBER (RM'000/YEAR)
Board	230	100
Audit Committee	35	25
Risk Management Committee	30	20
Nomination, Remuneration and Scheme Committee	30	20

The detailed disclosure on named basis for the remuneration of individual Directors are set out in the CG Report.

PRINCIPLE B – EFFECTIVE AUDIT AND RISK MANAGEMENT

I. Audit Committee

Composition

The Audit Committee ("AC") is entrusted with the responsibility of assisting the Board with regard to the Company's internal and external audit functions, financial statements and internal accounting and control systems, matters that may significantly impact the financial condition or affairs of the business and to ensure that the financial statements of the Company comply with the applicable financial reporting standards in Malaysia and the CA 2016. In performing its role, the AC provides robust and comprehensive oversight on financial reporting, objectivity and effectiveness of external and internal audit processes, reportable related party transactions, conflict of interest situations and risk management matters.

The AC comprises three (3) members, all of whom are Independent Non-Executive Directors. The composition of the AC, including its roles and responsibilities are set out under the Audit Committee Report in this Annual Report. The AC has in its Terms of Reference, provides that a former key audit partner to observe a cooling-off period of at least two (2) years before appointing as a member of AC. The members have and will continue to keep themselves abreast of the relevant developments in accounting and auditing standards, practices and rules. The AC has unrestricted access to both the Internal and External Auditors, who report functionally and directly to the AC.

DIRECTORS	
Datuk Vijeyaratnam a/l V. Thamotharam Pillay (Chairman, Independent Non-Executive Director)	*– resigned with effect from 12 May 2021*
Ms Tan Kar Leng @ Chen Kar Leng (Member, Independent Non-Executive Director)	*– resigned with effect from 12 May 2021*
Datuk Christopher Martin Boyd (Member, Independent Non-Executive Director)	*– resigned with effect from 12 May 2021*

On 12 May 2021, the above Directors ceased as the Chairman/members of AC following their resignation as Directors. The new composition of AC comprising three (3) members, all of whom are Independent Non-Executive Directors as follows:

DIRECTORS	
Mr Khoo Siong Kee (Chairman, Independent Non-Executive Director)	*– appointed with effect from 12 May 2021*
Mr Lim Kien Lai @ Lim Kean Lai (Member, Independent Non-Executive Director)	*– appointed with effect from 12 May 2021*
Ms Tee Bee Kim (Member, Independent Non-Executive Director)	*– appointed with effect from 12 May 2021*

Suitability and Independence of External Auditors

The AC is responsible to monitor the performance, objectivity and independence of the External Auditors. The AC acknowledges that it is important to maintain an open communication between the Board, the Internal and External Auditors to ensure audit independence and effectiveness.

The Board maintains a transparent and professional relationship with the External Auditors of the Company through the AC. The AC invites the External Auditors to attend its meetings as and when required, before commencement of the year end audit and upon completion of their audit. The AC reviewed the scope of the audit set out in the audit planning memorandum, work plan, areas of audit emphasis, fee proposal, issues arising from the audit and their resolution and audit judgements, level of errors identified during the audit and recommendations made by the External Auditors.

The AC meets with the External Auditors without presence of the Executive Board members and Management to discuss key issues within their responsibilities. In addition, the External Auditors are invited to attend the Company's AGM and are available to attend questions from the shareholders.

In compliance with MMLR of Bursa Securities and the Code, the AC within its duties reviews the scope of work, independence, objectivity and findings and recommendations of the audits conducted by the External Auditors.

The AC ensures that the external audit function is independent of the activities it audits, and reviews the contracts for the provision of non-audit services by the External Auditors and ensures that it will not give rise to instances of conflict of interests.

The External Auditors have confirmed to the AC that they are, and have been, independent throughout the conduct of the audit engagement in accordance with the independence criteria set out by the Malaysian Institute of Accountants. In compliance with the requirements of the Malaysian Institute of Accountants, the External Auditors rotate their audit partners assigned to the Group every five (5) years.

II. Risk Management and Internal Control Framework

Establishment of Risk Management Committee

The Board is cognisant that a robust risk management and internal control framework help the Group to achieve its value-creation targets by providing risk information to enable better formulation of the Group's strategies and decision making. The Board is responsible for the establishment of effective system of risk management and internal control and has established a Risk Management Committee ("RMC"). During the financial year ended 31 March 2021, the RMC comprises the following members ("RMC Members"):

DIRECTORS	
Ms Tan Kar Leng @ Chen Kar Leng (Chairman, Independent Non-Executive Director)	*– resigned with effect from 12 May 2021*
Datuk Vijeyaratnam a/l V. Thamotharam Pillay (Member, Independent Non-Executive Director)	*– resigned with effect from 12 May 2021*
Datuk Christopher Martin Boyd (Member, Independent Non-Executive Director)	*– resigned with effect from 12 May 2021*
Mdm Kok Meng Chow (Member, Finance Director)	*– resigned with effect from 12 May 2021*

On 12 May 2021, the above Directors ceased as the Chairman/members of RMC following their resignation as Directors. The new composition of RMC comprising three (3) members, all of whom are Independent Non-Executive Directors as follows:

DIRECTORS	
Mr Khoo Siong Kee (Chairman, Independent Non-Executive Director)	*– appointed with effect from 12 May 2021*
Mr Lim Kien Lai @ Lim Kean Lai (Member, Independent Non-Executive Director)	*– appointed with effect from 12 May 2021*
Ms Tee Bee Kim (Member, Independent Non-Executive Director)	*– appointed with effect from 12 May 2021*

The RMC is responsible for implementing risk management policies and strategies approved by the Board. It monitors and manages principal risk exposure by ensuring that Management has taken the necessary steps to mitigate such risks and recommends actions, where necessary.

During the financial year ended 31 March 2021, a consultant was appointed to provide update on Corporate Liability Provision under Section 17A of the MACC Act 2009 and the RMC had reviewed and deliberated on the Anti-Corruption Framework before circulation to the Board for approval.

The Board is of the view that the system of internal control and risk management in place during the year is adequate and effective to safeguard the Group's assets, as well as shareholders' investments and the interest of customers, regulators, employees and other stakeholders.

The details of the Risk Management and Internal Control Frameworks are set out in the Statement on Risk Management and Internal Control in this Annual Report.

Internal Audit Function

The Board maintains an effective system of internal controls to manage the day-to-day running of the businesses of the Group. The Board delegated to the AC with the overall responsibility of reviewing the adequacy and the integrity of the system of internal controls.

The membership and function of the AC as well as summary of the activities of the AC including internal audit function are detailed in the Audit Committee Report in this Annual Report.

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

I. Communication with Stakeholders

Corporate Disclosure Policies and Procedures

The Board has formalised a Corporate Disclosure Policies and Procedures ("CDPP") which is aimed at developing an effective Investor Relations programme and strategy to communicate fairly and accurately, the corporate vision, strategies, developments, financial results and prospects to investors, the financial community and other stakeholders.

The CDPP serves as a guide to promote and demonstrate a high standard of integrity and transparency through timely, accurate, quality and full disclosure. The Board has identified spokespersons in the handling and disclosure of material information.

Leverage on Information Technology for Effective Dissemination of Information

The Group maintains regular and proactive communication with its shareholders and stakeholders. The Group has a Group Strategy & Communications Department as well as a Corporate Investment & Planning Department, which provide the avenue for two-way communication between the Group and its shareholders, investors and the media.

The Group maintains a corporate website at www.easternandoriental.com which provides information relating to financial results, press releases, announcements, analyst reports and investor presentations. The public can also direct queries through a dedicated email contact provided in the said website.

II. Conduct of Annual General Meetings

In line with the Government's initiative and the Securities Commission Guidance Note, the Ninety-Third Annual General Meeting ("93rd AGM") of the Company was conducted on a fully virtual basis through live streaming and online remote voting.

The Company's AGM and/or Extraordinary General Meeting are the principal forum for dialogue with shareholders. Notices of AGM and annual reports are sent to the shareholders at least 28 days ahead of the meeting date to enable shareholders to have sufficient time to peruse the annual report and papers supporting the resolutions proposed. The Company encourages shareholders to attend and participate in general meetings by providing adequate notice and holding the general meetings at a readily accessible location which is customarily held in Klang Valley.

At the AGM, shareholders are given the opportunity to ask questions regarding resolutions being proposed before putting the resolutions to vote as well as matters relating to the Group's operations in general. All resolutions set out in the notice of AGM are voted by electronic polling and an independent scrutineer is appointed by the Company to validate the poll results. The outcome of all resolutions proposed at the AGM are announced to Bursa Securities after the AGM. The Company Secretary prepares the minutes of general meetings and the key matters discussed at the general meetings are published on the Company's website as soon as practicable upon being reviewed by the Board members and approved by the Chairman.

The Company is of the view that general meetings are important as platform for engagement with its shareholders as well as to address their concerns. Due to the restrictions imposed by the Malaysian Government arising from the COVID-outbreak, only essential individual such as Chairman, Managing Director, Finance Director, the Chairman of the Board Committees and Company Secretary were allowed to physically present at the broadcast venue of the 93rd AGM. The rest of Directors have attended the meeting remotely. The attendance of the full Board of Directors gives opportunity for shareholders to effectively engage with the Directors as well as raise questions directly to those responsible.

The Company ensures transparency and good corporate governance by promptly disseminating corporate information such as all major corporate developments, financial performance and other relevant information to the shareholders and investors via announcements to Bursa Securities and dialogues with analysts and the media.

STATEMENT ON RISK MANAGEMENT AND INTERNAL CONTROL

INTRODUCTION

The Board of Directors ("the Board") is pleased to present its Statement on Risk Management and Internal Control ("Statement") for the financial year ended 31 March 2021 ("Financial Year"). The Statement is prepared pursuant to Paragraph 15.26(b) of the Bursa Malaysia Securities Berhad ("Bursa Securities") Main Market Listing Requirements.

This Statement of the Company and its subsidiaries' ("the Group"), in all material aspects, are in accordance with the guidelines as set out in the Statement on Risk Management & Internal Control: Guidelines for Directors of Listed Issuers as endorsed by Bursa Securities. This Statement outlines the nature and scope of risk management and internal control of the Group for the Financial Year under review.

BOARD RESPONSIBILITY

The Board acknowledges and affirms its overall responsibility for the Group's systems of risk management and internal control and for reviewing the adequacy and effectiveness of the systems. These responsibilities are delegated to the Audit Committee and Risk Management Committee, which are empowered by their respective terms of reference.

In view of the limitations that are inherent in the risk management and internal control systems, the Board recognises that such systems are designed to manage risks that may impede the achievement of the Group's business objectives rather than to eliminate these risks. Such systems can only provide reasonable and not absolute assurance against fraud, material misstatement or loss.

The Board has also delegated the oversight of the Group's sustainability practice and management and ethical conduct of the Group's business including anti-corruption controls to the Risk Management Committee, which forms part of the Group's Sustainability Governance Structure (as detailed in the Sustainability Statement included in this Annual Report).

RISK MANAGEMENT

The Board regards risk management as an integral part of the Group's business operations and has oversight over this area through the Risk Management Committee. The risk management practices of the Group serve as the on-going process used for identifying, evaluating, monitoring and managing significant risks of the Group for the Financial Year under review and up to the date of approval of the Statement.

The Group has adopted a structured risk management framework which is aligned with the principles of the international recognised standard of ISO 31000:2018 (Risk Management - Guidelines). The Group's risk management framework outlines risk management policy, structure, roles of the Board, Management and internal audit as well as the risk management process.

Key aspects of the risk management framework are set out below.

(i) The Risk Management Committee comprises three (3) Independent Non-executive Directors and one (1) Executive Director who bring a mix of relevant business and management knowledge and experience.

(ii) The Group undertakes an on-going process of identification, assessment, treatment, monitoring and communication of risks. Each risk has a specific risk owner, who is responsible to conduct periodic risk assessment and to ensure risk treatments are effective and action plans to mitigate risks are implemented. Updates and new risks since last review are documented in the risk registers maintained by the respective risk owners. The outcome of the risk management process is brought to the attention of Management at the Executive Committee Risk Meeting held on quarterly basis.

(iii) The Risk Management Committee meets on a quarterly basis to discuss and deliberate on the significant risks affecting the Group, including sustainability related matters. Risk profiles, control procedures and status of action plans are presented and deliberated in the Risk Management Committee meetings. Minutes of the meetings of the Risk Management Committee which recorded the deliberations are tabled to the Board for notation at their quarterly meetings. The Risk Management Committee also meets with different management teams across the Group on a quarterly basis for updates.

(iv) Key risk indicators are established to ensure that significant changes in risk levels are identified in a timely manner and appropriate actions are taken to address the risks.

(v) Any significant risks that require the Board's attention are escalated for deliberation.

(vi) The Management is also required to perform control self-assessments half-yearly to assess the effectiveness of the controls and to issue a management confirmation on the adequacy and effectiveness of the operation of the risk management and internal control systems.

(vii) Risk-based internal audit plan is developed based on key risks, ensuring proper controls are in place to mitigate those risks. The internal audit function performs a walk-through of significant and high risks relating to the areas that are subject to internal audit review to confirm Management's assessment of risks and the effectiveness of internal controls.

(viii) The risk management framework and activities are reviewed by the internal audit function periodically.

INTERNAL CONTROL

The internal control system complements the risk management process, effected by the Board and Management, and designed to provide reasonable assurance regarding the achievement of the Group's objectives, and safeguard the shareholders' investment and the assets of the Group.

Establishing an appropriate control environment is the responsibility of the Board and Management, which comprises the overall attitude, awareness and actions of Directors and Management regarding the internal control system and its importance in the Group.

Key elements of the Group's control environment are set out below.

(i) Organisation Structure and Delegation Procedures

- Organisational structures are in place, which formally define lines of responsibility and delegation of authority. In addition, authorisation limits are documented and formalised.

(ii) Code of Conduct and Ethics

- Code of Conduct and Ethics is established to promote corporate culture which engenders high ethical conduct and standards at all times.

(iii) Documented Policies and Procedures

- Clearly defined policies and procedures are documented and will be reviewed and updated to reflect changing risks or to address operational deficiencies.

(iv) Strategic Planning, Monitoring and Reporting

- Strategic planning and annual budgeting planning process where financial budget and capital expenditure proposal are approved by the Board;
- Actual performances compared with budget are reviewed and monitored closely by the Management;
- Periodic review and update of the Group's cashflow position, business development, corporate and other operational matters by the Management; and
- Updates on the Group's performances are provided to the Board periodically.

(v) Human Resource Management

- Documented policies and guidelines covering hiring and termination of employees, training programmes and performance appraisal to enhance the level of employees' competencies in carrying out their duties and responsibilities;
- Specific Key Performance Indicators on financial performance and operational performance are set and linked to employees' performance appraisals.

INTERNAL AUDIT FUNCTION

The Group's Internal Audit Function assists the Board and Audit Committee by providing an independent assessment of the adequacy and effectiveness of the Group's internal control system. Further details of the Internal Audit Function are set out in the Audit Committee Report included in this Annual Report.

The Group's risk management process, internal control systems and internal audit review do not apply to associate and jointly controlled entities where the Group does not have full management control over them. However, the Group's interest in these companies is served through representation on their respective Joint Management Committees or Boards. This representation provides the Board with access to review and monitor the performance of these investments. The Board is provided with periodic reports and information on their performances.

REVIEW OF THE STATEMENT BY EXTERNAL AUDITORS

As required by paragraph 15.23 of the Bursa Securities Main Market Listing Requirements, the External Auditors have reviewed the Statement for inclusion in the Annual Report of the Group for the Financial Year. Their limited assurance review was performed in accordance with the Audit and Assurance Practice Guide ("AAPG") 3: Guidance for Auditors on Engagements to Report on the Statement on Risk Management and Internal Control included in the Annual Report, issued by the Malaysian Institute of Accountants.

Based on their review, nothing has come to their attention that caused them to believe that the Statement is inconsistent with their understanding of the processes adopted by the Board in reviewing the adequacy and integrity of the systems of risk management and internal control.

CONCLUSION

The Board has received assurance from the Managing Director and the Finance Director that the Group's risk management and internal control systems have operated adequately and effectively for the Financial Year under review, in all material aspects.

The assurance has been given based on the internal controls established and maintained by the Group, work performed and reports provided by the internal audit function, management letters provided by External Auditors, reviews performed by Management and various Board Committees as well as reliance on written confirmations by Management.

The Board is of the view that the existing internal control and risk management systems are adequate and effective for the Financial Year to address the risks which the Group considers relevant and material to its operations. The Board continues to take pertinent measures to sustain and, where required, to improve the Group's risk management and internal control systems in meeting the Group's strategic objectives.

This Statement is made in accordance with the Board's resolution dated 22 June 2021.

AUDIT COMMITTEE REPORT

COMPOSITION OF THE AUDIT COMMITTEE

The members of the Audit Committee during the financial year ended 31 March 2021 are as follows:

DIRECTORS	
Datuk Vijeyaratnam a/l V. Thamotharam Pillay (Chairman, Independent Non-Executive Director)	*– resigned with effect from 12 May 2021*
Ms Tan Kar Leng @ Chen Kar Leng (Member, Independent Non-Executive Director)	*– resigned with effect from 12 May 2021*
Datuk Christopher Martin Boyd (Member, Independent Non-Executive Director)	*– resigned with effect from 12 May 2021*

The composition of the Audit Committee fulfilled the requirements under the Main Market Listing Requirements ("MMLR") of Bursa Malaysia Securities Berhad ("Bursa Securities") and Malaysian Code on Corporate Governance. All three (3) members of the Audit Committee are Independent Non-Executive Directors while the Chairman of the Audit Committee is not the Chairman of the Board. The Chairman, Datuk Vijeyaratnam a/l V. Thamotharam Pillay is a member of the Malaysia Institute of Accountants.

The Nomination, Remuneration and Scheme Committee would review the term of office and performance of the Audit Committee and each of its members annually to determine whether the Audit Committee and members have carried out their duties in accordance with the terms of reference. Pursuant to the assessment carried out by the Nomination, Remuneration and Scheme Committee for the financial year ended 31 March 2021 the Nomination, Remuneration and Scheme Committee was satisfied that the Audit Committee and each of its members had carried out their duties accordance with the terms of reference and the result of the assessment was reported to the Board.

On 12 May 2021, the above Directors ceased as the Chairman/members of AC following their resignation as Directors. The new composition of AC comprising three (3) members, all of whom are Independent Non-Executive Directors as follows:

DIRECTORS	
Mr Khoo Siong Kee (Chairman, Independent Non-Executive Director)	*– appointed with effect from 12 May 2021*
Mr Lim Kien Lai @ Lim Kean Lai (Member, Independent Non-Executive Director)	*– appointed with effect from 12 May 2021*
Ms Tee Bee Kim (Member, Independent Non-Executive Director)	*– appointed with effect from 12 May 2021*

TERMS OF REFERENCE OF THE AUDIT COMMITTEE

The terms of reference of the Audit Committee outlining the Structure of the Audit Committee, Objectives, Authority, Functions and Meetings and Reporting Procedures is available on the Company's website at www.easternandoriental.com.

The Audit Committee held five (5) meetings during the financial year ended 31 March 2021. The details of attendance of the Audit Committee Members are as follows:

NAME OF COMMITTEE MEMBERS	TOTAL MEETINGS ATTENDED	%
1. Datuk Vijeyaratnam a/l V. Thamotharam Pillay	5/5	100
2. Datuk Christopher Martin Boyd	5/5	100
3. Ms Tan Kar Leng @ Chen Kar Leng	5/5	100

SUMMARY OF ACTIVITIES OF THE AUDIT COMMITTEE

The Audit Committee carried out the following activities during the financial year ended 31 March 2021.

Financial Reporting

(i) Reviewed the Group's quarterly results and year-end financial statements before tabling them to the Board for deliberation and its release to Bursa Securities including issues and findings noted in the course of audit of the Group's year-end financial statements; and

(ii) Reviewed the External Auditors' reports in relation to audit, accounting and internal control issues arising from the audit and updates of new developments on accounting standards issued by the Malaysian Accounting Standard Board.

External Audit

(i) Reviewed the audit plan, strategy and scope of the External Auditors prior to the commencement of the annual audit;

(ii) Reviewed the audit fees and non-audit fees paid/payable to the External Auditors;

(iii) Discussed audit matters with the External Auditors without presence of the Management; and

(iv) Reviewed the independence of the External Auditor.

Internal Audit

(i) Reviewed and approved the internal audit plans, scope and coverage of the audit; and

(ii) Reviewed the internal auditors' observations, recommendations for improvements and Management's response thereto and ensure all significant issues are addressed by Management on a timely basis.

Related Party Transactions

(i) Reviewed the related party transactions that arose within the Group to ensure that the transactions are at arm's length basis and on normal commercial terms; and

(ii) Reviewed the general mandate and procedures for recurrent related party transactions on whether the procedures are sufficient to ensure that the recurrent related party transactions are not more favourable to the related party than those generally available to the public and are not to the detriment of the minority shareholders.

OVERVIEW OF INTERNAL AUDIT FUNCTION

The Group's internal audit function, which reports directly to the Audit Committee, is governed by the Group's Internal Audit Charter which defines the purpose, authority, scope of work, responsibility, independence & Code of Ethics. The Group's internal audit function is outsourced to Tricor Axcelasia Sdn Bhd. The Engagement Director is Mr Derek Lee Siew Weng who has diverse professional experience in internal audit, risk management, business continuity and corporate governance advisory. Mr Derek Lee is a Chartered Member of the Institute of Internal Auditors Malaysia, a member of the Malaysian Institute of Accountants and Malaysian Institute of Certified Public Accountants. He is a Certified Internal Auditor (USA), has a Certification in Risk Management Assurance (USA) and Certification in Business Continuity Management (UK).

The number of staff deployed for the internal audit reviews ranges from four (4) to (6) staff per cycle including the Engagement Director. The staff involved in the internal audit reviews possesses professional qualifications and/or a university degree. Certain staff are members of the Institute of Internal Auditors Malaysia. The internal audit staff on the engagement are free from any relationships or conflict of interest, which could impair their objectivity and independence, and the internal audit reviews are conducted using a risk based approach and are guided by the International Professional Practice Framework.

SUMMARY OF INTERNAL AUDIT FUNCTION

The major internal audit activities undertaken during the financial year ended 31 March 2021 are as follows:

(i) formulated annual risk based audit plan taking into account the Group's key risk and Senior Management feedback which was presented to the Audit Committee for approval and reviewed the resource requirements for audit executions;
(ii) performed internal audit reviews in accordance with the approved annual audit plan;
(iii) reviewed the internal controls system and compliance with established policies and procedures as well as statutory requirements where applicable;
(iv) reviewed the adequacy of the policies and procedures of the Group and proposed recommendations for enhancement;
(v) issued internal audit reports incorporating audit recommendations and Management response;
(vi) followed up on the implementation of corrective action plans to ensure satisfactory actions have been taken to address previous internal audit findings; and
(vii) attended Audit Committee meetings to table and discuss the audit reports and followed up on matters raised.

During the financial year ended 31 March 2021, the internal audit reviews were conducted to assess the adequacy and effectiveness of the Group's internal control over the following business processes:

(i) Recurrent Related Party Transactions Procedures
(ii) Enterprise Risk Management Review
(iii) Project Tender
(iv) Project Costing
(v) Business Continuity and Crisis Management of E&O Hotel
(vi) Public Relations and Communications of E&O Hotel

The results of audit reviews are discussed with Senior Management and subsequently, the audit findings, including the recommendations for improvement are presented to the Audit Committee at their scheduled meetings. In addition, follow up reviews of the implementation of action plans are carried out to ensure that corrective actions have been implemented in a timely manner and the results of follow up reviews are also reported to the Audit Committee at their scheduled meetings.

The internal audit reviews conducted did not reveal weaknesses that have resulted in any material losses, contingencies or uncertainties requiring separate disclosure in the Annual Report. The cost incurred in maintaining the outsourced internal audit function for the financial year ended 31 March 2021 amounted to RM151,175.99.

OTHER COMPLIANCE INFORMATION

1. UTILISATION OF PROCEEDS

On 19 December 2019, the Company's subsidiary, Tanjung Pinang Development Sdn Bhd has established an Islamic medium term note programme for the issuance of Islamic medium term notes ("Sukuk Murabahah") of up to RM1.5 billion in nominal value.

The status of the utilisation of proceeds from the First Tranche of RM1.3 billion Sukuk Murabahah is as follows:

PURPOSE	AMOUNT TO BE UTILISED RM' 000	UTILISED AS AT 31 MARCH 2021 RM'000	UNUTILISED AS AT 31 MARCH 2021 RM'000
Loan repayment, development cost, infrastructure costs on STP2A, working capital	750,000	384,100	365,900
Reclamation cost of STP 2B & 2C, working capital	200,000	–	200,000
Repayment of intercompany amount	170,000	170,000	–
Payment of land premium	180,000	–	180,000
Total	**1,300,000**	**554,100**	**745,900**

2. INFORMATION IN RELATION TO LONG-TERM SHARE INCENTIVE PLAN

The Company has established a Long-Term Share Incentive Plan ("LTIP") of up to 10% of the issued and paid-up ordinary shares of the Company (excluding treasury shares) comprising a performance-based restricted share incentive plan ("PSU Award") and a restricted share incentive plan ("RSU Award") for eligible employees and executive directors of the Company and its subsidiaries (excluding dormant subsidiaries). The effective date of implementation of the LTIP is on 26 February 2013 and will be in force for a period of 10 years from the LTIP effective date.

Brief details on the number of ordinary shares ("LTIP Shares") awarded, vested and outstanding since the implementation of the LTIP on 26 February 2013 are set out in the table below:

FOR THE PERIOD FROM 26 FEBRUARY 2013 TO 31 MARCH 2013	TYPE OF GRANT	TOTAL	DIRECTORS AND CHIEF EXECUTIVE	OTHER ELIGIBLE EMPLOYEES
Number of LTIP Shares Granted	PSU Award for FY12/13	1,499,000	444,000	1,055,000
	RSU Award for FY12/13	12,679,100	1,796,000	10,883,100
	Total	**14,178,100**	**2,240,000**	**11,938,100**
Number of LTIP Shares Vested	PSU Award for FY12/13	–	–	–
	RSU Award for FY12/13	–	–	–
	Total	**–**	**–**	**–**
Number of LTIP Shares Forfeited	PSU Award for FY12/13	–	–	–
	RSU Award for FY12/13	–	–	–
	Total	**–**	**–**	**–**
Number of LTIP Shares Outstanding	PSU Award for FY12/13	1,499,000	444,000	1,055,000
	RSU Award for FY12/13	12,679,100	1,796,000	10,883,100
	Total	**14,178,100**	**2,240,000**	**11,938,100**

FOR THE PERIOD FROM 1 APRIL 2013 TO 31 MARCH 2014	TYPE OF GRANT	TOTAL	DIRECTORS AND CHIEF EXECUTIVE	OTHER ELIGIBLE EMPLOYEES
Number of LTIP Shares Granted	PSU Award for FY13/14	906,000	283,000	623,000
	RSU Award for FY13/14	3,680,900	230,000	3,450,900
	Total	**4,586,900**	**513,000**	**4,073,900**
Number of LTIP Shares Vested	PSU Award for FY12/13	–	–	–
	RSU Award for FY12/13	–	–	–
	PSU Award for FY13/14	–	–	–
	RSU Award for FY13/14	–	–	–
	Total	**–**	**–**	**–**
Number of LTIP Shares Forfeited	PSU Award for FY12/13 [(1)]	(106,000)	–	(106,000)
	RSU Award for FY12/13 [(1)]	(1,023,700)	–	(1,023,700)
	PSU Award for FY13/14 [(1)]	(8,000)	–	(8,000)
	RSU Award for FY13/14 [(1)]	(357,800)	–	(357,800)
	Total	**(1,495,500)**	**–**	**(1,495,500)**
Number of LTIP Shares Outstanding	PSU Award for FY12/13	1,393,000	444,000	949,000
	RSU Award for FY12/13	11,655,400	1,796,000	9,859,400
	PSU Award for FY13/14	898,000	283,000	615,000
	RSU Award for FY13/14	3,323,100	230,000	3,093,100
	Total	**17,269,500**	**2,753,000**	**14,516,500**

FOR THE PERIOD FROM 1 APRIL 2014 TO 31 MARCH 2015	TYPE OF GRANT	TOTAL	DIRECTORS AND CHIEF EXECUTIVE	OTHER ELIGIBLE EMPLOYEES
Number of LTIP Shares Granted	PSU Award for FY14/15	680,000	198,000	482,000
	RSU Award for FY14/15	2,360,475	163,000	2,197,475
	Total	**3,040,475**	**361,000**	**2,679,475**
Number of LTIP Shares Vested	PSU Award for FY12/13	–	–	–
	RSU Award for FY12/13	(5,678,700)	(898,000)	(4,780,700)
	PSU Award for FY13/14	–	–	–
	RSU Award for FY13/14	(9,300)	–	(9,300)
	PSU Award for FY14/15	–	–	–
	RSU Award for FY14/15	–	–	–
	Total	**(5,688,000)**	**(898,000)**	**(4,790,000)**

FOR THE PERIOD FROM 1 APRIL 2014 TO 31 MARCH 2015	TYPE OF GRANT	TOTAL	DIRECTORS AND CHIEF EXECUTIVE	OTHER ELIGIBLE EMPLOYEES
Number of LTIP Shares Forfeited	PSU Award for FY12/13 (1)	(33,000)	–	(33,000)
	RSU Award for FY12/13 (1)	(479,000)	–	(479,000)
	PSU Award for FY13/14 (1)	(21,000)	–	(21,000)
	RSU Award for FY13/14 (1)	(443,800)	–	(443,800)
	PSU Award for FY14/15 (1)	(15,000)	–	(15,000)
	RSU Award for FY14/15 (1)	(263,175)	–	(263,175)
	Total	**(1,254,975)**	**–**	**(1,254,975)**
Number of LTIP Shares Outstanding	PSU Award for FY12/13	1,360,000	444,000	916,000
	RSU Award for FY12/13	5,497,700	898,000	4,599,700
	PSU Award for FY13/14	877,000	283,000	594,000
	RSU Award for FY13/14	2,870,000	230,000	2,640,000
	PSU Award for FY14/15	665,000	198,000	467,000
	RSU Award for FY14/15	2,097,300	163,000	1,934,300
	Total	**13,367,000**	**2,216,000**	**11,151,000**

FOR THE PERIOD FROM 1 APRIL 2015 TO 31 MARCH 2016	TYPE OF GRANT	TOTAL	DIRECTORS AND CHIEF EXECUTIVE	OTHER ELIGIBLE EMPLOYEES
Number of LTIP Shares Granted	PSU Award for FY15/16	–	–	–
	RSU Award for FY15/16	–	–	–
	Total	**–**	**–**	**–**
Number of LTIP Shares Vested	PSU Award for FY12/13	(2,013,300)	(657,500)	(1,355,800)
	RSU Award for FY12/13	(5,983,380)	(985,200)	(4,998,180)
	PSU Award for FY13/14	–	–	–
	RSU Award for FY13/14	–	–	–
	PSU Award for FY14/15	–	–	–
	RSU Award for FY14/15	–	–	–
	Total	**(7,996,680)**	**(1,642,700)**	**(6,353,980)**
Number of LTIP Shares Forfeited	PSU Award for FY12/13 (1)	–	–	–
	RSU Award for FY12/13 (1)	(72,970)	–	(72,970)
	PSU Award for FY13/14 (1)	(728,700)	(232,900)	(495,800)
	RSU Award for FY13/14 (1)	(309,000)	–	(309,000)
	PSU Award for FY14/15 (1)	(29,700)	–	(29,700)
	RSU Award for FY14/15 (1)	(231,150)	–	(231,150)
	Total	**(1,371,520)**	**(232,900)**	**(1,138,620)**

FOR THE PERIOD FROM 1 APRIL 2015 TO 31 MARCH 2016	TYPE OF GRANT	TOTAL	DIRECTORS AND CHIEF EXECUTIVE	OTHER ELIGIBLE EMPLOYEES
Number of LTIP Shares Adjusted	PSU Award for FY12/13	653,300	213,500	439,800
	RSU Award for FY12/13	558,650	87,200	471,450
	PSU Award for FY13/14	85,700	27,500	58,200
	RSU Award for FY13/14	268,300	22,300	246,000
	PSU Award for FY14/15	65,200	19,200	46,000
	RSU Award for FY14/15	204,580	15,800	188,780
	Total	**1,835,730**	**385,500**	**1,450,230**
Number of LTIP Shares Outstanding	PSU Award for FY12/13	–	–	–
	RSU Award for FY12/13	–	–	–
	PSU Award for FY13/14	234,000	77,600	156,400
	RSU Award for FY13/14	2,829,300	252,300	2,577,000
	PSU Award for FY14/15	700,500	217,200	483,300
	RSU Award for FY14/15	2,070,730	178,800	1,891,930
	Total	**5,834,530**	**725,900**	**5,108,630**

FOR THE PERIOD FROM 1 APRIL 2016 TO 31 MARCH 2017	TYPE OF GRANT	TOTAL	DIRECTORS AND CHIEF EXECUTIVE	OTHER ELIGIBLE EMPLOYEES
Number of LTIP Shares Granted	PSU Award for FY16/17	–	–	–
	RSU Award for FY16/17	–	–	–
	Total	**–**	**–**	**–**
Number of LTIP Shares Vested	PSU Award for FY12/13	–	–	–
	RSU Award for FY12/13	–	–	–
	PSU Award for FY13/14	(234,000)	(77,600)	(156,400)
	RSU Award for FY13/14	(2,705,600)	(252,300)	(2,453,300)
	PSU Award for FY14/15	–	–	–
	RSU Award for FY14/15	(3,000)	–	(3,000)
	Total	**(2,942,600)**	**(329,900)**	**(2,612,700)**
Number of LTIP Shares Forfeited	PSU Award for FY12/13 (1)	–	–	–
	RSU Award for FY12/13 (1)	–	–	–
	PSU Award for FY13/14 (1)	–	–	–
	RSU Award for FY13/14 (1)	(123,700)	–	(123,700)
	PSU Award for FY14/15 (1)	(230,500)	(161,300)	(69,200)
	RSU Award for FY14/15 (1)	(356,710)	(117,400)	(239,310)
	Total	**(710,910)**	**(278,700)**	**(432,210)**

FOR THE PERIOD FROM 1 APRIL 2016 TO 31 MARCH 2017	TYPE OF GRANT	TOTAL	DIRECTORS AND CHIEF EXECUTIVE	OTHER ELIGIBLE EMPLOYEES
Number of LTIP Shares Outstanding	PSU Award for FY12/13	–	–	–
	RSU Award for FY12/13	–	–	–
	PSU Award for FY13/14	–	–	–
	RSU Award for FY13/14	–	–	–
	PSU Award for FY14/15	470,000	55,900	414,100
	RSU Award for FY14/15	1,711,020	61,400	1,649,620
	Total	**2,181,020**	**117,300**	**2,063,720**

FOR THE PERIOD FROM 1 APRIL 2017 TO 31 MARCH 2018	TYPE OF GRANT	TOTAL	DIRECTORS AND CHIEF EXECUTIVE	OTHER ELIGIBLE EMPLOYEES
Number of LTIP Shares Granted	PSU Award for FY17/18	–	–	–
	RSU Award for FY17/18	–	–	–
	Total	**–**	**–**	**–**
Number of LTIP Shares Vested	PSU Award for FY12/13	–	–	–
	RSU Award for FY12/13	–	–	–
	PSU Award for FY13/14	–	–	–
	RSU Award for FY13/14	–	–	–
	PSU Award for FY14/15	–	–	–
	RSU Award for FY14/15	(1,688,500)	(61,400)	(1,627,100)
	Total	**(1,688,500)**	**(61,400)**	**(1,627,100)**
Number of LTIP Shares Forfeited	PSU Award for FY12/13 [1]	–	–	–
	RSU Award for FY12/13 [1]	–	–	–
	PSU Award for FY13/14 [1]	–	–	–
	RSU Award for FY13/14 [1]	–	–	–
	PSU Award for FY14/15 [2]	(470,000)	(55,900)	(414,100)
	RSU Award for FY14/15 [1]	(22,520)	–	(22,520)
	Total	**(492,520)**	**(55,900)**	**(436,620)**

FOR THE PERIOD FROM 1 APRIL 2017 TO 31 MARCH 2018	TYPE OF GRANT	TOTAL	DIRECTORS AND CHIEF EXECUTIVE	OTHER ELIGIBLE EMPLOYEES
Number of LTIP Shares Outstanding	PSU Award for FY12/13	–	–	–
	RSU Award for FY12/13	–	–	–
	PSU Award for FY13/14	–	–	–
	RSU Award for FY13/14	–	–	–
	PSU Award for FY14/15	–	–	–
	RSU Award for FY14/15	–	–	–
	Total	**–**	**–**	**–**

For the period from 1 April 2018 to 31 March 2021, there were no LTIP Shares granted, vested, forfeited and outstanding.

Note: (1) These LTIP Shares were forfeited as they were granted to eligible employees who resigned subsequent to the grant dates, but prior to vesting dates.

(2) These LTIP Shares were forfeited partly because they were granted to eligible employees who resigned subsequent to the grant dates, but prior to vesting dates, and partly due to non-fulfilment of the vesting conditions for PSU Award.

Non-Executive Directors are not eligible to participate in the LTIP.

The details of the LTIP Shares awarded to Directors and senior management who are key personnel in the Company since the commencement of the LTIP are as follows:

(i) There is no aggregate maximum applicable in percentage.
(ii) The actual percentage awarded to them is 8.1%.

The Company is reviewing the salient features of the LTIP Scheme. Accordingly, no new LTIP grant is made until such time the review is approved by the Board.

3. AUDIT AND NON-AUDIT FEES

The audit fees and non-audit fees paid/payable to the external auditors for the financial year ended 31 March 2021 are set out below:

	COMPANY (RM)	GROUP (RM)
Audit Fees	85,000	798,000
Non-Audit Fees	15,000	34,000
Total	**100,000**	**832,000**

4. MATERIAL CONTRACTS

Other than those disclosed in Note 34 to the financial statements in this Annual Report, there was no material contract entered into by the Company and its subsidiaries involving the interests of the Directors or major shareholders either still subsisting as at 31 March 2021 or entered into since the end of the previous financial year ended 31 March 2020.

5. RECURRENT RELATED PARTY TRANSACTIONS OF A REVENUE OR TRADING NATURE

On 15 September 2020, the Company has obtained shareholders' mandate for the Company and its subsidiaries to enter into recurrent related party transactions of a revenue or trading nature with related parties.

The aggregate value of transactions conducted pursuant to the shareholders' mandate for the financial year ended 31 March 2021 are as follows:

CATEGORIES OF TRANSACTIONS	TRANSACTING PARTY	RELATED PARTY	VALUE OF TRANSACTIONS RM'000
Procurement of interior design and consultancy services, architectural and building consultancy services, project management services and related ancillary services, and graphic design and signage consultancy and 3D perspective rendering works	GDP Architects Sdn Bhd	Kamil Ahmad Merican [1]	1,500
Procurement of interior design services and the purchase of interior design products	Interiors International (M) Sdn Bhd	Dato' Seri Tham Ka Hon [2]	212
Procurement of services in relation to piling and main building construction works, bridge construction, edge protection and reclamation works at Seri Tanjung Pinang Phase 2 and other E&O projects	Future Rock Sdn Bhd and Kerjaya Prospek (M) Sdn Bhd	Datuk Tee Eng Ho [3]	223,330

Notes: (1) Kamil Ahmad Merican is a Director of the Company and is a Chief Executive Officer, Director and major shareholder of GDP Architects Sdn Bhd. Kamil Ahmad Merican has subsequently resigned as a Director of the Company with effect from 12 May 2021.

(2) The Directors and major shareholders of Interiors International (M) Sdn Bhd are Datin Tham Oi Fah ("DTOF") and her spouse. DTOF is the sister of Dato' Seri Tham Ka Hon ("DSTKH"). DSTKH is a Director and major shareholder of the Company.

(3) Datuk Tee Eng Ho is a Director and major shareholder of the Company. The Directors of Future Rock Sdn Bhd are Datuk Tee Eng Ho and his brother Mr Tee Eng Seng and the Directors of Kerjaya Prospek (M) Sdn Bhd are Datuk Tee Eng Ho, his spouse Datin Toh Siew Chuon and Mr Tee Eng Seng. Mr Tee Eng Seng and Datin Toh Siew Chuon are also major shareholders of the Company.

FINANCIAL STATEMENTS 2021

DIRECTORS' REPORT

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

PRINCIPAL ACTIVITIES

The principal activities of the Company are investment holding and the provision of management services to its subsidiaries.

The principal activities of the subsidiaries and joint ventures are disclosed in Notes 19 and 20 to the financial statements respectively.

RESULTS

	GROUP RM'000	COMPANY RM'000
(Loss)/profit for the financial year	(69,225)	26,151
Attributable to:		
Owners of the parent	(71,741)	26,151
Non-controlling interests	2,516	–
	(69,225)	26,151

There were no material transfers to or from reserves or provisions during the financial year other than as disclosed in the financial statements.

In the opinion of the Directors, the results of the operations of the Group and of the Company during the financial year were not substantially affected by any item, transaction or event of a material and unusual nature except for the effects arising from unrealised gain on foreign exchange, net fair value loss on investment properties, impairment loss on right-of-use assets and property development costs written down of the Group and net impairment loss on interest in subsidiaries of the Company as disclosed in Notes 6 and 8 to the financial statements respectively.

DIVIDEND

Dividend paid by the Company since 31 March 2020 was as follows:

	RM'000
In respect of the financial year ended 31 March 2020 as reported in the Directors' report of that year:	
First and final single-tier dividend of 1.0 sen on 1,431,348,925 ordinary shares declared on 29 June 2020 and paid on 28 September 2020	14,313

The Directors do not recommend the payment of any dividend in respect of the financial year ended 31 March 2021.

DIRECTORS

The names of the Directors of the Company in office since the beginning of the financial year to the date of this report are:

Dato' Seri Tham Ka Hon*	
Kok Tuck Cheong*	
Datuk Tee Eng Ho*	
Khoo Siong Kee	*(Appointed on 12 May 2021)*
Lim Kien Lai @ Lim Kean Lai	*(Appointed on 12 May 2021)*
Tee Bee Kim	*(Appointed on 12 May 2021)*
Tan Sri Dato' Seri Mohd Bakke bin Salleh	*(Resigned on 10 May 2021)*
Kamil Ahmad Merican^	*(Resigned on 12 May 2021)*
Datuk Vijeyaratnam A/L V.Thamotharam Pillay	*(Resigned on 12 May 2021)*
Kok Meng Chow*	*(Resigned on 12 May 2021)*
Datuk Christopher Martin Boyd	*(Resigned on 12 May 2021)*
Tan Kar Leng @ Chen Kar Leng	*(Resigned on 12 May 2021)*
Dato' Azizan bin Abd Rahman^	*(Resigned on 12 May 2021)*

* These Directors are also directors of certain subsidiaries of the Company.

^ These Directors are also directors of certain subsidiaries of the Company prior to their resignation as directors of these subsidiaries on 12 May 2021.

The names of the directors of the Company's subsidiaries in office since the beginning of the financial year to the date of this report, not including those directors listed above are:

Lum Kwok Weng @ Lum Kok Weng	
Chai Kim-Lyn	
Tan Hwee Hian	
Yeonzon Yeow Tzui Tzuan	
Loi Kok Mun	
Renata Agnes Pellegrino	
Ng Ee Choo, Linda	
Dato' Mohd Bazid bin Abd Kahar	
Aziz bin Bakar	
Syahid bin Mohd Zain	*(Appointed on 16 February 2021)*
Sufian bin Abdullah	*(Resigned on 29 January 2021)*

DIRECTORS' BENEFITS

Neither at the end of the financial year, nor at any time during that financial year, did there subsist any arrangement to which the Company was a party, whereby the Directors might acquire benefits by means of the acquisition of shares in or debentures of the Company or any other body corporate.

Since the end of the previous financial year, no Director has received or become entitled to receive a benefit (other than benefits included in the aggregate amount of emoluments received or due and receivable by the Directors or the fixed salary of a full-time employee of the Company as shown below) by reason of a contract made by the Company or a related corporation with any Director or with a firm of which the Director is a member, or with a company in which the Director has a substantial financial interest, except as disclosed in Note 34 to the financial statements.

The Directors' benefits are as follows:

	GROUP RM'000	COMPANY RM'000
Fees	1,176	1,075
Salaries and other emoluments	3,299	884
Defined contribution plans	466	129
Estimated monetary value of benefits-in-kind	203	162
	5,144	2,250
Insurance effected to indemnify Directors*	75	75
	5,219	2,325

* The Company maintains a liability insurance for the Directors of the Company. The total amount of sum insured for Directors of the Company for the financial year amounted to RM21,000,000.

DIRECTORS' INTERESTS

According to the register of Directors' shareholdings, the interests of Directors in office at the end of the financial year in ordinary shares in the Company during the financial year were as follows:

INTERESTS IN THE COMPANY

	NUMBER OF ORDINARY SHARES			
	1 APRIL 2020	ACQUIRED	SOLD	31 MARCH 2021
Direct interests:				
Dato' Seri Tham Ka Hon	48,352,590	–	–	48,352,590
Dato' Azizan bin Abd Rahman	8,354,412	–	–	8,354,412
Kamil Ahmad Merican	2,145,825	–	–	2,145,825
Kok Meng Chow	1,643,223	–	–	1,643,223
Datuk Christopher Martin Boyd	11,444	–	–	11,444
Datuk Vijeyaratnam A/L V. Thamotharam Pillay	500,000	–	–	500,000
Indirect interests:				
Datuk Tee Eng Ho	298,813,003	206,446,923	–	505,259,926
Dato' Seri Tham Ka Hon	221,513,058	–	–	221,513,058

Datuk Tee Eng Ho by virtue of his interest in ordinary shares in the Company is also deemed interested in shares of all the Company's subsidiaries to the extent the Company has an interest.

None of the other Directors in office at the end of the financial year had any interest in ordinary shares in the Company or its related corporations during the financial year.

TREASURY SHARES

As at 31 March 2021, the Company held as treasury shares a total of 25,592,596 of its 1,456,941,521 issued ordinary shares. Such treasury shares are held at a carrying amount of RM28,160,000 and further relevant details are disclosed in Note 31 to the financial statements.

OTHER STATUTORY INFORMATION

(a) Before the statements of comprehensive income and statements of financial position of the Group and of the Company were made out, the Directors took reasonable steps:

(i) to ascertain that proper action had been taken in relation to the writing off of bad debts and the making of allowance for doubtful debts and satisfied themselves that all known bad debts had been written off and that adequate allowance had been made for doubtful debts; and

(ii) to ensure that any current assets which were unlikely to realise their values as shown in the accounting records in the ordinary course of business had been written down to an amount which they might be expected so to realise.

(b) At the date of this report, the Directors are not aware of any circumstances which would render:

(i) the amount written off for 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; and

(ii) the values attributed to the current assets in the financial statements of the Group and of the Company misleading.

(c) At the date of this report, the Directors are not aware of any circumstances 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.

(d) At the date of this report, the Directors are not aware of any circumstances not otherwise dealt with in this report or financial statements of the Group and of the Company which would render any amount stated in the financial statements misleading.

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

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

(ii) any contingent liability of the Group or of the Company which has arisen since the end of the financial year.

(f) In the opinion of the Directors:

(i) no contingent or other liability has become enforceable or is likely to become enforceable within the period of twelve months after the end of the financial year which will or may affect the ability of the Group or of the Company to meet their obligations when they fall due; and

(ii) no item, transaction or event of a material and unusual nature has arisen in the interval between the end of the financial year and the date of this report which is likely to affect substantially the results of the operations of the Group or of the Company for the financial year in which this report is made.

MATERIAL LITIGATION

Details of material litigation are disclosed in Note 42 to the financial statements.

SIGNIFICANT EVENT

Details of significant event are disclosed in Note 43 to the financial statements.

AUDITORS AND AUDITORS' REMUNERATION

The auditors, Ernst & Young PLT, have expressed their willingness to continue in office.

Auditors' remuneration are as follows:

	GROUP RM'000	COMPANY RM'000
Ernst & Young PLT	433	85
Other auditors	365	–
	798	85

INDEMNIFICATION OF AUDITORS

To the extent permitted by law, the Company has agreed to indemnify its auditors, Ernst & Young PLT, as part of the terms of its audit engagement against claims by third parties arising from the audit. No payment has been made to indemnify Ernst & Young PLT for the financial year ended 31 March 2021.

Signed on behalf of the Board in accordance with a resolution of the Directors dated 8 July 2021.

DATUK TEE ENG HO **KOK TUCK CHEONG**

STATEMENT BY DIRECTORS

PURSUANT TO SECTION 251(2) OF THE COMPANIES ACT 2016

We, Datuk Tee Eng Ho and Kok Tuck Cheong, being two of the Directors of Eastern & Oriental Berhad, do hereby state that, in the opinion of the Directors, the accompanying financial statements set out on pages 112 to 224 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 March 2021 and of their financial performance and cash flows for the financial year then ended.

Signed on behalf of the Board in accordance with a resolution of the Directors dated 8 July 2021.

DATUK TEE ENG HO

KOK TUCK CHEONG

STATUTORY DECLARATION

PURSUANT TO SECTION 251(1)(B) OF THE COMPANIES ACT 2016

I, Kok Meng Chow, being the Officer primarily responsible for the financial management of Eastern & Oriental Berhad, do solemnly and sincerely declare that the accompanying financial statements set out on pages 112 to 224 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.

Subscribed and solemnly declared
by the abovenamed Kok Meng Chow
at Kuala Lumpur in the Federal Territory
on 8 July 2021

KOK MENG CHOW
MIA no. 6185

Before me,
ABDUL SHUKOR MD NOOR
No. W725
Commissioner of Oaths

INDEPENDENT AUDITORS' REPORT

TO THE MEMBERS OF EASTERN & ORIENTAL BERHAD (INCORPORATED IN MALAYSIA)

REPORT ON THE AUDIT OF THE FINANCIAL STATEMENTS

Opinion

We have audited the financial statements of Eastern & Oriental Berhad, which comprise the statements of financial position as at 31 March 2021 of the Group and of the Company, and the statements of comprehensive income, statements of changes in equity and statements of cash flows of the Group and of the Company for the financial year then ended, and notes to the financial statements, including a summary of significant accounting policies, as set out on pages 112 to 224.

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 March 2021, and of their financial performance and cash flows for the financial year then ended in accordance with Malaysian Financial Reporting Standards, International Financial Reporting Standards and the requirements of the Companies Act 2016 in Malaysia.

Basis for opinion

We conducted our audit in accordance with approved standards on auditing in Malaysia and International Standards on Auditing. Our responsibilities under those standards are further described in the Auditors' responsibilities for the audit of the financial statements section of our 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 (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 financial year. These matters were addressed in the context of our audit of the financial statements of the Group and of the Company as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters. For each matter below, our description of how our audit addressed the matter is provided in that context.

We have fulfilled the responsibilities described in the Auditors' responsibilities for the audit of the financial statements section of our report, including in relation to these matters. Accordingly, our audit included the performance of procedures designed to respond to our assessment of the risks of material misstatement of the financial statements. The results of our audit procedures, including the procedures performed to address the matters below, provide the basis of our audit opinion on the accompanying financial statements.

(a) Revenue from sale of completed properties and land

(Refer to Notes 2.21(1), 3.1(a) and 4 to the financial statements)

A significant proportion of the Group's revenue are derived from sale of completed properties and land. For the financial year ended 31 March 2021, revenue from sale of completed properties and land of RM176,630,000 which was recognised at a point in time represented 58% of the Group's total revenue. We identified revenue from sale of completed properties and land as area requiring audit focus due to the significance of the amount.

To address these areas of audit focus, we performed, amongst others, the following procedures:

- We obtained an understanding of the internal controls over the recognition of revenue for sale of completed properties and land;
- We read the sale and purchase agreements entered with customers to obtain an understanding of the specific terms and conditions; and
- We assessed the recognition of revenue for sale of completed properties and land by examining documents which evidenced that control has been passed to the customer upon fulfilment of the contractual terms and conditions under the sale and purchase agreement.

(b) Net realisable value of land held for property development and property development costs classified as inventories

(Refer to Notes 2.9(b), 3.2(c), 16(a) and 16(b) to the financial statements)

As at 31 March 2021, the Group has significant land held for property development amounted to RM1,721,776,000 representing 48% of the Group's total assets, which mainly comprises freehold land and reclaimed leasehold land held for future property development projects. The Group also has significant property development costs amounted to RM427,096,000 representing 12% of the Group's total assets as at 31 March 2021 in relation to the residential and commercial properties in the United Kingdom ("UK") which are currently undergoing redevelopment.

We considered this to be an area of audit focus as the estimate of net realisable value often involves certain degree of subjectivity. To address this area of audit focus, we performed, amongst others, the following procedures:

- In respect of the land held for property development, we evaluated the management's assessment of the estimated selling price less estimated costs necessary to make the sale by comparing to recent transacted prices of similar land within the vicinity. Where the Group engaged independent valuers to estimate the fair value of these land:
  - We considered the objectivity, independence and expertise of the firms of independent valuers;
  - We obtained an understanding of the methodology adopted by the independent valuers in estimating the fair value of these land and assessed whether such methodology is consistent with those used in the industry; and
  - We had discussions with the independent valuers to obtain an understanding of their valuation process which included assessment of the comparability of historical transactions used and the adjustments made to account for differences in, amongst others, the property's location, time factor, property's size and tenure.
- In respect of the property development costs, we involved our component auditors in UK in performing, amongst others, the following:
  - Considered the objectivity, independence and expertise of the firms of independent valuers;
  - Obtained an understanding of the methodology adopted by the independent valuers in estimating the net realisable value of the property development costs and assessed whether such methodology is consistent with those used in the industry; and
  - Discussed with the independent valuers to obtain an understanding of the property related data used as inputs to the valuation model and evaluated those inputs, such as the estimated costs to complete the development and estimated costs necessary to make the sale, by comparing them with the available market data.

We assessed the adequacy of the Group's disclosures made in the financial statements in relation to land held for property development and property development costs.

(c) Valuation of investment properties

(Refer to Notes 2.10, 2.29, 3.2(b), 6, 8 and 17 to the financial statements)

The Group adopts fair value model for its investment properties. As at 31 March 2021, the carrying amount of the Group's investment properties was RM358,239,000 representing 10% of the Group's total assets, and the Group recognised a net fair value loss on investment properties of RM37,377,000 for the current financial year ended 31 March 2021.

The valuations of these assets include the use of valuation method which is based on assumptions that are highly judgemental, in particular, the assumptions on void rate, rental rate, yield rate and discount rate. Accordingly, we considered this to be an area of audit focus.

Our audit procedures focused on the valuations performed by firms of independent valuers, which included amongst others the following procedures:

- We considered the objectivity, independence and expertise of the firms of independent valuers;
- We obtained an understanding of the methodology adopted by the independent valuers in estimating the fair value of the investment properties and assessed whether such methodology is consistent with those used in the industry;
- We had discussions with the independent valuers to obtain an understanding of the property related data used as input to the valuation models which included, amongst others, void rate, rental rate, yield rate and discount rate;
- We evaluated the assumptions made in respect of void rate, rental rate and yield rate applied in the valuation by comparing them with available industry data, taking into consideration the current and expected outlook of the industry;
- We also assessed whether the discount rates used to determine the present value of the cash flows reflects the return that investors would require if they were to choose an investment that would generate cash flows of amounts, timing and risk profile equivalent to those that the entity expects to derive; and
- In respect of the investment property held by a subsidiary audited by component auditors, we involved the component auditors in performing, amongst others, the abovementioned procedures.

(d) Impairment of (i) property, plant and equipment ("PPE") of the hospitality segment and (ii) interest in a subsidiary

(Refer to Notes 2.6, 2.8, 2.12, 3.2(d), 3.2(g),14 and 19 to the financial statements)

i. The hospitality segment of the Group reported significant loss for the current financial year ended 31 March 2021 as the performance of the hospitality businesses has been adversely impacted by the COVID-19 pandemic. This provided indication that the carrying amount of the PPE of hospitality segment amounting to RM233,229,000 may be impaired. Consequently, management engaged independent valuers to estimate the recoverable amount of the Group's PPE of the hospitality segment based on fair value less costs of disposal ("FVLCD") method.

ii. The PPE of the hospitality segment as mentioned above are held by a subsidiary of the Company. The significant loss reported by this subsidiary for the current financial year ended 31 March 2021 was contributed by the cessation of a business unit and the adverse impact from the COVID-19 pandemic on its financial performance. This indicated that the carrying amount of the interest in this subsidiary may be impaired. Management engaged independent valuers to estimate the recoverable amount of the interest in this subsidiary based on FVLCD method. The impairment assessment gave rise to an impairment loss of RM65,879,000 for the financial year ended 31 March 2021. The net carrying amount of the interest in this subsidiary as at 31 March 2021 amounted to RM173,642,000.

Due to the subjective nature of the impairment assessment, we considered the impairment assessment of these assets to be an area of audit focus. Our audit procedures focused on the valuation performed by the independent valuers, which included amongst others the following procedures:

- We considered the objectivity, independence and expertise of the independent valuers;
- We obtained an understanding of the methodology adopted by the independent valuers and assessed whether such methodology is consistent with those used in the industry;
- We had discussions with the independent valuers to obtain an understanding of the property related data used as input to the valuation models which included, amongst others, occupancy rate, rental rate, yield rate and discount rate;
- We evaluated the reasonableness of occupancy rate, rental rate and yield rate applied in the valuation by comparing them with available industry data, taking into consideration the current and expected outlook of the industry; and
- We also assessed whether the discount rate used to determine the present value of the cash flows reflects the return that investors would require if they were to choose an investment that would generate cash flows of amounts, timing and risk profile equivalent to those that the entity expects to derive.

Information other than the financial statements and auditors' report thereon

The Directors of the Company are responsible for the other information. The other information comprises the information included in the annual report, but does not include the financial statements of the Group and of the Company and our auditors' report thereon.

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

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

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

Responsibilities of the Directors for the financial statements

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

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

Auditor's 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;

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

- 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; and

- Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Group to express an opinion on the financial statements of the Group. We are responsible for the direction, supervision and performance of the group audit. We remain solely responsible for our audit opinion.

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

We also provide the Directors with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, actions taken to eliminate threats or safeguards applied.

From the matters communicated with the Directors, we determine those matters that were of most significance in the audit of the financial statements of the Group and of the Company for the current financial year and are therefore the key audit matters. We describe these matters in our auditors' report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

REPORT ON OTHER LEGAL AND REGULATORY REQUIREMENTS

In accordance with the requirements of the Companies Act 2016 in Malaysia, we report that the subsidiaries of which we have not acted as auditors, are disclosed in Note 19 to the financial statements.

OTHER MATTER

This report is made solely to the members of the Company, as a body, in accordance with Section 266 of the Companies Act 2016 in Malaysia and for no other purpose. We do not assume responsibility to any other person for the content of this report.

ERNST & YOUNG PLT
202006000003 (LLP0022760-LCA) & AF 0039
Chartered Accountants

TSEU TET KHONG @ TSAU TET KHONG
03374/06/2022 J
Chartered Accountant

Kuala Lumpur, Malaysia
8 July 2021

STATEMENTS OF COMPREHENSIVE INCOME

FOR THE FINANCIAL YEAR ENDED 31 MARCH 2021

	NOTE	GROUP 2021 RM'000	GROUP 2020 RM'000	COMPANY 2021 RM'000	COMPANY 2020 RM'000
Revenue	4	**304,725**	486,802	**96,451**	144,712
Cost of sales	5	**(181,953)**	(284,519)	**–**	–
Gross profit		**122,772**	202,283	**96,451**	144,712
Other income	6	**75,397**	32,213	**12,047**	13,321
Administrative expenses		**(36,010)**	(74,017)	**(9,440)**	(24,705)
Selling and marketing expenses		**(3,386)**	(5,895)	**–**	–
Other expenses		**(166,874)**	(243,939)	**(68,882)**	(98,041)
Operating (loss)/profit		**(8,101)**	(89,355)	**30,176**	35,287
Finance costs	7	**(33,791)**	(61,990)	**(3,771)**	(25,236)
Share of results of joint ventures		**(6,146)**	(4,265)	**–**	–
(Loss)/profit before tax	8	**(48,038)**	(155,610)	**26,405**	10,051
Income tax expense	11	**(21,187)**	(36,728)	**(254)**	(2,173)
(Loss)/profit for the financial year		**(69,225)**	(192,338)	**26,151**	7,878
Other comprehensive loss to be reclassified to profit or loss in subsequent periods (net of tax):					
Foreign currency translation, representing total other comprehensive loss to be reclassified to profit or loss in subsequent periods (net of tax)		**(12,629)**	(765)	**–**	–
Total comprehensive (loss)/income for the financial year		**(81,854)**	(193,103)	**26,151**	7,878
(Loss)/profit attributable to:					
Owners of the parent		**(71,741)**	(195,942)	**26,151**	7,878
Non-controlling interests	19(c)	**2,516**	3,604	**–**	–
		(69,225)	(192,338)	**26,151**	7,878
Total comprehensive (loss)/income for the financial year attributable to:					
Owners of the parent		**(84,370)**	(196,707)	**26,151**	7,878
Non-controlling interests		**2,516**	3,604	**–**	–
		(81,854)	(193,103)	**26,151**	7,878
Loss per ordinary share attributable to owners of the parent (sen):					
Basic	12	**(5.01)**	(13.68)		
Diluted	12	**(5.01)**	(13.68)		

The accompanying accounting policies and explanatory notes form an integral part of the financial statements.

CONSOLIDATED STATEMENT OF FINANCIAL POSITION

AS AT 31 MARCH 2021

	NOTE	2021 RM'000	2020 RM'000
ASSETS			
Non-current assets			
Property, plant and equipment	14	**241,371**	254,941
Right-of-use assets	15	**4,546**	39,599
Inventories	16	**1,721,776**	1,487,588
Investment properties	17	**358,239**	375,086
Intangible assets	18	**62**	18
Investment in joint ventures	20	**121,784**	143,499
Other investments	21	**8,966**	3,489
Deferred tax assets	22	**23,971**	17,736
Trade and other receivables	24	**2,078**	9,476
		2,482,793	2,331,432
Current assets			
Inventories	16	**433,597**	552,346
Trade and other receivables	24	**194,310**	115,515
Prepayments		**9,381**	12,886
Tax recoverable		**3,232**	6,951
Contract assets	4(b)	**964**	–
Contract cost assets	23	**21,517**	24,946
Cash and bank balances	25	**469,298**	296,430
		1,132,299	1,009,074
Non-current assets classified as held for sale	26	**–**	45,468
		1,132,299	1,054,542
Total assets		**3,615,092**	3,385,974

CONSOLIDATED STATEMENT OF FINANCIAL POSITION

AS AT 31 MARCH 2021 (CONT'D)

	NOTE	2021 RM'000	2020 RM'000
EQUITY AND LIABILITIES			
Current liabilities			
Loans and borrowings	27	**143,372**	301,684
Provisions	28	**2,300**	5,039
Trade and other payables	29	**287,597**	151,998
Contract liabilities	4(b)	**200,558**	246,713
Lease liabilities	15	**15,417**	5,546
Provision for retirement benefits	33(a)	**15**	32
Income tax payable		**3,123**	3,159
		652,382	714,171
Net current assets		**479,917**	340,371
Non-current liabilities			
Loans and borrowings	27	**1,123,277**	742,577
Provisions	28	**1,185**	374
Trade and other payables	29	**10,571**	18,022
Contract liabilities	4(b)	**18,103**	–
Lease liabilities	15	**52,853**	56,858
Provision for retirement benefits	33(a)	**466**	403
Deferred tax liabilities	22	**39,839**	40,986
		1,246,294	859,220
Total liabilities		**1,898,676**	1,573,391
Net assets		**1,716,416**	1,812,583
Equity attributable to owners of the parent			
Share capital	30	**1,521,802**	1,521,802
Treasury shares	31	**(28,160)**	(28,160)
Reserves	32	**175,137**	273,820
		1,668,779	1,767,462
Non-controlling interests	19(c)	**47,637**	45,121
Total equity		**1,716,416**	1,812,583
Total equity and liabilities		**3,615,092**	3,385,974

The accompanying accounting policies and explanatory notes form an integral part of the financial statements.

COMPANY STATEMENT OF FINANCIAL POSITION

AS AT 31 MARCH 2021

	NOTE	2021 RM'000	2020 RM'000
ASSETS			
Non-current assets			
Property, plant and equipment	14	**1,375**	884
Right-of-use assets	15	**4,546**	2,899
Intangible assets	18	**–**	–
Interest in subsidiaries	19	**1,452,501**	1,546,927
Other receivables	24	**277**	–
Deferred tax assets	22	**–**	21
		1,458,699	1,550,731
Current assets			
Other receivables	24	**104,045**	111,282
Prepayments		**182**	134
Tax recoverable		**52**	–
Cash and bank balances	25	**114,956**	153,608
		219,235	265,024
Total assets		**1,677,934**	1,815,755
EQUITY AND LIABILITIES			
Current liabilities			
Loans and borrowings	27	**32,510**	195,696
Provisions	28	**–**	39
Trade and other payables	29	**66,209**	44,178
Lease liabilities	15	**755**	856
Income tax payable		**–**	1,092
		99,474	241,861
Net current assets		**119,761**	23,163
Non-current liabilities			
Loans and borrowings	27	**25,000**	35,000
Provisions	28	**857**	–
Lease liabilities	15	**4,000**	2,129
		29,857	37,129
Total liabilities		**129,331**	278,990
Net assets		**1,548,603**	1,536,765
Equity attributable to owners of the parent			
Share capital	30	**1,521,802**	1,521,802
Treasury shares	31	**(28,160)**	(28,160)
Reserves	32	**54,961**	43,123
Total equity		**1,548,603**	1,536,765
Total equity and liabilities		**1,677,934**	1,815,755

The accompanying accounting policies and explanatory notes form an integral part of the financial statements.

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

FOR THE FINANCIAL YEAR ENDED 31 MARCH 2021

	NOTE	SHARE CAPITAL RM'000	TREASURY SHARES RM'000
At 1 April 2020		1,521,802	(28,160)
(Loss)/profit for the financial year		–	–
Other comprehensive loss		–	–
Total comprehensive loss for the financial year		–	–
Transactions with owners			
Winding up of subsidiaries		–	–
Dividend on ordinary shares	13	–	–
Total transactions with owners		–	–
At 31 March 2021		**1,521,802**	**(28,160)**

	NOTE	SHARE CAPITAL RM'000	TREASURY SHARES RM'000
At 1 April 2019		1,521,789	(27,719)
(Loss)/profit for the financial year		–	–
Other comprehensive loss		–	–
Total comprehensive loss for the financial year		–	–
Transactions with owners			
Issue of ordinary shares pursuant to warrants exercised	30	13	–
Purchase of treasury shares	31	–	(441)
Dividend on ordinary shares	13	–	–
Total transactions with owners		13	(441)
At 31 March 2020		1,521,802	(28,160)

The accompanying accounting policies and explanatory notes form an integral part of the financial statements.

	ATTRIBUTABLE TO OWNERS OF THE PARENT					
	NON-DISTRIBUTABLE		DISTRIBUTABLE			
	FOREIGN CURRENCY TRANSLATION RESERVE RM'000	OTHER RESERVE RM'000	RETAINED PROFITS RM'000	TOTAL RM'000	NON-CONTROLLING INTERESTS RM'000	TOTAL EQUITY RM'000
	(4,426)	1,026	277,220	1,767,462	45,121	1,812,583
	–	–	(71,741)	(71,741)	2,516	(69,225)
	(12,629)	–	–	(12,629)	–	(12,629)
	(12,629)	–	(71,741)	(84,370)	2,516	(81,854)
	–	(920)	920	–	–	–
	–	–	(14,313)	(14,313)	–	(14,313)
	–	(920)	(13,393)	(14,313)	–	(14,313)
	(17,055)	**106**	**192,086**	**1,668,779**	**47,637**	**1,716,416**

	ATTRIBUTABLE TO OWNERS OF THE PARENT					
	NON-DISTRIBUTABLE		DISTRIBUTABLE			
	FOREIGN CURRENCY TRANSLATION RESERVE RM'000	OTHER RESERVE RM'000	RETAINED PROFITS RM'000	TOTAL RM'000	NON-CONTROLLING INTERESTS RM'000	TOTAL EQUITY RM'000
	(3,661)	1,026	516,139	2,007,574	41,517	2,049,091
	–	–	(195,942)	(195,942)	3,604	(192,338)
	(765)	–	–	(765)	–	(765)
	(765)	–	(195,942)	(196,707)	3,604	(193,103)
	–	–	–	13	–	13
	–	–	–	(441)	–	(441)
	–	–	(42,977)	(42,977)	–	(42,977)
	–	–	(42,977)	(43,405)	–	(43,405)
	(4,426)	1,026	277,220	1,767,462	45,121	1,812,583

COMPANY STATEMENT OF CHANGES IN EQUITY

FOR THE FINANCIAL YEAR ENDED 31 MARCH 2021

	NOTE	SHARE CAPITAL RM'000	NON-DISTRIBUTABLE TREASURY SHARES RM'000	DISTRIBUTABLE RETAINED PROFITS RM'000	TOTAL EQUITY RM'000
At 1 April 2020		1,521,802	(28,160)	43,123	1,536,765
Profit for the financial year, representing total comprehensive income for the financial year		–	–	26,151	26,151
Transaction with owners					
Dividend on ordinary shares, representing total transaction with owners	13	–	–	(14,313)	(14,313)
At 31 March 2021		**1,521,802**	**(28,160)**	**54,961**	**1,548,603**

	NOTE	SHARE CAPITAL RM'000	NON-DISTRIBUTABLE TREASURY SHARES RM'000	DISTRIBUTABLE RETAINED PROFITS RM'000	TOTAL EQUITY RM'000
At 1 April 2019		1,521,789	(27,719)	78,222	1,572,292
Profit for the financial year, representing total comprehensive income for the financial year		–	–	7,878	7,878
Transactions with owners					
Issue of ordinary shares pursuant to warrants exercised	30	13	–	–	13
Purchase of treasury shares	31	–	(441)	–	(441)
Dividend on ordinary shares	13	–	–	(42,977)	(42,977)
Total transactions with owners		13	(441)	(42,977)	(43,405)
At 31 March 2020		1,521,802	(28,160)	43,123	1,536,765

The accompanying accounting policies and explanatory notes form an integral part of the financial statements.

CONSOLIDATED STATEMENT OF CASH FLOWS

FOR THE FINANCIAL YEAR ENDED 31 MARCH 2021

	2021 RM'000	2020 RM'000
OPERATING ACTIVITIES		
Loss before tax	**(48,038)**	(155,610)
Adjustments for:		
Allowances for expected credit losses on:		
- trade receivables	**1,039**	813
- other receivables	**–**	2
Amortisation of intangible assets	**18**	75
Depreciation of property, plant and equipment	**16,761**	14,095
Depreciation of right-of-use assets	**5,657**	9,130
Net gain on derecognition of lease liabilities	**–**	(46)
Bad debts written off	**4**	40
Net fair value loss on investment properties	**37,377**	120,256
Unwinding of discounts - net	**159**	(1,846)
Fair value gain on other investments at fair value through profit or loss	**(5,477)**	(176)
Interest expense	**32,782**	61,487
Other inventories written off	**156**	–
Property, plant and equipment written off	**168**	260
Impairment loss on right-of-use assets	**31,913**	19,458
Property development costs written down	**64,520**	69,862
Reversal of expected credit losses on:		
- trade receivables	**(4)**	–
- other receivables	**–**	(36)
Net (gain)/loss on disposal of property, plant and equipment	**(16)**	15
Unrealised gain on foreign exchange	**(43,801)**	(1,323)
Impairment loss on property, plant and equipment	**31**	–
Interest income	**(7,273)**	(23,998)
Dividend income	**–**	(11)
Share of results of joint ventures	**6,146**	4,265
(Reversal of provision)/provision for estimated repair costs	**(2,790)**	5,000
Provision for retirement benefits	**79**	164
Operating profit before changes in working capital - carried forward	**89,411**	121,876

CONSOLIDATED STATEMENT OF CASH FLOWS

FOR THE FINANCIAL YEAR ENDED 31 MARCH 2021 (CONT'D)

	2021 RM'000	2020 RM'000
Operating profit before changes in working capital - brought forward	**89,411**	121,876
Changes in working capital:		
Inventories	**(116,940)**	44,508
Receivables	**(24,858)**	101,075
Payables	**94,503**	(235,836)
Contract cost assets	**3,429**	(8,505)
Cash flows from operations	**45,545**	23,118
Interest received	**6,668**	24,272
Interest paid	**(46,859)**	(56,256)
Income taxes refunded	**–**	946
Income taxes paid	**(24,977)**	(81,057)
Retirement benefits paid	**(33)**	(13)
Net cash flows used in operating activities	**(19,656)**	(88,990)
INVESTING ACTIVITIES		
Purchase of property, plant and equipment	**(2,505)**	(40,182)
Purchase of intangible assets	**(62)**	–
Purchase of investment properties/investment properties under construction		
- addition and subsequent expenditures	**(12,817)**	(7,258)
Proceeds from disposal of property, plant and equipment	**17**	92
Dividend received from joint ventures	**15,300**	19,934
Additional investment in a joint venture	**–**	(128)
Other dividends received	**–**	11
Net cash flows used in investing activities	**(67)**	(27,531)
FINANCING ACTIVITIES		
Purchase of treasury shares	**–**	(441)
Proceeds from issuance of ordinary shares	**–**	13
Drawdown of borrowings	**428,294**	517,268
Repayment of borrowings	**(187,002)**	(922,369)
Repayment of obligations under finance lease	**(506)**	(599)
Repayment of lease liabilities	**(1,019)**	(10,487)
Dividend paid	**(14,313)**	(42,977)
Withdrawal/(placement) of deposits with licensed banks	**5,492**	(1,508)
Net cash flows from/(used in) financing activities	**230,946**	(461,100)
Net increase/(decrease) in cash and cash equivalents	**211,223**	(577,621)
Effect of exchange rate changes	**(12,629)**	(765)
Cash and cash equivalents at the beginning of financial year	**236,687**	815,073
Cash and cash equivalents at the end of financial year (Note 25)	**435,281**	236,687

The accompanying accounting policies and explanatory notes form an integral part of the financial statements.

COMPANY STATEMENT OF CASH FLOWS

FOR THE FINANCIAL YEAR ENDED 31 MARCH 2021

	2021 RM'000	2020 RM'000
OPERATING ACTIVITIES		
Profit before tax	**26,405**	10,051
Adjustments for:		
Unwinding of discounts	**35**	(29)
Allowance for expected credit losses on other receivables	**2,971**	81
Depreciation of property, plant and equipment	**369**	344
Depreciation of right-of-use assets	**870**	1,078
Bad debts written off	**–**	38
Net impairment loss on interest in subsidiaries	**57,128**	97,720
Interest expense	**3,736**	25,236
Unrealised (gain)/loss on foreign exchange	**(13)**	10
Dividend income	**(90,236)**	(136,847)
Reversal of expected credit losses on other receivables	**–**	(544)
Net gain on derecognition of lease liabilities	**–**	(3)
Interest income	**(994)**	(12,028)
Loss on disposal of property, plant and equipment	**–**	19
Property, plant and equipment written off	**9**	1
Operating profit/(loss) before changes in working capital	**280**	(14,873)
Changes in working capital:		
Receivables	**25**	(1,646)
Payables	**(5,421)**	188
Cash flows used in operations	**(5,116)**	(16,331)
Interest paid	**(4,998)**	(9,767)
Income taxes paid	**(1,377)**	(1,510)
Net cash flows used in operating activities	**(11,491)**	(27,608)
INVESTING ACTIVITIES		
Purchase of property, plant and equipment	**(51)**	(245)
Proceeds from disposal of property, plant and equipment	**–**	71
Repayment of advances from subsidiaries	**68,991**	69,418
Dividends received	**90,236**	136,847
Interest received	**631**	12,559
Net cash flows from investing activities	**159,807**	218,650
FINANCING ACTIVITIES		
Proceeds from issuance of ordinary shares	**–**	13
Repayment of borrowings	**(150,000)**	(207,200)
Repayment of lease liabilities	**(973)**	(1,210)
Dividends paid	**(14,313)**	(42,977)
Purchase of treasury shares	**–**	(441)
Withdrawal of deposits with licensed banks	**–**	1,325
Net cash flows used in financing activities	**(165,286)**	(250,490)
Net decrease in cash and cash equivalents	**(16,970)**	(59,448)
Cash and cash equivalents at the beginning of financial year	**113,916**	173,364
Cash and cash equivalents at the end of financial year (Note 25)	**96,946**	113,916

The accompanying accounting policies and explanatory notes form an integral part of the financial statements.

NOTES TO THE FINANCIAL STATEMENTS

31 MARCH 2021

1. CORPORATE INFORMATION

Eastern & Oriental Berhad is a public limited liability company incorporated and domiciled in Malaysia, and is listed on the Main Market of the Bursa Malaysia Securities Berhad. The registered office and principal place of business of the Company are located at Level 3A (Annexe), Menara Milenium, 8 Jalan Damanlela, Damansara Heights, 50490 Kuala Lumpur.

The principal activities of the Company are investment holding and the provision of management services to its subsidiaries. The principal activities of the subsidiaries and joint ventures are disclosed in Notes 19 and 20 respectively.

There have been no significant changes in the nature of these activities during the financial year.

The financial statements were authorised for issue by the Board of Directors in accordance with a resolution of the Directors on 8 July 2021.

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

2.1 Basis of preparation

The financial statements of the Group and of the Company have been prepared in accordance with Malaysian Financial Reporting Standards ("MFRS"), International Financial Reporting Standards and the requirements of the Companies Act 2016 (the "Act") in Malaysia. At the beginning of the current financial year, the Company adopted new and revised MFRSs which are mandatory for annual financial periods beginning on or after 1 January 2020 as described fully in Note 2.2.

The financial statements have been prepared on the historical cost basis except otherwise disclosed in the accounting policies below.

The financial statements are presented in Ringgit Malaysia ("RM") and all values are rounded to the nearest thousand ("RM'000") except when otherwise indicated.

2.2 Changes in accounting policies

The accounting policies adopted by the Group and the Company are consistent with those of the previous financial year except as follows:

On 1 April 2020, the Group and the Company adopted the following new and amended MFRSs which are effective for annual financial periods beginning on or after 1 January 2020.

DESCRIPTION	EFFECTIVE FOR ANNUAL PERIODS BEGINNING ON OR AFTER
• Revised Conceptual Framework for Financial Reporting	1 January 2020
• MFRS 3: *Definition of a Business (Amendments to MFRS 3)*	1 January 2020
• Amendments to MFRS 101 and MFRS 108: *Definition of Material*	1 January 2020
• Amendments to MFRS 9, MFRS 139 and MFRS 7: *Interest Rate Benchmark Reform*	1 January 2020

The adoption of the above standards did not have any significant effect on the financial statements of the Group and of the Company.

2.3 Standards issued but not yet effective

The standards that are issued but not yet effective up to the date of issuance of the Group's and of the Company's financial statements are disclosed below. The Group and the Company intend to adopt these standards, if applicable, when they become effective.

DESCRIPTION	EFFECTIVE FOR ANNUAL PERIODS BEGINNING ON OR AFTER
• Amendments to MFRS 16: *COVID-19 - Related Rent Concessions*	1 June 2020
• Amendments to MFRS 4: *Extension of the Temporary Exemption from Applying MFRS 9*	1 August 2020
• Amendments to MFRS 4, MFRS 7, MFRS 9, MFRS 16 and MFRS 139: *Interest Rate Benchmark Reform - Phase 2*	1 January 2021
• Amendments to MFRS 16: *COVID-19 - Related Rent Concessions beyond 30 June 2021*	1 April 2021
• Annual Improvements to MFRSs 2018 - 2020	1 January 2022
• Amendments to MFRS 3: R*eference to the Conceptual Framework*	1 January 2022
• Amendments to MFRS 116: *Proceeds before Intended Use*	1 January 2022
• Amendments to MFRS 137: *Cost of Fulfilling a Contract*	1 January 2022
• Amendments to MFRS 101: *Classification of Liabilities as Current or Non-current*	1 January 2023
• MFRS 17: *Insurance Contracts*	1 January 2023
• Amendments to MFRS 17: *Insurance Contracts*	1 January 2023
• Amendments to MFRS 101: *Disclosure of Accounting Policies*	1 January 2023
• Amendments to MFRS 108: *Disclosure of Accounting Estimates*	1 January 2023
• Amendments to MFRS 10 and MFRS 128: *Sale or Contribution of Assets between an Investor and its Associate or Joint Venture*	Deferred

The Directors expect that the adoption of the above standards will have no material impact on the financial statements in the period of initial application.

2.4 Basis of consolidation

The consolidated financial statements comprise the financial statements of the Company and its subsidiaries. Control is achieved when the Group is exposed, or has rights, to variable returns from its involvement with the investee and has the ability to affect those returns through its power over the investee.

Specifically, the Group controls an investee if, and only if, the Group has:

(i) power over the investee (i.e., existing rights that give it the current ability to direct the relevant activities of the investee);

(ii) exposure, or rights, to variable returns from its investment with the investee; and

(iii) the ability to use its power over the investee to affect its returns.

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

2.4 Basis of consolidation (cont'd)

Generally, there is a presumption that a majority of voting rights result in control. To support this presumption and when the Group has less than a majority of the voting or similar rights of an investee, the Group considers all relevant facts and circumstances in assessing whether it has power over an investee, including:

(i) the contractual arrangement with the other vote holders of the investee;

(ii) rights arising from other contractual arrangements; and

(iii) the Group's voting rights and potential voting rights.

The Group re-assesses whether or not it controls an investee if facts and circumstances indicate that there are changes to one or more of the three elements of control. Consolidation of a subsidiary begins when the Group obtains control over the subsidiary and ceases when the Group loses control of the subsidiary. Assets, liabilities, income and expenses of a subsidiary acquired or disposed of during the financial year are included in the consolidated financial statements from the date the Group gains control until the date the Group ceases to control the subsidiary.

Profit or loss and each component of other comprehensive income ("OCI") are attributed to the owners of the parent of the Group and to the non-controlling interests, even if this results in the non-controlling interests having a deficit balance. When necessary, adjustments are made to the financial statements of subsidiaries to bring their accounting policies into line with the Group's accounting policies. All intra-group assets and liabilities, equity, income, expenses and cash flows relating to transactions between members of the Group are eliminated in full on consolidation except for unrealised losses which are not eliminated if there are indications of impairment.

A change in the ownership interest of a subsidiary, without a loss of control, is accounted for as an equity transaction.

If the Group loses control over a subsidiary, it derecognises the related assets (including goodwill), liabilities, non-controlling interest and other components of equity while any resultant gain or loss is recognised in profit or loss. Any investment retained is recognised at fair value.

Business combinations

Business combinations are accounted for using the acquisition method. The cost of an acquisition is measured as the aggregate of the consideration transferred measured at acquisition date's fair value and the amount of any non-controlling interests in the acquiree. For each business combination, the Group elects whether to measure the non-controlling interests in the acquiree at fair value or at the proportionate share of the acquiree's identifiable net assets. Acquisition-related costs are expensed as incurred and included in administrative expenses.

When the Group acquires a business, it assesses the financial assets and liabilities assumed for appropriate classification and designation in accordance with the contractual terms, economic circumstances and pertinent conditions as at the acquisition date. This includes the separation of embedded derivatives in host contracts by the acquiree.

If the business combination is achieved in stages, any previously held equity interest is remeasured at its acquisition date's fair value and any resulting gain or loss is recognised in profit or loss.

Any contingent consideration to be transferred by the acquirer will be recognised at fair value at the acquisition date. Contingent consideration classified as equity is not remeasured and its subsequent settlement is accounted for within equity. Contingent consideration classified as an asset or liability that is a financial instrument and within the scope of MFRS 9: *Financial Instruments*, is measured at fair value with the changes in fair value recognised in the statement of profit or loss in accordance with MFRS 9. Other contingent consideration that is not within the scope of MFRS 9 is measured at fair value at each reporting date with changes in fair value recognised in profit or loss.

Goodwill is initially measured at cost, being the excess of the aggregate of the consideration transferred and the amount recognised for non-controlling interests, and any previous interest held, over the net identifiable assets acquired and liabilities assumed. If the fair value of the net assets acquired is in excess of the aggregate consideration transferred, the Group re-assesses whether it has correctly identified all of the assets acquired and all of the liabilities assumed and reviews the procedures used to measure the amounts to be recognised at the acquisition date. If the reassessment still results in an excess of the fair value of net assets acquired over the aggregate consideration transferred, then the gain is recognised in profit or loss.

2.5 Transactions with non-controlling interest

Non-controlling interest represents the equity in subsidiaries not attributable, directly or indirectly, to owners of the parent of the Group, and is presented separately in the consolidated statement of comprehensive income and within equity in the consolidated statement of financial position, separately from equity attributable to owners of the parent.

Changes in the Company owners' ownership interest in a subsidiary that do not result in a loss of control are accounted for as equity transactions. In such circumstances, the carrying amounts of the controlling and non-controlling interests are adjusted to reflect the changes in their relative interests in the subsidiary. Any difference between the amount by which the non-controlling interest is adjusted and the fair value of the consideration paid or received is recognised directly in equity and attributed to owners of the parent.

Total comprehensive income within a subsidiary is attributed to the non-controlling interest even if it results in a deficit balance.

2.6 Subsidiaries

In the Company's separate financial statements, investments in subsidiaries are accounted for at cost less impairment losses. On disposal of such investments, the difference between net disposal proceeds and their carrying amounts is included in profit or loss.

2.7 Investments in joint ventures

A joint venture is a type of joint arrangement whereby the parties that have joint control of the arrangement have rights to the net assets of the joint venture. Joint control is the contractually agreed sharing of control of an arrangement, which exists only when decisions about the relevant activities require the unanimous consent of the parties sharing control.

The considerations made in determining significant influence or joint control are similar to those necessary to determine control over subsidiaries.

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

Under the equity method, the investments in a joint venture is initially recognised at cost. The carrying amount of the investment is adjusted to recognise changes in the Group's share of net assets of the joint venture since the acquisition date. Goodwill relating to the joint venture is included in the carrying amount of the investment and is not tested for impairment separately.

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

2.7 Investments in joint ventures (cont'd)

The consolidated statement of comprehensive income reflects the Group's share of the results of operations of the joint venture. Any change in OCI of those investees is presented as part of the Group's OCI. In addition, when there has been a change recognised directly in the equity of the joint venture, the Group recognises its share of any changes, when applicable, in the consolidated statement of changes in equity. Unrealised gains and losses resulting from transactions between the Group and the joint venture are eliminated to the extent of the interests in the joint venture.

The aggregate of the Group's share of profit or loss of a joint venture is shown on the face of the consolidated statement of comprehensive income outside operating profit and represents profit or loss after tax and non-controlling interests in the subsidiaries of the joint venture.

The financial statements of the joint venture are prepared as of the same reporting date as the Group. Where necessary, adjustments are made to bring the accounting policies into line with those of the Group.

After application of the equity method, the Group determines whether it is necessary to recognise an impairment loss on its investment in joint venture. At each reporting date, the Group determines whether there is objective evidence that the investment in joint venture is impaired. If there is such evidence, the Group calculates the amount of impairment as the difference between the recoverable amount of the joint venture and its carrying value, and then recognises the loss as 'Share of profit or loss of joint venture' in the consolidated statement of comprehensive income.

Upon loss of significant influence of the joint control over the joint venture, the Group measures and recognises any retained investment at its fair value. Any difference between the carrying amount of the joint venture upon loss of significant influence or joint control and the fair value of the retained investment and proceeds from disposal is recognised in profit or loss.

2.8 Property, plant and equipment

Capital work-in-progress is stated at cost, net of accumulated impairment losses, if any. Property, plant and equipment is stated at cost, net of accumulated depreciation and accumulated impairment losses, if any. Such cost includes the cost of replacing part of the property, plant and equipment and borrowing costs for long-term construction projects if the recognition criteria are met. When significant parts of plant and equipment are required to be replaced at intervals, the Group and the Company depreciate them separately based on their specific useful lives. Likewise, when a major inspection is performed, its cost is recognised in the carrying amount of the plant and equipment as a replacement if the recognition criteria are satisfied. All other repair and maintenance costs are recognised in profit or loss as incurred. The present value of the expected cost for the decommissioning of an asset after its use is included in the cost of the respective asset if the recognition criteria for a provision are met.

Freehold land has an unlimited useful life and is not depreciated. Capital work-in-progress are also not depreciated as these assets are not available for use. Depreciation of buildings constructed on leasehold land is provided for on a straight-line basis to write off the cost of the asset to its residual value over the shorter of the estimated useful life of 50 years or the respective remaining lease periods of the leasehold land.

Depreciation is calculated on a straight-line basis over the estimated useful lives of the assets, as follows:

Buildings	2% - 15%
Plant, machinery and equipment	10% - 20%
Office equipment, renovation and furniture and fittings	10% - 33%
Vessel	10%
Motor vehicles	20%

The carrying values of property, plant and equipment are reviewed for impairment when events or changes in circumstances indicate that the carrying value may not be recoverable.

An item of property, plant and equipment and any significant part initially recognised is derecognised upon disposal or when no future economic benefits are expected from its use or disposal. Any gain or loss on disposal on derecognition of the asset (calculated as the difference between the net disposal proceeds and the carrying amount of the asset) is included in the profit or loss when the asset is derecognised.

The residual values, useful lives and methods of depreciation of property, plant and equipment are reviewed at each financial year end, and adjusted prospectively, if appropriate.

2.9 Inventories

Inventories are stated at the lower of cost and net realisable value ("NRV"). NRV is the estimated selling price in the ordinary course of business less estimated costs of completion and the estimated costs necessary to make the sale.

(a) Food, beverages, tobacco and general supplies

Food, beverages, tobacco and general supplies are stated at the lower of cost, which is determined on the weighted average basis, and NRV. Cost includes expenditure incurred in bringing inventories to store. NRV is based on estimated selling price less any further costs expected to be incurred to completion and disposal.

(b) Inventory properties

Property acquired or being constructed for sale in the ordinary course of business, rather than to be held for rental or capital appreciation, is held as inventory property and is measured at the lower of cost and NRV.

Cost includes:

- freehold and leasehold rights for land;

- amounts paid to contractors for construction; and

- borrowing costs, planning and design costs, costs of site preparation, professional fees for legal services, property transfer taxes, construction overheads and other related costs.

NRV is the estimated selling price in the ordinary course of the business, based on market prices at the reporting date less estimated costs to complete the development and the estimated costs necessary to make the sale, taking into account the time value of money if material.

The cost of inventory property recognised in profit or loss on disposal is determined with reference to the specific costs incurred on the property sold and an allocation of any non-specific costs based on the relative size or value of the property sold.

Where no development activities have been carried out or where development activities are not expected to be completed within the normal operating cycle, such inventory property is classified within non-current assets as land held for development.

Inventory properties are classified as property development costs at the point when development activities have commenced and where it can be demonstrated that the development activities can be completed within the normal operating cycle.

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

2.10 Investment properties

Investment properties are measured initially at cost, including transaction costs. Subsequent to initial recognition, investment properties are stated at fair value, which reflects market conditions at the reporting date. Gains or losses arising from changes in the fair values of investment properties are included in profit or loss in the period in which they arise, including the corresponding tax effect. Fair values are determined based on an annual evaluation performed by an accredited external independent valuer.

A property interest under an operating lease is classified and accounted for as an investment property on a property-by-property basis when the Group holds it to earn rentals or for capital appreciation or both. Any such property interest under an operating lease classified as an investment property is carried at fair value.

Investment properties are derecognised either when they have been disposed of or when they are permanently withdrawn from use and no future economic benefit is expected from their disposal. The difference between the net disposal proceeds and the carrying amount of the asset is recognised in profit or loss in the period of derecognition.

Transfers are made to (or from) investment property only when there is a change in use. For a transfer from investment property to owner-occupied property, the deemed cost for subsequent accounting is the fair value at the date of change in use. If owner-occupied property becomes an investment property, the Group accounts for such property in accordance with the policy stated under property, plant and equipment up to the date of change in use.

Investment property under construction ("IPUC") is measured at fair value (when the fair value is reliably determinable). When assessing whether the fair value of IPUC can be determined reliably the Group considers, among other things:

(i) Construction of the asset in a developed liquid market;

(ii) Signing of a construction contract with the contractor;

(iii) Obtaining the required building and letting permits; and

(iv) The percentage of rentable area that has been pre-leased to tenants.

IPUC for which fair value cannot be determined reliably is measured at cost less impairment.

The fair value of IPUC was determined at the end of the reporting period based on valuations performed using either the residual method approach or discounted cash flow approach, as deemed appropriate. Each IPUC is individually assessed.

The estimated value of future asset is based on the expected future income from the project, using risk adjusted yields that are higher than the current yields of similar completed property. The remaining expected costs of completion plus margin are deducted from the estimated future asset value.

2.11 Intangible assets

Intangible assets acquired separately are measured on initial recognition at cost. The cost of intangible assets acquired in a business combination is their fair value at the date of acquisition. Following initial recognition, intangible assets are carried at cost less any accumulated amortisation and accumulated impairment losses. Internally generated intangibles, excluding capitalised development costs, are not capitalised and the related expenditure is reflected in profit or loss in the period in which the expenditure is incurred.

The useful lives of intangible assets are assessed as either finite or indefinite.

Intangible assets with finite lives are amortised over the useful economic life and assessed for impairment whenever there is an indication that the intangible asset may be impaired. The amortisation period and the amortisation method for an intangible asset with a finite useful life are reviewed at least at the end of each reporting period. Changes in the expected useful life or the expected pattern of consumption of future economic benefits embodied in the asset are considered to modify the amortisation period or method, as appropriate, and are treated as changes in accounting estimates. The amortisation expense on intangible assets with finite lives is recognised in the statement of comprehensive income in the expense category that is consistent with the function of the intangible assets.

Intangible assets with indefinite useful lives are not amortised, but are tested for impairment annually, either individually or at the cash-generating unit ("CGU") level. The assessment of indefinite life is reviewed annually to determine whether the indefinite life continues to be supportable. If not, the change in useful life from indefinite to finite is made on a prospective basis.

Gains or losses arising from derecognition of an intangible asset are measured as the difference between the net disposal proceeds and the carrying amount of the asset and are recognised in the statement of comprehensive income when the asset is derecognised.

Computer software

Computer software is measured initially at cost. Following initial acquisition, computer software is measured at cost less any accumulated amortisation and accumulated impairment losses.

The useful life of computer software is assessed to be finite. Computer software is amortised on a straight-line basis over the estimated economic useful lives at an annual rate of 20% - 25% and assessed for impairment whenever there is an indication that it may be impaired. The amortisation period and the amortisation method for computer software with finite useful life are reviewed at least at each financial year end. Changes in the expected useful life or the expected pattern of consumption of future economic benefits embodied in the asset is accounted for by changing the amortisation period or method, as appropriate, and is treated as changes in accounting estimates. The amortisation expense on computer software with finite lives is recognised in profit or loss.

Gains or losses arising from derecognition of computer software are measured as the difference between the net disposal proceeds and the carrying amount of the asset and is recognised in profit or loss when the asset is derecognised.

2.12 Impairment of non-financial assets

The Group and the Company assess, at each reporting date, whether there is an indication that an asset may be impaired. If any indication exists, or when annual impairment testing for an asset is required, the Group and the Company estimate the asset's recoverable amount. An asset's recoverable amount is the higher of an asset's or CGU's fair value less costs of disposal and its value in use. The recoverable amount is determined for an individual asset, unless the asset does not generate cash inflows that are largely independent of those from other assets or groups of assets. When the carrying amount of an asset or CGU exceeds its recoverable amount, the asset is considered impaired and is written down to its recoverable amount.

In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset. In determining fair value less costs of disposal, recent market transactions are taken into account. If no such transactions can be identified, an appropriate valuation model is used. These calculations are corroborated by valuation multiples, quoted share prices for publicly traded companies or other available fair value indicators.

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

2.12 Impairment of non-financial assets (cont'd)

The Group and the Company base their impairment calculation on detailed budgets and forecast calculations, which are prepared separately for each of the Group's and of the Company's CGUs to which the individual assets are allocated. These budgets and forecast calculations generally cover a period of five years. For longer periods, a long-term growth rate is calculated and applied to project future cash flows after the fifth year.

Impairment losses of continuing operations, including impairment on inventories, are recognised in the statement of comprehensive income in expense categories consistent with the function of the impaired asset, except for properties previously revalued with the revaluation taken to OCI. For such properties, the impairment is recognised in OCI up to the amount of any previous revaluation.

For assets excluding goodwill, an assessment is made at each reporting date to determine whether there is an indication that previously recognised impairment losses no longer exist or have decreased. If such indication exists, the Group and the Company estimate the asset's or CGU's recoverable amount. A previously recognised impairment loss is reversed only if there has been a change in the assumptions used to determine the asset's recoverable amount since the last impairment loss was recognised. The reversal is limited so that the carrying amount of the asset does not exceed its recoverable amount, nor exceed the carrying amount that would have been determined, net of depreciation, had no impairment loss been recognised for the asset in prior financial years. Such reversal is recognised in the statement of comprehensive income unless the asset is carried at a revalued amount, in which case, the reversal is treated as a revaluation increase.

Goodwill is tested for impairment annually and when circumstances indicate that the carrying value may be impaired.

Impairment is determined for goodwill by assessing the recoverable amount of each CGU (or group of CGUs) to which the goodwill relates. When the recoverable amount of the CGU is less than its carrying amount, an impairment loss is recognised. Impairment losses relating to goodwill cannot be reversed in future periods.

Intangible assets with indefinite useful lives are tested for impairment annually at the CGU level, as appropriate, and when circumstances indicate that the carrying value may be impaired.

2.13 Financial instruments

A financial instrument is any contract that gives rise to a financial asset of one entity and a financial liability or equity instrument of another entity.

Financial assets

Initial recognition and measurement

Financial assets are classified, at initial recognition, as subsequently measured at amortised cost, fair value through OCI, and fair value through profit or loss ("FVTPL").

The classification of financial assets at initial recognition depends on the financial asset's contractual cash flow characteristics and the Group's and the Company's business model for managing them. With the exception of trade receivables that do not contain a significant financing component or for which the Group and the Company have applied the practical expedient, the Group and the Company initially measure a financial asset at its fair value plus, in the case of a financial asset not at fair value through profit or loss, transaction costs. Trade receivables that do not contain a significant financing component or for which the Group and the Company have applied practical expedient are measured at the transaction price determined under MFRS 15: *Revenue from Contracts with Customers.*

In order for a financial asset to be classified and measured at amortised cost or fair value through OCI, it needs to give rise to cash flows that are solely payments of principal and interest ("SPPI") on the principal amount outstanding. This assessment is referred to as the SPPI test and is performed at an instrument level. Financial assets with cash flows that are not SPPI are classified and measured at fair value through profit or loss, irrespective of the business model.

The Group's and the Company's business model for managing financial assets refers to how it manages its financial assets in order to generate cash flows. The business model determines whether cash flows will result from collecting contractual cash flows, selling the financial assets, or both. Financial assets classified and measured at amortised cost are held within a business model with the objective to hold financial assets in order to collect contractual cash flows while financial assets classified and measured at fair value through OCI are held within a business model with the objective of both holding to collect contractual cash flows and selling.

Purchases or sales of financial assets that require delivery of assets within a time frame established by regulation or convention in the market place ("regular way trades") are recognised on the trade date, that is the date that the Group and the Company commit to purchase or sell the asset.

Subsequent measurement

For purposes of subsequent measurement, financial assets are classified into four categories:

- Financial assets at amortised cost (debt instruments)
- Financial assets at fair value through OCI with recycling of cumulative gains and losses (debt instruments)
- Financial assets designated at fair value through OCI with no recycling of cumulative gains and losses upon derecognition (equity instruments)
- Financial assets at fair value through profit or loss

Financial assets at amortised cost (debt instruments)

This category is the most relevant to the Group and the Company. Financial assets at amortised cost are subsequently measured using the effective interest ("EIR") method and are subject to impairment. Gains and losses are recognised in profit or loss when the asset is derecognised, modified or impaired.

The Group's financial assets at amortised cost include trade and other receivables and cash and bank balances.

Fair value through profit or loss

Financial assets at fair value through profit or loss are carried in the statement of financial position at fair value with net changes in fair value recognised in the statement of profit or loss.

This category includes listed equity investments which the Group had not irrevocably elected to classify at fair value through OCI. Dividends on listed equity instruments are recognised as income in the statement of profit or loss when the right of payment has been established.

All other categories of financial assets are not applicable to the Group and the Company.

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

2.13 Financial instruments (cont'd)

Financial assets (cont'd)

Derecognition

A financial asset (or, where applicable, a part of a financial asset or part of a Group of similar financial assets) is primarily derecognised when:

- The rights to receive cash flows from the asset have expired; or

- The Group and the Company have transferred their rights to receive cash flows from the asset or have assumed an obligation to pay the received cash flows in full without material delay to a third party under a 'pass-through' arrangement; and either:

  (i) The Group and the Company have transferred substantially all the risks and rewards of the asset; or

  (ii) The Group and the Company have neither transferred nor retained substantially all the risks and rewards of the asset, but have transferred control of the asset.

When the Group and the Company have transferred their rights to receive cash flows from an asset or have entered into a pass-through arrangement, they evaluate if, and to what extent, they have retained the risks and rewards of ownership. When they have neither transferred nor retained substantially all of the risks and rewards of the asset, nor transferred control of the asset, the Group and the Company continue to recognise the transferred asset to the extent of their continuing involvement. In that case, the Group and the Company also recognise an associated liability. The transferred asset and the associated liability are measured on a basis that reflects the rights and obligations that the Group and the Company have retained.

Continuing involvement that takes the form of a guarantee over the transferred asset is measured at the lower of the original carrying amount of the asset and the maximum amount of consideration that the Group and the Company could be required to repay.

Financial liabilities

Initial recognition and measurement

Financial liabilities are classified, at initial recognition, as financial liabilities at fair value through profit or loss, loans and borrowings, payables, or as derivatives designated as hedging instruments in an effective hedge, as appropriate.

All financial liabilities are recognised initially at fair value and, in the case of loans and borrowings and payables, net of directly attributable transaction costs.

The Group’s and the Company's financial liabilities include lease liabilities, trade and other payables and loans and borrowings including bank overdrafts.

Subsequent measurement

For purposes of subsequent measurement, financial liabilities are classified into two categories:

- Financial liabilities at fair value through profit or loss

- Financial liabilities at amortised cost

Financial liabilities at amortised cost

After initial recognition, lease liabilities, loans and borrowings and trade and other payables are subsequently measured at amortised cost using the EIR method. Gains and losses are recognised in profit or loss when the liabilities are derecognised as well as through the EIR amortisation process.

Amortised cost is calculated by taking into account any discount or premium on acquisition and fees or costs that are an integral part of the EIR. The EIR amortisation is included as finance costs in the statement of profit or loss.

This category generally applies to lease liabilities, loans and borrowings and trade and other payables as further disclosed in Notes 15, 27 and 29 respectively.

The other category of financial liabilities is not applicable to the Group and the Company.

Derecognition

A financial liability is derecognised when the obligation under the liability is discharged or cancelled or expires. When an existing financial liability is replaced by another from the same lender on substantially different terms, or the terms of an existing liability are substantially modified, such an exchange or modification is treated as the derecognition of the original liability and the recognition of a new liability. The difference in the respective carrying amounts is recognised in profit or loss.

Offsetting of financial instruments

Financial assets and financial liabilities are offset and the net amount is reported in the statement of financial position if there is a currently enforceable legal right to offset the recognised amounts and there is an intention to settle on a net basis, to realise the assets and settle the liabilities simultaneously.

Financial guarantee contracts

A financial guarantee contract is a contract that requires the issuer to make specified payments to reimburse the holder for a loss it incurs because a specified debtor fails to make payment when due.

Financial guarantees issued are initially measured at fair value, net of transaction costs. 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 with MFRS 15.

Impairment of financial assets

The Group and the Company recognise an allowance for expected credit losses ("ECLs") for all debt instruments carried at amortised cost and fair value through OCI. ECLs are based on the difference between the contractual cash flows due in accordance with the contract and all the cash flows that the Group and the Company expect to receive, discounted at an approximation of the original EIR. The expected cash flows will include cash flows from the sale of collateral held or other credit enhancements that are integral to the contractual terms.

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

2.13 Financial instruments (cont'd)

Impairment of financial assets (cont'd)

ECLs are recognised in two stages. For credit exposures for which there has not been a significant increase in credit risk since initial recognition, ECLs are provided for credit losses that result from default events that are possible within the next 12 months ("a 12-month ECL"). For those credit exposures for which there has been a significant increase in credit risk since initial recognition, a loss allowance is required for credit losses expected over the remaining life of the exposure, irrespective of the timing of the default ("a lifetime ECL").

For trade and other receivables, the Group and the Company apply a simplified approach in calculating ECLs. Therefore, the Group and the Company do not track changes in credit risk, but instead recognise a loss allowance based on lifetime ECLs at each reporting date. The Group and the Company have established a provision matrix that is based on its historical credit loss experience, adjusted for forward-looking factors specific to the debtors and the economic environment.

The Group and the Company consider a financial asset in default when internal or external information indicates that the Group and the Company are unlikely to receive the outstanding contractual amounts in full before taking into account any credit enhancements held by the Group and the Company. A financial asset is written off when there is no reasonable expectation of recovering the contractual cash flows.

2.14 Cash and cash equivalents

Cash and bank balances comprise cash at banks and on hand and short-term deposits with a maturity of three months or less, which are subject to an insignificant risk of changes in value.

For the purpose of the statements of cash flows, cash and cash equivalents consist of unrestricted cash and bank balances, cash and bank balances held pursuant to Section 7A of the Housing Development (Control and Licensing) Act, 1966, net of outstanding bank overdrafts, if any, as they are considered an integral part of the Group's and of the Company's cash management.

2.15 Borrowing costs

Borrowing costs directly attributable to the acquisition, construction or production of an asset that necessarily takes a substantial period of time to get ready for its intended use or sale are capitalised as part of the cost of the asset. All other borrowing costs are expensed in the period in which they occur. Borrowing costs consist of interest and other costs that an entity incurs in connection with the borrowing of funds.

2.16 Provisions

Provisions are recognised when the Group and the Company have a present obligation (legal or constructive) as a result of a past event, it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation and a reliable estimate can be made of the amount of the obligation. When the Group and the Company expect some or all of a provision to be reimbursed, for example, under an insurance contract, the reimbursement is recognised as a separate asset, but only when the reimbursement is virtually certain. The expense relating to a provision is presented in the statement of comprehensive income net of any reimbursement.

If the effect of the time value of money is material, provisions are discounted using a current pre-tax rate that reflects, when appropriate, the risks specific to the liability. When discounting is used, the increase in the provision due to the passage of time is recognised as a finance cost.

Provision for restoration costs are in respect of management's best estimate of the costs necessary to be incurred to restore rented premises. The initial estimated amount is capitalised as part of the cost for property, plant and equipment.

2.17 Share capital and share issuance expenses

An equity instrument is any contract that evidences a residual interest in the assets of the Group and of the Company after deducting all of their liabilities. Ordinary shares are equity instruments.

Ordinary shares are recorded at the proceeds received, net of directly attributable incremental transaction costs. Dividends on ordinary shares are recognised in equity in the period in which they are declared.

2.18 Treasury shares

Own equity instruments that are reacquired (treasury shares) are recognised at cost and deducted from equity. No gain or loss is recognised in profit or loss on the purchase, sale, issue or cancellation of the Group’s and of the Company's own equity instruments.

2.19 Leases

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

Group as a lessee

The Group and the Company apply a single recognition and measurement approach for all leases, except for short-term leases and leases of low-value assets. The Group and the Company recognise lease liabilities to make lease payments and right-of-use assets representing the right to use the underlying assets.

(a) Right-of-use assets

The Group and the Company recognise right-of-use assets at the commencement date of the lease (i.e., the date the underlying asset is available for use). Right-of-use assets are measured at costs, less any accumulated depreciation and impairment losses, and adjusted for any remeasurement of lease liabilities. The cost of right-of-use assets includes the amount of lease liabilities recognised, initial direct costs incurred, and lease payments made at or before the commencement date less any lease incentives received. Right-of-use assets are depreciated on a straight-line basis over the shorter of the lease term and the estimated useful lives of the assets, as follows:

Service apartments	7 years
Office building	3 years

If ownership of the leased asset transfers to the Group and the Company at the end of the lease term or the cost reflects the exercise of a purchase option, depreciation is calculated using the estimated useful life of the asset.

The right-of-use assets are also subject to impairment. The accounting policies for impairment of non-financial assets is as disclosed in Note 2.12.

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

2.19 Leases (cont'd)

(b) Lease liabilities

At the commencement date of the lease, the Group and the Company recognise lease liabilities measured at the present value of lease payments to be made over the lease term. The lease payments include fixed payments (including in substance fixed payments) less any lease incentives receivable, variable lease payments that depend on an index or a rate and amounts expected to be paid under residual value guarantees. The lease payments also include the exercise price of a purchase option reasonably certain to be exercised by the Group and the Company and payments of penalties for terminating the lease, if the lease term reflects the Group and the Company exercising the option to terminate. Variable lease payments that do not depend on an index or a rate are recognised as expenses (unless they are incurred to produce inventories) in the period in which the event or condition that triggers the payment occurs.

In calculating the present value of lease payments, the Group and the Company use their incremental borrowing rate at the lease commencement date because the interest rate implicit in the lease is not readily determinable. After the commencement date, the amount of lease liabilities is increased to reflect the accretion of interest and reduced for the lease payments made. In addition, the carrying amount of lease liabilities is remeasured if there is a modification, a change in lease term, a change in the lease payments (e.g., changes to future payments resulting from a change in an index or rate used to determine such lease payments) or a change in the assessment of an option to purchase the underlying asset.

The Group's and the Company's lease liabilities are as disclosed in Note 15.

(c) Short-term leases and leases of low-value assets

The Group and the Company apply the short-term lease recognition exemption to its short-term leases of machinery and equipment (i.e., those leases that have a lease term of 12 months or less from the commencement date and do not contain a purchase option). The Group and the Company also apply the lease of low-value assets recognition exemption to leases that are considered to be low value. Lease payments on short-term leases and leases of low-value assets are recognised as expense on a straight-line basis over the lease term.

Group as a lessor

Leases in which the Group and the Company do not transfer substantially all the risks and rewards incidental to ownership of an asset are classified as operating leases. Rental income arising is accounted for on a straight-line basis over the lease terms and is included in revenue in the statement of profit or loss due to its operating nature. Initial direct costs incurred in negotiating and arranging an operating lease are added to the carrying amount of the leased asset and recognised over the lease term on the same basis as rental income. Contingent rents are recognised as revenue in the period in which they are earned.

2.20 Non-current assets held for sale

The Group classifies non-current assets as held for sale if their carrying amounts will be recovered principally through a sale transaction rather than through continuing use. Non-current assets classified as held for sale are measured at the lower of their carrying amounts and fair value less costs to sell. Costs to sell are the incremental costs directly attributable to the sale, excluding the finance costs and income tax expense.

The criteria for held for sale classification is regarded as met only when the sale is highly probable and the asset is available for immediate sale in its present condition subject only to terms that are usual and customary. Actions required to complete the sale should indicate that it is unlikely that significant changes to the sale will be made or that the decision to sell will be withdrawn. Management must be committed to the plan to sell the asset and the sale is expected to be completed within one year from the date of the classification.

Assets and liabilities classified as held for sale are presented separately as current items in the statement of financial position.

Non-current assets are not depreciated or amortised once classified as held for sale. Additional disclosures are provided in Note 26.

2.21 Revenue

Revenue from contracts with customers is recognised by reference to each distinct performance obligation in the contract with customer. Revenue from contracts with customers is measured at its transaction price, being the amount of consideration which the Group expects to be entitled in exchange for transferring promised goods or services to a customer, net of goods and services tax or sales and services tax, returns, rebates and discounts. Transaction price is allocated to each performance obligation on the basis of the relative standalone selling prices of each distinct good or services promised in the contract. Depending on the substance of the contract, revenue is recognised when the performance obligation is satisfied, which may be at a point in time or over time.

The Group has generally concluded that it is the principal in its revenue arrangements, because it typically controls the goods or services before transferring them to the customer. The Group recognises revenue from contracts with customers for the provision of services and sale of goods based on the five-step model as set out below:

(a) Identify contract with a customer

A contract is defined as an agreement between two or more parties that creates enforceable rights and obligations and sets out the criteria that must be met.

(b) Identify performance obligations in the contract

A performance obligation is a promise in a contract with a customer to transfer a good or service to the customer.

(c) Determine the transaction price

The transaction price is the amount of consideration to which the Group expects to be entitled in exchange for transferring promised goods or services to a customer, excluding amounts collected on behalf of third parties.

If the consideration in a contract includes a variable amount, the Group estimates the amount of consideration to which it will be entitled in exchange for transferring the goods or services to the customer. The variable consideration is estimated at contract inception and constrained until it is highly probable that a significant revenue reversal in the amount of cumulative revenue recognised will not occur when the associated uncertainty with the variable consideration is subsequently resolved.

Generally, the Group receives progress payment in advance from its customers. Using the practical expedient in MFRS 15, the Group does not adjust the promised amount of consideration for the effects of a significant financing component if it expects, at contract inception, that the period between the transfer of the promised good or service to the customer and when the customer pays for that good or service will be one year or less.

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

2.21 Revenue (cont'd)

The Group has generally concluded that it is the principal in its revenue arrangements, because it typically controls the goods or services before transferring them to the customer. The Group recognises revenue from contracts with customers for the provision of services and sale of goods based on the five-step model as set out below (cont'd):

(d) Allocate the transaction price to the performance obligation in the contract

For a contract that has more than one performance obligation, the Group allocates the transaction price to each performance obligation in an amount that depicts the amount of consideration to which the Group expects to be entitled in exchange for satisfying each performance obligation.

(e) Recognise revenue when (or as) the Group satisfies a performance obligation

The Group satisfies a performance obligation and recognises revenue over time if the Group's performance:

(i) do not create an asset with an alternative use to the Group and has an enforceable right to payment for performance obligation completed to-date; or

(ii) create or enhance an asset that the customer controls as the asset is created or enhanced; or

(iii) provide benefits that the customer simultaneously receives and consumes as the Group performs.

For performance obligations where any one of the above conditions are met, revenue is recognised over time at which the performance obligation is satisfied.

For performance obligations that the Group satisfies over time, the Group determined that the input method is the best method in measuring progress of the services because there is direct relationship between the Group's effort and the transfer of service to the customer.

The disclosures of significant accounting judgements, estimates and assumptions relating to revenue from contracts with customers are provided in Note 3.1(a).

The following describes the performance obligation in contracts with customers:

(1) Sale of property

The Group enters into contracts with customers to sell properties that are either complete or under development.

Revenue is recognised when control over the property has been transferred to the customer, either over time or at a point in time, depending on the contractual terms and the practices in the legal jurisdictions.

For development properties whereby the Group is restricted contractually from directing the properties for another use as they are being developed and have an enforceable right to payment for performance completed to date, revenue is recognised over time using input method, by reference to the progress towards complete satisfaction of that performance obligation based on the property development costs incurred to date as a proportion of the estimated total property development costs to be incurred.

For development properties whereby the Group does not have an enforceable right to payment for performance completed to date, revenue is recognised when the customer obtains control of the asset.

Progress billings to the customers are based on a payment schedule in the contract and are typically triggered upon achievement of specified development milestones. A contract asset is recognised when the Group has performed under the contract but has not yet billed the customer. Conversely, a contract liability is recognised when the Group has not yet performed under the contract but has received progress payment in advance from the customer. Contract assets are transferred to receivables when the rights to consideration become unconditional. Contract liabilities are recognised as revenue as the Group performs under the contract.

Incremental costs of obtaining a contract are capitalised if these costs are recoverable. Costs to fulfil a contract are capitalised if the costs relate directly to the contract, generate or enhance resources used in satisfying the contract and are expected to be recovered. Other contract costs are expensed as incurred.

Capitalised contract costs are subsequently amortised on a systematic basis as the Group recognises the related revenue. An impairment loss is recognised in profit or loss to the extent that the carrying amount of the capitalised contract costs exceeds the remaining amount of consideration that the Group expects to receive in exchange for the goods or services to which the contract costs relates less the costs that relate directly to providing the goods and that have not been recognised as expenses.

(2) Revenue from hotel and restaurant operations

Revenue from hotel and restaurant operations comprise rental of rooms, sale of food and beverages and other hotel and restaurant related income, and is recognised based on accrual basis, net of goods and services tax or sales and services tax.

(3) Management fees

Management fees are recognised when services are rendered.

(4) Other revenue

Revenue from other sources are recognised as follows:

(a) Dividend income is recognised when the Group's and the Company's right to receive payment is established.

(b) Interest income is recognised using the effective interest method.

(c) Rental income is accounted for on a straight-line basis over the lease terms. The aggregate costs of incentives provided to lessees are recognised as a reduction of rental income over the lease term on a straight-line basis.

Contract cost

The Group incurs commissions that are incremental costs of obtaining a contract with a customer. Where the amortisation period is longer than one year, the Group capitalises the incremental costs of obtaining a contract that meet the criteria in MFRS 15. Costs incurred by the Group to fulfil a contract prior to the commencement of its performance (e.g., tendering costs) are mostly general and administrative expenses that are expensed as incurred.

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

2.21 Revenue (cont'd)

Contract balances

Contract assets

A contract asset is the right to consideration in exchange for goods or services transferred to the customer. If the Group performs by transferring goods or services to a customer before the customer pays consideration or before payment is due, a contract asset is recognised for the earned consideration that is conditional.

Trade receivables

A receivable represents the Group's right to an amount of consideration that is unconditional (i.e., only the passage of time is required before payment of the consideration is due). Refer to accounting policies of financial assets in Note 2.13.

Contract liabilities

A contract liability is the obligation to transfer goods or services to a customer for which the Group has received consideration (or an amount of consideration is due) from the customer. If a customer pays consideration before the Group transfers goods or services to the customer, a contract liability is recognised when the payment is made or the payment is due (whichever is earlier). Contract liabilities are recognised as revenue when the Group performs under the contract.

2.22 Taxes

(a) Current income tax

Current income tax assets and liabilities are measured at the amount expected to be recovered from or paid to the taxation authorities. The tax rates and tax laws used to compute the amount are those that are enacted or substantively enacted, at the reporting date in the countries where the Group operates and generates taxable income.

Current income tax relating to items recognised directly in equity is recognised in equity and not in the statement of comprehensive income. Management periodically evaluates positions taken in the tax returns with respect to situations in which applicable tax regulations are subject to interpretation and establishes provisions where appropriate.

(b) Deferred tax

Deferred tax is provided using the liability method on temporary differences between the tax bases of assets and liabilities and their carrying amounts for financial reporting purposes at the reporting date.

Deferred tax liabilities are recognised for all taxable temporary differences, except:

- when the deferred tax liability arises from the initial recognition of goodwill or an asset or liability in a transaction that is not a business combination and, at the time of the transaction, affects neither the accounting profit nor taxable profit; and

- in respect of taxable temporary differences associated with investments in subsidiaries and joint ventures, when the timing of the reversal of the temporary differences can be controlled and it is probable that the temporary differences will not reverse in the foreseeable future.

Deferred tax assets are recognised for all deductible temporary differences, carry forward of unused tax credits and any unused tax losses. Deferred tax assets are recognised to the extent that it is probable that taxable profit will be available against which the deductible temporary differences, and the carry forward of unused tax credits and unused tax losses can be utilised, except:

- when the deferred tax asset relating to the deductible temporary difference arises from the initial recognition of an asset or liability in a transaction that is not a business combination and, at the time of the transaction, affects neither the accounting profit nor taxable profit; and

- in respect of deductible temporary differences associated with investments in subsidiaries and joint ventures, deferred tax assets are recognised only to the extent that it is probable that the temporary differences will reverse in the foreseeable future and taxable profit will be available against which the temporary differences can be utilised.

The carrying amount of deferred tax assets is reviewed at each reporting date and reduced to the extent that is no longer probable that sufficient taxable profit will be available to allow all or part of the deferred tax asset to be utilised. Unrecognised deferred tax assets are re-assessed at each reporting date and are recognised to the extent that it has become probable that future taxable profit will allow the deferred tax assets to be utilised.

Deferred tax assets and liabilities are measured at the tax rates that are expected to apply to the year when the asset is realised or the liability is settled, based on tax rates (and tax laws) that have been enacted or substantively enacted at the reporting date.

Deferred tax relating to items recognised outside profit or loss is recognised outside profit or loss. Deferred tax items are recognised in correlation to the underlying transaction either in OCI or directly in equity.

Deferred tax assets and deferred tax liabilities are offset if a legally enforceable right exists to set off current tax assets against current tax liabilities and the deferred taxes relate to the same taxable entity and the same taxation authority.

Tax benefits acquired as part of a business combination, but not satisfying the criteria for separate recognition at that date, are recognised subsequently if new information about facts and circumstances change. The adjustment is either treated as a reduction in goodwill (as long as it does not exceed goodwill) if it was incurred during the measurement period or recognised in profit or loss.

(c) Value Added Tax ("VAT")

Revenues, expenses and assets are recognised net of the amount of VAT except:

- where the amount of VAT incurred on a purchase of assets or services is not recoverable from the taxation authority, in which case, the VAT is recognised as part of the cost of acquisition of the asset or as part of the expense item as applicable; and

- when receivables and payables are stated with the amount of VAT included.

The net amount of VAT being the difference output and input of VAT, payable to or receivable from taxation authority at the reporting date, is included in payables or receivables in the statements of financial position.

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

2.22 Taxes (cont'd)

(d) Sales and Service Tax ("SST")

When SST is incurred, SST is recognised as part of the expense or cost of acquisition of the asset applicable as SST is not recoverable from the taxation authority.

Whereas, revenue is recognised net of the amount of SST billed as it is payable to the taxation authority. SST payable to the taxation authority is included as part of payables in the statements of financial position.

2.23 Foreign currencies

The Group's consolidated financial statements are presented in RM, which is also the Company's functional currency. For each entity, the Group determines the functional currency and items included in the financial statements of each entity are measured using that functional currency. The Group uses the direct method of consolidation and on disposal of a foreign operation, the gain or loss that is reclassified to profit or loss reflects the amount that arises from using this method.

(a) Transactions and balances

Transactions in foreign currencies are initially recorded by the Group's entities at their respective functional currency spot rates at the date the transaction first qualifies for recognition.

Monetary assets and liabilities denominated in foreign currencies are translated at the functional currency spot rates of exchange at the reporting date.

Differences arising on settlement or translation of monetary items are recognised in profit or loss with the exception of monetary items that are designated as part of the hedge of the Group's net investment of a foreign operation. These are recognised in OCI until the net investment is disposed of, at which time, the cumulative amount is reclassified to profit or loss. Tax charges and credits attributable to exchange differences on those monetary items are also recorded in OCI.

Non-monetary items that are measured in terms of historical cost in a foreign currency are translated using the exchange rates at the dates of the initial transactions. Non-monetary items measured at fair value in a foreign currency are translated using the exchange rates at the date when the fair value is determined. The gain or loss arising on translation of non-monetary items measured at fair value is treated in line with the recognition of the gain or loss on the change in fair value of the item (i.e., translation differences on items whose fair value gain or loss is recognised in OCI or profit or loss are also recognised in OCI or profit or loss, respectively).

(b) Group companies

On consolidation, the assets and liabilities of foreign operations are translated into RM at the rate of exchange prevailing at the reporting date and their statements of comprehensive income are translated at exchange rates prevailing at the dates of the transactions. The exchange differences arising on translation for consolidation are recognised in OCI. On disposal of a foreign operation, the component of OCI relating to that particular foreign operation is recognised in profit or loss.

Any goodwill arising on the acquisition of a foreign operation and any fair value adjustments to the carrying amounts of assets and liabilities arising on the acquisition are treated as assets and liabilities of the foreign operation and translated at the spot rate of exchange at the reporting date.

2.24 Cash dividend and non-cash distribution to equity holders of the parent

The Company recognises a liability to make cash or non-cash distributions to equity holders of the parent when the distribution is authorised and the distribution is no longer at the discretion of the Company.

A corresponding amount is recognised directly in equity.

Non-cash distributions are measured at the fair value of the assets to be distributed with fair value re-measurement recognised directly in equity.

Upon distribution of non-cash assets, any difference between the carrying amount of the liabilities and the carrying amount of the assets distributed is recognised in the statement of comprehensive income.

2.25 Employee benefits

(a) Short term benefits

Wages, salaries, bonuses and social security contributions are recognised as an expense in the financial year in which the associated services are rendered by employees. Short term accumulating compensated absences such as paid annual leave are recognised when services are rendered by employees that increase their entitlement to future compensated absences. Short term non-accumulating compensated absences such as sick leave, maternity and paternity leave are recognised when the absences occur.

(b) Defined contribution plans

The Group and the Company participate in the national pension schemes as defined by the laws of the countries in which it has operations. The Malaysian companies in the Group make contributions to the Employees Provident Fund in Malaysia, a defined contribution pension scheme. Foreign subsidiaries also make contributions to their country's statutory pension scheme. Contributions to defined contribution pension schemes are recognised as an expense in the period in which the related service is performed.

(c) Defined benefit plans

A subsidiary of the Company in the hospitality segment operates an unfunded, defined benefit Retirement Benefit Scheme ("Unfunded Scheme") for the eligible employees in this subsidiary. The subsidiary's obligations under the Unfunded Scheme are determined based on triennial actuarial valuation where the amount of benefits that employees have earned in return for their service in the current and prior years are estimated. That benefit is discounted using the Projected Unit Credit Method in order to determine its present value. Actuarial gains and losses are recognised as income or expense immediately through OCI. Past service costs are recognised at the earlier of when the amendment/curtailment occurs or when the related restructuring or termination costs are recognised.

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

2.25 Employee benefits (cont'd)

(d) Share-based compensation

Long-Term Share Incentive Plan ("LTIP")

The Company's LTIP, an equity-settled or cash-settled or combination of both, allows eligible employees of the Group and of the Company to be entitled for ordinary share or payment by cash or a combination of any of the aforesaid of the Company. The total fair value of LTIP awarded to employees are recognised as an employee cost with a corresponding increase in the LTIP reserve within equity or accrued liability payable over the vesting period and taking into account the probability that the LTIP will vest. The fair value of LTIP is measured at grant date, taking into account, if any, the market vesting conditions upon which the LTIPs were awarded but excluding the impact of any non-market vesting conditions. Non-market vesting conditions are included in assumptions about the number of LTIPs that are expected to be awarded on vesting date.

At each financial year end, the Group revises its estimates of the number of LTIPs that are expected to be awarded on vesting date. It recognises the impact of revision of original estimates, if any, in the profit or loss, and a corresponding adjustment to equity or liability over the remaining vesting period. The equity amount is recognised in the LTIP reserve and the cash amount is recognised in the accrued liability.

2.26 Segment reporting

For management purposes, the Group is organised into operating segments based on its products and services which are independently managed by the respective segment managers responsible for the performance of the respective segments under their charge. The segment managers report directly to the management of the Company who regularly review the segment results in order to allocate resources to the segments and to assess the segment performance. Additional disclosures on each of these segments are shown in Note 41, including the factors used to identify the reportable segments and the measurement basis of segment information.

2.27 Contingencies

A contingent liability or asset is a possible obligation or asset that arises from past events and whose existence will be confirmed only by the occurrence or non-occurrence of uncertain future event(s) not wholly within the control of the Group and of the Company.

Contingent liabilities and assets are not recognised in the statements of financial position of the Group and of the Company.

2.28 Current versus non-current classification

The Group and the Company present assets and liabilities in the statements of financial position based on current/non-current classification. An asset is current when it is:

- expected to be realised or intended to be sold or consumed in normal operating cycle;
- held primarily for the purpose of trading;
- expected to be realised within 12 months after the reporting period; or
- cash or cash equivalents unless restricted from being exchanged or used to settle a liability for at least 12 months after the reporting period.

All other assets are classified as non-current.

A liability is current when:

- it is expected to be settled in normal operating cycle;
- it is held primarily for the purpose of trading;
- it is due to be settled within 12 months after the reporting period; or
- there is no unconditional right to defer the settlement of the liability for at least 12 months after the reporting period.

The Group and the Company classify all other liabilities as non-current.

Deferred tax assets and liabilities are classified as non-current assets and liabilities.

2.29 Fair value measurement

The Group measures financial instruments such as quoted securities and non-financial assets such as investment properties, at fair value at each reporting date.

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. The fair value measurement is based on the presumption that the transaction to sell the asset or transfer the liability takes place either:

- in the principal market for the asset or liability; or
- in the absence of a principal market, in the most advantageous market for the asset or liability.

The principal or the most advantageous market must be accessible to by the Group.

The fair value of an asset or a liability is measured using the assumptions that market participants would use when pricing the asset or liability, assuming that market participants act in their economic best interest.

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

The Group uses valuation techniques that are appropriate in the circumstances and for which sufficient data are available to measure fair value, maximising the use of relevant observable inputs and minimising the use of unobservable inputs.

All assets and liabilities for which fair value is measured or disclosed in the financial statements are categorised within the fair value hierarchy, described as follows, based on the lowest level input that is significant to the fair value measurement as a whole:

Level 1 Quoted (unadjusted) market prices in active markets for identical assets or liabilities.

Level 2 Valuation techniques for which the lowest level input that is significant to the fair value measurement is directly or indirectly observable.

Level 3 Valuation techniques for which the lowest level input that is significant to the fair value measurement is unobservable.

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

2.29 Fair value measurement (cont'd)

For assets and liabilities that are recognised in the financial statements on a recurring basis, the Group determines whether transfers have occurred between Levels in the hierarchy by re-assessing categorisation (based on the lowest level input that is significant to the fair value measurement as a whole) at the end of each reporting period.

The Group's management determines the policies and procedures for both recurring fair value measurement, such as investment properties and for non-recurring measurement, such as assets held for distribution in discontinued operation.

External valuers are involved for valuation of significant assets, such as investment properties and significant liabilities, such as contingent consideration. Involvement of external valuers is decided upon annually by the management. Selection criteria of external valuers include market knowledge, reputation, independence and whether professional standards are maintained. The management decides, after discussions with the Group's external valuers, which valuation techniques and inputs to use for each case.

At each reporting date, the management analyses the movements in the values of assets and liabilities which are required to be re-measured or re-assessed as per the Group's accounting policies. For this analysis, the management verifies the major inputs applied in the latest valuation by agreeing the information in the valuation computation to contracts and other relevant documents.

The management, in conjunction with the Group's external valuers, also compares each of the changes in the fair value of each asset and liability with relevant external sources to determine whether the change is reasonable.

For the purpose of fair value disclosures, the Group has determined classes of assets and liabilities on the basis of the nature, characteristics and risks of the asset or liability and the level of the fair value hierarchy as explained above.

3. SIGNIFICANT ACCOUNTING JUDGEMENTS AND ESTIMATES

The preparation of the Group's and of the Company's financial statements requires management to make judgements, estimates and assumptions that affect the reported amounts of revenues, expenses, assets and liabilities, and the disclosure of contingent liabilities, at the reporting date. However, uncertainty about these assumptions and estimates could result in outcomes that could require a material adjustment to the carrying amount of the asset or liability affected in the future periods.

3.1 Critical judgements made in applying accounting policies

In the process of applying the Group's and the Company's accounting policies, management has made the following judgement, apart from those involving estimations, which has the most significant effect on the amounts recognised in the financial statements:

(a) Revenue from contracts with customers

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

Identifying performance obligations

The Group enters into contracts with customers to sell properties that are either completed or under development.

The sale of completed property is generally expected to be the only performance obligation and the Group has determined that it will be satisfied at the point in time when control transfers. For unconditional exchange of contracts, this is generally expected to be when legal title transfers to the customer. For conditional exchanges, this is expected to be when all significant conditions are satisfied.

For contracts relating to the sale of properties under development, the Group is responsible for the overall management of the project and identifies various goods and services to be provided, including design work, procurement of materials, site preparation and foundation pouring, framing and plastering, mechanical and electrical work, installation of fixtures (e.g., windows, doors, cabinetry, etc.) and finishing work. In such contracts, the Group has determined that the goods and services are not distinct and will generally account for them as a single performance obligation.

Determining the timing of satisfaction of performance obligation

For the sale of development properties, the Group is required to assess each of its contracts with customers to determine whether performance obligations are satisfied over time or at a point in time in order to determine the appropriate method for recognising revenue. In making the assessment, the Group considered the terms of the contracts entered into with customers and the provisions of relevant laws and regulations applicable to the contracts. The assessment of whether the Group has an enforceable right to payment for performance completed to date involves judgement made in determining the enforceability of the right to payment under the legal environment of the jurisdictions where the contracts are subject to.

For contracts that meet the over time recognition criteria, the Group determined that the input method is the best method in measuring progress of the development because there is direct relationship between the Group's effort (i.e., resources consumed, labour hours expended and costs incurred) and the transfer control of goods and services to the customer.

Consideration of significant financing component in a contract

For contracts involving the sale of properties under development recognised over time, customers generally make progress payments as work goes on. The Group concluded that there is no significant financing component for those contracts as the length of time between when the customers pay for the asset and when the Group transfers the asset to the customer will be one year or less.

Determining method to estimate variable consideration and assessing the constraint

The contracts for the sale of property include delay penalties that give rise to variable consideration. In estimating the variable consideration, the Group is required to use either the expected value method or the most likely amount method based on which method better predicts the amount of consideration to which it will be entitled.

The Group determined that the expected value method is the appropriate method to use in estimating the variable consideration for the sale of property with delay penalties.

Before including any amount of variable consideration in the transaction price, the Group considers whether the amount of variable consideration is constrained. The Group determined that the estimates of variable consideration are not constrained based on its historical experience, business forecast and the current economic conditions. In addition, the uncertainty on the variable consideration will be resolved within a short time frame.

3. SIGNIFICANT ACCOUNTING JUDGEMENTS AND ESTIMATES (CONT'D)

3.1 Critical judgements made in applying accounting policies (cont'd)

In the process of applying the Group's and the Company's accounting policies, management has made the following judgement, apart from those involving estimations, which has the most significant effect on the amounts recognised in the financial statements (contd.):

(b) Classification between investment properties and property, plant and equipment

The Group has developed certain criteria based on MFRS 140 in making judgement whether a property qualifies as an investment property. Investment property is a property held to earn rentals or for capital appreciation or both.

Some properties comprise a portion that is held to earn rentals or for capital appreciation and another portion that is held for use in the production or supply of goods or services or for administrative purposes. If these portions could be sold separately (or leased out separately under a finance lease), the Group would account for the portions separately. If the portions could not be sold separately, the property is an investment property only if an insignificant portion is held for use in the production or supply of goods or services or for administrative purposes. Judgement is made on an individual property basis to determine whether ancillary services are so significant that a property does not qualify as investment property.

(c) Operating lease commitments - the Group as lessor

The Group has entered into commercial property leases on its investment property portfolio. The Group has determined, based on an evaluation of the terms and conditions of the arrangements, such as the lease term not constituting a major part of the economic life of the commercial property and the fair value of the asset, that it retains all the significant risks and rewards of ownership of these properties and accounts for the contracts as operating leases.

(d) Determining the lease term of contracts with renewal and termination options – Group and Company as lessee

The Group and the Company determine the lease term as the non-cancellable term of the lease together with any periods covered by an option to extend the lease if it is reasonably certain to be exercised or any periods covered by an option to terminate the lease if it is reasonably certain not to be exercised.

The Group and the Company have several lease contracts that include extension and termination options. The Group and the Company apply judgement in evaluating whether it is reasonably certain whether or not to exercise the option to renew or terminate the lease. That is, they consider all relevant factors that create an economic incentive for it to exercise either the renewal or termination. After the commencement date, the Group and the Company reassess the lease term if there is a significant event or change in circumstances that is within its control and affects its ability to exercise or not to exercise the option to renew or to terminate (e.g., construction of significant leasehold improvements or significant customisation to the leased asset).

The Group and the Company included the renewal period as part of the lease term for leases of office premises with shorter non-cancellable period (i.e., three years). The Group and the Company typically exercise their option to renew for these leases because there will be a significant negative effect on operation if a replacement asset is not readily available. The renewal periods for lease of service apartments with longer non-cancellable period of 7 years are not included as part of the lease term as these are not reasonably certain to be exercised. Furthermore, the periods covered by termination options are included as part of the lease term only when they are reasonably certain not to be exercised.

3.2 Key sources of estimation uncertainties

The key assumptions concerning the future and other key sources of estimation and uncertainty at the statement of financial position date, that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year are discussed below:

(a) Property development

For the sale of inventory properties where the Group satisfies its performance obligations over time, management has determined that the input method provides a faithful depiction of the Group's performance in transferring control of the inventory properties to the customers, as it reflects the Group's efforts incurred to date relative to the total inputs expected to be incurred for the inventory properties. The measure of progress is based on the costs incurred to date as a proportion of total costs expected to be incurred up to the completion of the inventory properties.

The estimated total property development costs are based on contracted amounts and, in respect of amounts not contracted for, management relies on past experience and knowledge of the project team and quantity surveyors to make estimates of the amounts to be incurred.

The carrying amounts of contract cost assets of the Group arising from property development activities are disclosed in Note 23.

(b) Fair value estimates for investment properties

The Group carries investment properties at fair value, which requires extensive use of accounting estimates and judgements. While significant components of fair value measurement were determined using verifiable objective evidence, the amount of changes in fair value would differ if the Group uses different valuation methodologies. Any changes in fair value of these investment properties would affect profit or loss.

The significant methods and assumptions used by valuers in estimating the fair value of investment properties are set out in Notes 17 and 38(a).

(c) Estimation of net realisable value for inventory property

Inventory property is stated at the lower of cost and NRV.

NRV for completed inventory properties is assessed by reference to market conditions and prices existing at the reporting date and is determined by the Group, based on comparable transactions identified by the Group for properties in the same geographical market serving the same real estate segment.

NRV in respect of land held for property development is assessed with reference to market prices at the reporting date for similar land, less estimated costs necessary to make the sale or where applicable, engaged independent valuers to estimate the fair value of these land.

NRV in respect of property development costs is assessed with reference to market prices at the reporting date for similar completed property, less estimated costs to complete the development and the estimated costs necessary to make the sale, taking into account the time value of money, if material.

The carrying amount of the Group's inventory properties at the reporting date is disclosed in Note 16.

3. SIGNIFICANT ACCOUNTING JUDGEMENTS AND ESTIMATES (CONT'D)

3.2 Key sources of estimation uncertainties (cont'd)

(d) Impairment on interest in subsidiaries

The Company conducts impairment reviews of interest in subsidiaries whenever events or changes in circumstances indicate that their carrying amounts may not be recoverable. Determining whether these interests are impaired requires an estimation of their recoverable amounts which is the higher of the asset's fair value less costs of disposal and present value of the estimated future cash flows expected to be derived from these assets including the proceeds from its disposal. Any subsequent increase in recoverable amount is recognised in profit or loss.

During the financial year, after reviewing the business environment as well as the Company's strategies, past and future performance of its interest in subsidiaries, management concluded that there were net impairment losses in the interest in subsidiaries amounting to RM57,128,000 (2020: RM97,720,000) as disclosed in Note 19.

2021

In the current financial year, included in the total carrying amount of interest in subsidiaries of RM1,452,501,000 is interest in a subsidiary in the hospitality segment with carrying amount of RM173,642,000. The cessation of a business unit and the adverse impact from the COVID-19 pandemic on the financial performance of this subsidiary during the financial year indicated that the carrying amount of the interest in this subsidiary may be impaired. Accordingly, the management estimated the recoverable amount of the interest in this subsidiary by estimating the fair value less cost of disposal of this subsidiary. The impairment assessment gave rise to an impairment loss of RM65,879,000 for the financial year ended 31 March 2021.

2020

In the previous financial year included in the total carrying amount of interest in subsidiaries of RM1,546,927,000 is interest in subsidiaries in the hospitality, investments and others segments with carrying amount of RM407,662,000. The COVID-19 pandemic which resulted in significant decline in the value of right-of-use assets and investment properties of these subsidiaries indicated that the carrying amount of the interest in the subsidiaries may be impaired. Accordingly, the management estimated the recoverable amount of the interest in subsidiaries by estimating the fair value less cost of disposal of these subsidiaries.The impairment assessment gave rise to an impairment loss of RM97,397,000 for the financial year ended 31 March 2020.

The assessment of fair value less cost of disposal involved, amongst others, estimating the fair value of underlying properties held by the subsidiaries. The valuations of the underlying properties of these subsidiaries include the use of valuation techniques and require significant judgement and estimates to be made on the inputs to the valuation models. The key inputs used to determine the recoverable amounts include current occupancy rates, rental rate and discount rates.

(e) Provision for expected credit losses of trade and other receivables and contract assets

The Group and the Company assess the credit risk at each reporting date, whether there have been significant increases in credit risk since initial recognition on an individual basis. To determine whether there is a significant increase in credit risks, the Group and the Company consider factors such as the probability of insolvency or significant financial difficulties of the debtors and default or significant delay in payments.

Where there is a significant increase in credit risk, the Group and the Company determine the lifetime expected credit loss by considering the loss given default and the probability of default assigned to each counterparty customer. The financial assets are written off either partially or in full when there is no realistic prospect of recovery. This is generally the case when the Group and the Company determine that the debtor does not have assets or sources of income that could generate sufficient cash flows to repay the amount subject to the write-offs.

The information about the ECLs on the Group's contract assets and trade and other receivables is disclosed in Notes 4 and 24 respectively.

(f) Taxes

Significant estimation is involved in determining the group-wide provision for income taxes and deferred taxation. There are certain transactions and computations for which the ultimate tax determination is uncertain during the ordinary course of business. The Group recognises liabilities for expected tax issues based on estimates of whether additional taxes will be due. Where the final tax outcome of these matters is different from the amounts that were initially recognised, such differences will impact the income tax and deferred tax provisions in the period in which such determination is made.

Deferred tax assets are recognised for all deductible temporary differences, unused tax credits and unused tax losses to the extent that it is probable that taxable profit will be available against which these items can be utilised. Significant management judgement is required to determine the amount of deferred tax assets that can be recognised, based upon the likely timing and the level of future taxable profits together with future tax planning strategies.

Tax credits and tax losses relate to subsidiaries that have a history of losses may not be used to offset taxable income elsewhere in the Group. The subsidiaries neither have any taxable temporary difference nor any tax planning opportunities available that could partly support the recognition of these credits and losses as deferred tax assets. On this basis, the Group has not recognised deferred tax assets on the tax credits and tax losses carried forward. Further details are as disclosed in Note 22.

(g) Impairment of non-financial assets

Impairment exists when the carrying value of an asset or CGU exceeds its recoverable amount, which is the higher of its fair value less costs of disposal and its value in use. The fair value less costs of disposal calculation is based on available data from binding sales transactions, conducted at arm's length, for similar assets or observable market prices less incremental costs for disposing of the asset. The value in use calculation is based on a discounting cash flow model. The cash flows are derived from the budget for the next five years and do not include restructuring activities that the Group and the Company are yet committed to or significant future investments that will enhance the asset's performance of the CGU being tested. The recoverable amount is sensitive to the discount rate used for the discounting cash flow model as well as the expected future cash-inflows and the growth rate used for extrapolation purposes.

3. SIGNIFICANT ACCOUNTING JUDGEMENTS AND ESTIMATES (CONT'D)

3.2 Key sources of estimation uncertainties (cont'd)

(h) Land reclamation

The Group reclaims land for its property development activities and the costs incurred in land reclamation are treated as part of the Group's land held for property development. The land reclamation project requires the Group to make certain payment in the form of reclaimed land. This payment forms part of the acquisition cost and is measured at the fair value of the non-monetary assets given up. Management has assessed this to be the cost to be incurred for the land to be reclaimed plus a margin for services provided for managing the reclamation process. Significant judgement is required in determining the estimated fair value of this non-monetary asset, and the subsequent realisation/settlement through progressive handover according to the stage of completion.

The carrying amounts of the Group's land held for property development and payables are disclosed in Notes 16(a) and 29(d) respectively.

(i) Leases - Estimating the incremental borrowing rate

The Group and the Company cannot readily determine the interest rate implicit in the lease, therefore, it uses its incremental borrowing rate ("IBR") to measure lease liability. The IBR is the rate of interest that the Group and the Company would have to pay to borrow over a similar term, and with a similar security, the funds necessary to obtain an asset of a similar value to the right-of-use asset in a similar economic environment. The IBR therefore reflects what the Group and the Company 'would have to pay', which requires estimation when no observable rates are available or when they need to be adjusted to reflect the terms and conditions of the lease (for example, when leases are not in the Group's and the Company's functional currency). The Group and the Company estimate the IBR using observable inputs (such as market interest rates) when available.

4. REVENUE

	GROUP		COMPANY	
	2021 RM'000	2020 RM'000	**2021 RM'000**	2020 RM'000
Revenue from contracts with customers (Note (a))	**287,666**	467,965	**6,215**	7,865
Rental income (Note 17)	**17,059**	18,826	**–**	–
Dividend income	**–**	11	**90,236**	136,847
	304,725	486,802	**96,451**	144,712

(a) Disaggregated revenue information:

Set out below is the disaggregation of the Group's and of the Company's revenue from contracts with customers:

	GROUP		COMPANY	
	2021 **RM'000**	2020 RM'000	**2021** **RM'000**	2020 RM'000
Properties:				
- Sale of properties under development	**93,672**	90,079	**–**	–
- Sale of completed properties	**78,348**	301,467	**–**	–
- Sale of land	**98,282**	8,000	**–**	–
Hotel and restaurant operations	**15,257**	63,392	**–**	–
Management services fees	**2,107**	5,027	**6,215**	7,865
Total revenue from contracts with customers	**287,666**	467,965	**6,215**	7,865
Timing of revenue recognition				
At a point in time	**193,994**	377,886	**6,215**	7,865
Over time	**93,672**	90,079	**–**	–
	287,666	467,965	**6,215**	7,865

(b) Contract balances

	GROUP	
	2021 **RM'000**	2020 RM'000
Trade receivables, net (Note 24):		
- current	**80,262**	84,130
- non-current	**–**	7,795
Contract assets	**964**	–
Contract liabilities		
- current	**(200,558)**	(246,713)
- non-current	**(18,103)**	–

The Group has recognised expected credit losses on trade receivables amounting to RM4,677,000 (2020: RM3,642,000).

Contract assets primarily relate to the Group's right to consideration for services provided but not yet billed at reporting date for rental income from its investment properties. Contract assets are transferred to receivables when the rights become unconditional.

Contract liabilities primarily relate to the Group's obligation to transfer goods or services to customers for which the Group has received progress payment in advance from customers for sale of development properties.

Contract liabilities are recognised as revenue as the Group performs under the contract.

The non-current contract liabilities represent the portion of unrealised profits arising from the disposal of freehold land to a joint venture in excess of the carrying value of the Group's investment in that joint venture. The amount will be transferred to investment in joint ventures in future up to the extent of the Group's share of profits of that joint venture, and the unrealised profit will be progressively released to profit or loss based on revenue recognised by the joint venture on that development project.

4. REVENUE (CONT'D)

(c) Remaining performance obligations

The transaction price allocated to the remaining performance obligation (unsatisfied or partially unsatisfied) are, as follows:

	GROUP	
	2021	2020
	RM'000	RM'000
Within one year	**78,160**	84,725
More than one year	**244,503**	276,102
	322,663	360,827

5. COST OF SALES

	GROUP	
	2021	2020
	RM'000	RM'000
Properties:		
- property development costs (Note 23(c))	**59,064**	46,044
- cost of completed properties (Note (a))	**48,386**	170,618
- cost of land sold (Note 26)	**45,176**	8,000
Rental related costs (Note 17)	**6,158**	8,716
Cost of hotel and restaurant operations	**21,091**	45,068
Cost of sales with respect to management services rendered	**2,078**	6,073
	181,953	284,519

(a) Cost of completed properties

Analysed into:		
- contract cost assets (Note 23(c))	**2,597**	7,570
- completed properties (Note 16(c))	**45,789**	163,048
	48,386	170,618

6. OTHER INCOME

	GROUP		COMPANY	
	2021	2020	**2021**	2020
	RM'000	RM'000	**RM'000**	RM'000
Interest income from:				
- subsidiaries	**–**	–	**704**	7,676
- deposits with licensed banks	**6,888**	22,377	**290**	4,352
- advances to joint ventures	**111**	1,248	**–**	–
- others	**274**	373	**–**	–
Reversal of expected credit losses on:				
- trade receivables (Note 24(a))	**4**	–	**–**	–
- other receivables (Note 24(d))	**–**	36	**–**	544
Reversal of impairment loss on interest in subsidiaries	**–**	–	**8,758**	168
Gain on disposal of property, plant and equipment	**16**	4	**–**	–
Hotel and restaurant related services	**667**	1,599	**–**	–
Rental income of premises	**250**	183	**–**	–
Management service fees	**43**	437	**–**	–
Realised gain on foreign exchange	**5,158**	21	**2,040**	–
Unrealised gain on foreign exchange	**43,801**	1,333	**13**	–
Unwinding of discounts	**850**	2,349	**–**	29
Fair value gain on other investments at fair value through profit or loss	**5,477**	176	**–**	–
Fair value gain on investment properties (Note 17)	**7,172**	–	**–**	–
Forfeitures	**901**	663	**–**	–
Reversal of provision for estimated repair costs (Note 28)	**2,790**	–	**–**	–
Net gain on derecognition of lease liabilities (Note 15)	**–**	46	**–**	3
Miscellaneous	**995**	1,368	**242**	549
	75,397	32,213	**12,047**	13,321

7. FINANCE COSTS

	GROUP		COMPANY	
	2021 RM'000	2020 RM'000	**2021 RM'000**	2020 RM'000
Interest expense on:				
- bank overdrafts	**1,575**	1,919	**1,520**	1,784
- term loans	**17,891**	35,145	**1,708**	2,112
- revolving credits	**7,426**	12,389	**213**	309
- medium term notes	**–**	20,810	**–**	20,810
- obligations under finance leases	**62**	68	**–**	–
- Sukuk Murabahah	**19,042**	727	**–**	–
- lease liabilities (Note 15)	**4,410**	4,750	**268**	221
- non-controlling interests	**83**	24	**–**	–
- subsidiaries	**–**	–	**27**	–
Unwinding of discounts	**1,009**	503	**35**	–
	51,498	76,335	**3,771**	25,236
Less: Interest expense capitalised in:				
Property, plant and equipment (Note 14(c))	**–**	(452)	**–**	–
Land held for property development (Note 16(a)(ii))	**(15,317)**	(8,980)	**–**	–
Property development costs (Note 16(b))	**(2,390)**	(4,913)	**–**	–
	33,791	61,990	**3,771**	25,236

8. (LOSS)/PROFIT BEFORE TAX

In addition to the other items disclosed elsewhere in the financial statements, the following items have been included in arriving at (loss)/profit before tax:

	GROUP		COMPANY	
	2021 RM'000	2020 RM'000	**2021 RM'000**	2020 RM'000
Auditors' remuneration:				
- statutory audits (EY)	**433**	431	**85**	80
- statutory audits (other than EY)	**365**	379	**–**	–
- other services (EY)	**34**	214	**15**	185
Amortisation of:				
- intangible assets (Note 18)	**18**	75	**–**	–
Allowances for expected credit losses on:				
- trade receivables (Note 24(a))	**1,039**	813	**–**	–
- other receivables (Note 24(d))	**–**	2	**2,971**	81
Bad debts written off	**4**	40	**–**	38
Depreciation of property, plant and equipment (Note 14)	**16,761**	14,095	**369**	344
Depreciation of right-of-use assets (Note 15)	**5,657**	9,130	**870**	1,078

	GROUP		COMPANY	
	2021	2020	**2021**	2020
	RM'000	RM'000	**RM'000**	RM'000
Employee benefits expense (Note 9)	**28,943**	62,744	**4,544**	17,329
Fair value loss on investment properties (Note 17)	**44,549**	120,256	**–**	–
Non-Executive Directors' remuneration (Note 10)	**1,204**	1,201	**1,075**	1,075
Impairment loss on:				
- property, plant and equipment (Note 14)	**31**	–	**–**	–
- right-of-use assets (Note 15)	**31,913**	19,458	**–**	–
- interest in subsidiaries	**–**	–	**65,886**	97,888
Property development costs written down (Note 16(b))	**64,520**	69,862	**–**	–
Other inventories written off	**156**	–	**–**	–
Loss on disposal of property, plant and equipment	**–**	19	**–**	19
Property, plant and equipment written off	**168**	260	**9**	1
Rental of land and buildings	**651**	207	**388**	327
Rental of equipment	**318**	361	**104**	109
Provision for estimated repair costs	**–**	5,000	**–**	–
Unrealised loss on foreign exchange	**–**	10	**–**	10

9. EMPLOYEE BENEFITS EXPENSE

	GROUP		COMPANY	
	2021	2020	**2021**	2020
	RM'000	RM'000	**RM'000**	RM'000
Wages and salaries	**23,234**	50,965	**3,326**	13,516
Social security contributions	**359**	455	**56**	59
Contributions to defined contribution plans	**2,850**	6,114	**406**	1,595
Increase in liability of defined benefit plans (Note 33(a))	**79**	164	**–**	–
Other benefits	**2,421**	5,046	**756**	2,159
	28,943	62,744	**4,544**	17,329

The Directors' remuneration of the Group and of the Company are disclosed in Note 10.

10. DIRECTORS' REMUNERATION

	GROUP		COMPANY	
	2021 RM'000	2020 RM'000	**2021 RM'000**	2020 RM'000
Executive Directors' remuneration:				
- other emoluments	**3,765**	9,063	**1,013**	3,043
Non-Executive Directors' remuneration:				
- fees (Note 8)	**1,204**	1,201	**1,075**	1,075
Total Directors' remuneration	**4,969**	10,264	**2,088**	4,118
Estimated monetary value of benefits-in-kind	**203**	553	**162**	508
Total Directors' remuneration including benefits-in-kind	**5,172**	10,817	**2,250**	4,626

The details of remunerations of the Directors of the Company during the financial year are as follows:

	GROUP		COMPANY	
	2021 RM'000	2020 RM'000	**2021 RM'000**	2020 RM'000
Executive:				
Salaries and other emoluments	**3,299**	7,945	**884**	2,664
Defined contribution plans	**466**	1,118	**129**	379
Estimated monetary value of benefits-in-kind	**162**	508	**162**	508
	3,927	9,571	**1,175**	3,551
Non-Executive:				
Fees	**1,176**	1,177	**1,075**	1,075
Estimated monetary value of benefits-in-kind	**41**	45	**–**	–
	1,217	1,222	**1,075**	1,075
Total Directors' remuneration including benefits-in-kind	**5,144**	10,793	**2,250**	4,626

The number of Directors of the Company whose total remuneration during the financial year fell within the following bands is analysed below:

	NUMBER OF DIRECTORS	
	2021	2020
Executive Directors:		
RM600,001 - RM650,000	**1**	–
RM1,200,001 - RM1,250,000	**1**	–
RM1,750,001 - RM1,800,000	**–**	1
RM2,100,001 - RM2,150,000	**1**	–
RM3,150,001 - RM3,200,000	**–**	1
RM4,600,001 - RM4,650,000	**–**	1
Non-Executive Directors:		
RM50,001 - RM100,000	**2**	2
RM100,001 - RM150,000	**1**	1
RM150,001 - RM200,000	**3**	3
RM400,001 - RM450,000	**1**	1

11. INCOME TAX EXPENSE

	GROUP		COMPANY	
	2021 RM'000	2020 RM'000	**2021 RM'000**	2020 RM'000
Statements of comprehensive income:				
Current income tax:				
Malaysian income tax	**28,385**	44,171	**160**	2,277
Under/(overprovision) in prior financial years	**184**	(180)	**73**	(83)
	28,569	43,991	**233**	2,194
Deferred income tax (Note 22):				
Relating to origination and reversal of temporary differences	**(4,689)**	(5,206)	**21**	(21)
Overprovision in prior financial years	**(2,693)**	(2,057)	**–**	–
	(7,382)	(7,263)	**21**	(21)
	21,187	36,728	**254**	2,173

Domestic income tax is calculated at the Malaysian statutory tax rate of 24% (2020: 24%) of the estimated assessable profit for the financial year.

Taxation for other jurisdictions is calculated at the rates prevailing in the respective jurisdictions.

The reconciliation between tax expense and the product of accounting loss multiplied by the applicable corporate tax rate for the financial years ended 31 March 2021 and 2020 are as follows:

	2021 RM'000	2020 RM'000
Group		
Loss before tax	**(48,038)**	(155,610)
Taxation at Malaysian statutory tax rate of 24% (2020: 24%)	**(11,529)**	(37,346)
Effect of different tax rates in foreign jurisdiction	**3,779**	4,632
Effect of expenses not deductible for tax purposes	**39,858**	73,751
Effect of income not subject to tax	**(16,503)**	(4,327)
Effect of share of results of joint ventures	**1,475**	1,024
Effect on real property gains tax rate applied on the fair value changes of the investment properties	**–**	(2,032)
Effect of utilisation of previously unrecognised deferred tax assets	**(2,659)**	(1,853)
Deferred tax assets not recognised during the financial year	**9,275**	5,116
Under/(overprovision) of income tax in prior financial years	**184**	(180)
Overprovision of deferred tax in prior financial years	**(2,693)**	(2,057)
	21,187	36,728

11. INCOME TAX EXPENSE (CONT'D)

The reconciliation between tax expense and the product of accounting profit multiplied by the applicable corporate tax rate for the financial years ended 31 March 2021 and 2020 are as follows:

	2021 RM'000	2020 RM'000
Company		
Profit before tax	**26,405**	10,051
Taxation at Malaysian statutory tax rate of 24% (2020: 24%)	**6,337**	2,412
Effect of expenses not deductible for tax purposes	**18,504**	32,743
Effect of income not subject to tax	**(24,283)**	(33,012)
Effect of utilisation of previously unrecognised deferred tax assets	**(377)**	–
Deferred tax assets not recognised during the financial year	**–**	113
Under/(overprovision) of income tax in prior financial years	**73**	(83)
	254	2,173

12. LOSS PER ORDINARY SHARE

Basic loss per ordinary share is calculated by dividing the loss for the financial year, net of tax, attributable to owners of the parent by the weighted average number of ordinary shares in issue during the financial year.

	GROUP	
	2021 RM'000	2020 RM'000
Loss attributable to owners of the parent	**(71,741)**	(195,942)
Weighted average number of ordinary shares in issue	**1,431,349**	1,432,448
	2021 SEN	2020 SEN
Basic loss per share	**(5.01)**	(13.68)

The Group has no potential ordinary shares in issue as at reporting date and therefore the diluted loss per share is same as basic loss per share. The Redeemable Convertible Medium Term Notes ("RCMTNs") had not been included for the computation of fully diluted loss per share in the previous financial year as the conversion of RCMTNs to ordinary shares would be anti-dilutive.

13. DIVIDENDS

	GROUP/COMPANY 2021 RM'000	2020 RM'000
Recognised during the financial year		
First and final single-tier dividend in respect of the financial year ended 31 March 2019 of 3.0 sen on 1,432,549,625 ordinary shares	**–**	42,977
First and final single-tier dividend in respect of the financial year ended 31 March 2020 of 1.0 sen on 1,431,348,925 ordinary shares	**14,313**	–
	14,313	42,977

The Directors do not recommend the payment of any dividend in respect of the financial year ended 31 March 2021.

14. PROPERTY, PLANT AND EQUIPMENT

GROUP	LAND AND BUILDINGS* RM'000	PLANT, MACHINERY AND EQUIPMENT RM'000	OFFICE EQUIPMENT, RENOVATION, AND FURNITURE AND FITTINGS RM'000	VESSEL RM'000	MOTOR VEHICLES RM'000	CAPITAL WORK-IN-PROGRESS RM'000	TOTAL RM'000
At 31 March 2021							
Cost							
At 1 April 2020	**322,323**	**13,280**	**85,625**	**842**	**6,343**	**226**	**428,639**
Additions	**–**	**40**	**3,048**	**–**	**10**	**269**	**3,367**
Disposals	**–**	**–**	**(1)**	**–**	**(29)**	**–**	**(30)**
Written off	**–**	**(1,454)**	**(18,271)**	**–**	**(156)**	**–**	**(19,881)**
Exchange differences	**–**	**–**	**14**	**–**	**45**	**–**	**59**
At 31 March 2021	**322,323**	**11,866**	**70,415**	**842**	**6,213**	**495**	**412,154**
Accumulated depreciation and impairment losses							
At 1 April 2020	**113,780**	**9,947**	**45,022**	**568**	**4,381**	**–**	**173,698**
Depreciation charge for the financial year (Note 8)	**9,324**	**824**	**5,787**	**84**	**742**	**–**	**16,761**
Impairment loss for the financial year (Note 8)	**–**	**16**	**15**	**–**	**–**	**–**	**31**
Disposals	**–**	**–**	**–**	**–**	**(29)**	**–**	**(29)**
Written off	**–**	**(1,454)**	**(18,103)**	**–**	**(156)**	**–**	**(19,713)**
Reclassification	**–**	**1**	**–**	**–**	**(1)**	**–**	**–**
Exchange differences	**–**	**–**	**131**	**–**	**(96)**	**–**	**35**
At 31 March 2021	**123,104**	**9,334**	**32,852**	**652**	**4,841**	**–**	**170,783**
Analysed as:							
Accumulated depreciation	**123,104**	**9,318**	**32,338**	**652**	**4,841**	**–**	**170,253**
Accumulated impairment losses	**–**	**16**	**514**	**–**	**–**	**–**	**530**
	123,104	**9,334**	**32,852**	**652**	**4,841**	**–**	**170,783**
Net carrying amount	**199,219**	**2,532**	**37,563**	**190**	**1,372**	**495**	**241,371**

14. PROPERTY, PLANT AND EQUIPMENT (CONT'D)

* Land and buildings of the Group

	FREEHOLD LAND RM'000	FREEHOLD BUILDING RM'000	LONG TERM LEASEHOLD LAND RM'000	TOTAL RM'000
At 31 March 2021				
Cost				
At 1 April 2020/31 March 2021	**24,900**	**297,060**	**363**	**322,323**
Accumulated depreciation				
At 1 April 2020	**–**	**113,588**	**192**	**113,780**
Depreciation charge for the financial year	**–**	**9,319**	**5**	**9,324**
At 31 March 2021	**–**	**122,907**	**197**	**123,104**
Net carrying amount	**24,900**	**174,153**	**166**	**199,219**

GROUP	LAND AND BUILDINGS* RM'000	PLANT, MACHINERY AND EQUIPMENT RM'000	OFFICE EQUIPMENT, RENOVATION, AND FURNITURE AND FITTINGS RM'000	VESSEL RM'000	MOTOR VEHICLES RM'000	CAPITAL WORK-IN-PROGRESS RM'000	TOTAL RM'000
At 31 March 2020							
Cost							
At 1 April 2019	315,368	11,848	48,531	842	6,062	6,183	388,834
Additions	–	1,456	7,672	–	688	31,438	41,254
Disposals	–	(24)	(36)	–	(408)	–	(468)
Reclassification	6,955	–	30,440	–	–	(37,395)	–
Written off	–	–	(980)	–	–	–	(980)
Exchange differences	–	–	(2)	–	1	–	(1)
At 31 March 2020	322,323	13,280	85,625	842	6,343	226	428,639
Accumulated depreciation and impairment losses							
At 1 April 2019	104,451	9,221	42,943	483	3,585	–	160,683
Depreciation charge for the financial year (Note 8)	9,329	738	2,951	85	992	–	14,095
Disposals	–	(12)	(31)	–	(318)	–	(361)
Written off	–	–	(720)	–	–	–	(720)
Exchange differences	–	–	(121)	–	122	–	1
At 31 March 2020	113,780	9,947	45,022	568	4,381	–	173,698

GROUP	LAND AND BUILDINGS* RM'000	PLANT, MACHINERY AND EQUIPMENT RM'000	OFFICE EQUIPMENT, RENOVATION, AND FURNITURE AND FITTINGS RM'000	VESSEL RM'000	MOTOR VEHICLES RM'000	CAPITAL WORK-IN-PROGRESS RM'000	TOTAL RM'000
Analysed as:							
Accumulated depreciation	113,780	9,370	38,171	568	4,381	–	166,270
Accumulated impairment losses	–	577	6,851	–	–	–	7,428
	113,780	9,947	45,022	568	4,381	–	173,698
Net carrying amount	208,543	3,333	40,603	274	1,962	226	254,941

*** Land and buildings of the Group**

	FREEHOLD LAND RM'000	FREEHOLD BUILDING RM'000	LONG TERM LEASEHOLD LAND RM'000	TOTAL RM'000
At 31 March 2020				
Cost				
At 1 April 2019	24,900	290,105	363	315,368
Reclassification	–	6,955	–	6,955
At 31 March 2020	24,900	297,060	363	322,323
Accumulated depreciation				
At 1 April 2019	–	104,264	187	104,451
Depreciation charge for the financial year	–	9,324	5	9,329
At 31 March 2020	–	113,588	192	113,780
Net carrying amount	24,900	183,472	171	208,543

14. PROPERTY, PLANT AND EQUIPMENT (CONT'D)

COMPANY	OFFICE EQUIPMENT, RENOVATION, AND FURNITURE AND FITTINGS RM'000	MOTOR VEHICLES RM'000	TOTAL RM'000
At 31 March 2021			
Cost			
At 1 April 2020	**3,176**	**429**	**3,605**
Additions	**869**	**–**	**869**
Written off	**(10)**	**–**	**(10)**
At 31 March 2021	**4,035**	**429**	**4,464**
Accumulated depreciation			
At 1 April 2020	**2,377**	**344**	**2,721**
Depreciation charge for the financial year (Note 8)	**366**	**3**	**369**
Written off	**(1)**	**–**	**(1)**
At 31 March 2021	**2,742**	**347**	**3,089**
Net carrying amount	**1,293**	**82**	**1,375**
At 31 March 2020			
Cost			
At 1 April 2019	3,431	837	4,268
Additions	245	–	245
Disposals	(11)	(408)	(419)
Written off	(489)	–	(489)
At 31 March 2020	3,176	429	3,605
Accumulated depreciation			
At 1 April 2019	2,557	637	3,194
Depreciation charge for the financial year (Note 8)	319	25	344
Disposals	(11)	(318)	(329)
Written off	(488)	–	(488)
At 31 March 2020	2,377	344	2,721
Net carrying amount	799	85	884

(a) The net carrying amounts of land and buildings of the Group pledged for borrowings as disclosed in Note 27, at the end of the financial year are as follows:

	GROUP	
	2021	2020
	RM'000	RM'000
Freehold land and buildings	**196,712**	205,927
Long term leasehold land	**166**	171
	196,878	206,098

(b) The Group acquired property, plant and equipment at aggregate costs of RM41,254,000 in the previous financial year of which RM620,000 were acquired by means of hire purchase arrangement.

The net carrying amounts of property, plant and equipment held under hire purchase arrangement are as follows:

	GROUP	
	2021	2020
	RM'000	RM'000
Motor vehicles	**1,010**	1,587

(c) Included in the addition to property, plant and equipment of the Group in the previous financial year was interest expense capitalised of RM452,000 (Note 7).

15. RIGHT-OF-USE ASSETS AND LEASE LIABILITIES

Group and Company as a lessee

The Group and the Company have lease contracts for service apartments and business premises for their operation. These lease contracts generally have lease terms between 1 to 7 (2020: 1 to 7) years. The Group's and the Company's obligations under these leases are secured by the lessor's title to the leased assets. Generally, the Group and the Company are restricted from assigning and subleasing the leased assets. There are several lease contracts that include extension and termination options, which are further discussed below.

The Group and the Company also have certain leases for office and equipment with lease terms of 12 months or less and leases of office equipment with low value. The Group and the Company apply the 'short term lease' and lease of 'low-value assets' recognition exemptions for these leases.

15. RIGHT-OF-USE ASSETS AND LEASE LIABILITIES (CONT'D)

Set out below are the carrying amount of right-of-use assets recognised and the movements during the financial year:

	GROUP		COMPANY	
	2021 **RM'000**	2020 RM'000	**2021** **RM'000**	2020 RM'000
As at 1 April	**39,599**	70,494	**2,899**	4,101
Impairment loss during the financial year (Note 8)	**(31,913)**	(19,458)	**–**	–
Addition	**2,517**	–	**2,517**	–
Depreciation during the financial year (Note 8)	**(5,657)**	(9,130)	**(870)**	(1,078)
Written off	**–**	(2,307)	**–**	(124)
As at 31 March	**4,546**	39,599	**4,546**	2,899

The Group recognised impairment loss of RM31,913,000 (2020: RM19,458,000) in the statement of comprehensive income based on the recoverable amount of a subsidiary's leased property in the hospitality segment. In the current financial year, the remaining carrying amount was fully impaired following the Company's requisite notice to terminate the lease (Note 42) and the cessation of the business of this subsidiary in that leased property. In the previous financial year, the recoverable amount of RM36,700,000 was based on a valuation performed by professional independent valuer discounted at a rate of 9%.

The carrying amount of right-of-use assets recognised and the movements during the financial year for long term leasehold land are as disclosed in Note 14.

Set out below are the carrying amount of lease liabilities and the movements during the financial year:

	GROUP		COMPANY	
	2021 **RM'000**	2020 RM'000	**2021** **RM'000**	2020 RM'000
As at 1 April	**62,404**	70,494	**2,985**	4,101
Interest expense on lease liabilities (Note 7)	**4,410**	4,750	**268**	221
Addition	**2,517**	–	**2,517**	–
Payments during the financial year	**(1,019)**	(10,487)	**(973)**	(1,210)
Rent concession	**(42)**	–	**(42)**	–
Derecognition during the financialn year	**–**	(2,353)	**–**	(127)
As at 31 March	**68,270**	62,404	**4,755**	2,985
Analysed as:				
- Current	**15,417**	5,546	**755**	856
- Non-current	**52,853**	56,858	**4,000**	2,129
	68,270	62,404	**4,755**	2,985

The following are the amounts recognised in profit or loss:

	GROUP		COMPANY	
	2021 RM'000	2020 RM'000	**2021 RM'000**	2020 RM'000
Depreciation of right-of-use assets	**5,657**	9,130	**870**	1,078
Interest expense on lease liabilities (Note 7)	**4,410**	4,750	**268**	221
Net gain on derecognition of lease liabilities (Note 6)	**–**	(46)	**–**	(3)
Impairment loss during the financial year (Note 8)	**31,913**	19,458	**–**	–
Expenses relating to short term lease (included in administrative expenses)	**651**	207	**388**	327
Expenses relating to leases of low-value assets (included in administrative expenses)	**318**	361	**104**	109
	42,949	33,860	**1,630**	1,732

The Group's and the Company's total cash outflows for leases were as follows:

	GROUP		COMPANY	
	2021 RM'000	2020 RM'000	**2021 RM'000**	2020 RM'000
Total cash outflows for leases:				
- payment for lease liabilities	**1,019**	10,487	**973**	1,210
- payment for lease expenses	**969**	568	**492**	436
	1,988	11,055	**1,465**	1,646

16. INVENTORIES

	NOTE	GROUP	
		2021 RM'000	2020 RM'000
Non-current			
Land held for property development	(a)	**1,721,776**	1,487,588
Current			
Property development costs	(b)	**427,096**	502,367
Completed properties	(c)	**5,325**	48,318
Food, beverages and tobacco	(d)	**299**	519
General supplies	(d)	**877**	1,142
		433,597	552,346
		2,155,373	2,039,934

16. INVENTORIES (CONT'D)

(a) Land held for property development

	FREEHOLD LAND RM'000	LEASEHOLD LAND RM'000	DEVELOPMENT COSTS RM'000	TOTAL RM'000
Group				
At 31 March 2021				
At 1 April 2020	**392,541**	**1,051,430**	**43,617**	**1,487,588**
Additions	**–**	**72,859**	**189,741**	**262,600**
Reclassification	**–**	**(268)**	**268**	**–**
Disposal of freehold land in a subsidiary to a joint venture	**(22,783)**	**–**	**(5,629)**	**(28,412)**
At 31 March 2021	**369,758**	**1,124,021**	**227,997**	**1,721,776**
At 31 March 2020				
At 1 April 2019	432,586	957,832	37,212	1,427,630
Additions	–	93,856	11,570	105,426
Transfer to non-current assets classified as held for sale (Note 26)	(40,045)	(258)	(5,165)	(45,468)
At 31 March 2020	392,541	1,051,430	43,617	1,487,588

Notes:

(i) Land held for property development of the Group with carrying amount of RM1,332,026,000 (2020: RM1,290,760,000) is pledged as security for credit facilities granted to the Group.

(ii) Included in additions to land held for property development during the financial year is interest expense capitalised of RM15,317,000 (2020: RM8,980,000).

(b) Property development costs

	GROUP 2021 RM'000	2020 RM'000
At the beginning of financial year	**502,367**	534,183
Costs incurred during the financial year	**35,535**	38,046
Transfer to contract cost assets (Note 23(a))	**(46,286)**	–
Written down during the financial year (Note 8)	**(64,520)**	(69,862)
At the end of financial year	**427,096**	502,367

Development properties of the Group with carrying amount of RM427,096,000 (2020: RM502,367,000) are pledged to the financial institutions as securities for credit facilities granted to the Group.

Included in property development costs incurred during the financial year is interest expense capitalised of RM2,390,000 (2020: RM4,913,000).

As at financial year end, included in property development costs are residential and commercial properties in United Kingdom amounted to RM427,096,000 (2020: RM502,367,000) measured at net realisable value. The Group recognised a write down of property development costs of RM64,520,000 (2020: RM69,862,000) based on valuation performed by professional independent valuers.

(c) Completed properties

	GROUP	
	2021 RM'000	2020 RM'000
At cost:		
Completed properties	**5,325**	48,318

During the financial year, the amount of inventories recognised as an expense in cost of sales of the Group was RM45,789,000 (2020: RM163,048,000) as disclosed in Note 5(a).

Completed properties amounting to RM38,147,000 in the previous financial year had been pledged to the financial institution for credit facility granted to a subsidiary as disclosed in Notes 27(b) and 27(c).

(d) Other inventories

	GROUP	
	2021 RM'000	2020 RM'000
At cost:		
Food, beverages and tobacco	**299**	519
General supplies	**877**	1,142

During the financial year, the amount of inventories recognised as an expense in cost of sales of the Group was RM2,195,000 (2020: RM7,019,000).

17. INVESTMENT PROPERTIES

	GROUP	
	2021	2020
	RM'000	RM'000
Investment properties under construction	**21**	–
Investment properties	**358,218**	375,086
	358,239	375,086

Investment properties

	GROUP	
	2021	2020
	RM'000	RM'000
At fair value		
At the beginning of financial year	**375,086**	487,993
Subsequent expenditures	**12,796**	7,258
Fair value gain recognised in profit or loss (Note 6)	**7,172**	–
Fair value loss recognised in profit or loss (Note 8)	**(44,549)**	(120,256)
Exchange differences	**7,713**	91
At the end of financial year	**358,218**	375,086

Investment properties under construction

	GROUP	
	2021	2020
	RM'000	RM'000
At cost		
At the beginning of financial year	**–**	–
Addition	**21**	–
At the end of financial year	**21**	–

The valuations for properties carried at fair value were performed by accredited independent valuers with experience in the location and category of properties being valued in accordance with International Valuation Standards. Fair value is determined primarily based on investment and comparison methods.

	GROUP	
	2021	2020
	RM'000	RM'000
Rental income derived from investment properties (Note 4)	**17,059**	18,826
Direct operating expenses (including repair and maintenance) of income generating properties (Note 5)	**(6,158)**	(8,716)
Profit arising from investment properties carried at fair value	**10,901**	10,110

Investment properties of the Group amounting to RM321,218,000 (2020: RM213,500,000) have been pledged as security for the credit facilities granted to the Company and certain subsidiaries, as disclosed in Note 27.

The Group has no restrictions on the realisability of its investment properties and no contractual obligations to purchase, construct or develop investment properties or for repairs, maintenance and enhancements.

Fair value hierarchy disclosures for investment properties are in Note 38(a).

Description of valuation techniques used and key inputs to valuation of investment properties:

VALUATION TECHNIQUES	SIGNIFICANT UNOBSERVABLE INPUTS	RANGE
At 31 March 2021		
Investment method	Estimated rental value per square foot per month	RM2.00 - RM9.50
	Estimated rental value per parking bay per month	RM240 - RM300
	Estimated outgoing per square foot per month	RM0.95 - RM2.05
	Market yield rate	5.5% - 8.0%
	Void rate	7.5% - 40.0%
Market comparable approach	Difference in location, time factor, size, land usage, shape, and tenure	-25.0% to 30.0%
At 31 March 2020		
Investment method	Estimated rental value per square foot per month	RM1.20 - RM15.10
	Estimated rental value per parking bay per month	RM120 - RM240
	Estimated outgoing per square foot per month	RM0.34 - RM2.35
	Market yield rate	6.25% - 6.75%
Market comparable approach	Difference in location, time factor, size, land usage, shape, and tenure	-55.0% to 23.2%

For investment properties, significant changes in any of the above inputs in isolation would result in significant changes in the fair value.

Investment method

A property's fair value is estimated using explicit assumptions regarding the benefits and liabilities of ownership over the assets' life including an exit or terminal value. As an accepted method within the income approach to valuation, the investment method involves the projection of series of cash flows on a real property interest. To this projected cash flows series, an appropriate, market-derived discount rate is applied to establish the present value of the income stream associated with the real property.

The duration of the cash flow and the specific timing of inflows and outflows are determined by events such as rent reviews, lease renewal and related lease up periods, re-letting, redevelopment, or refurbishment. The appropriate duration is typically driven by market behaviour that is a characteristic of the class of real property. In the case of investment properties, periodic cash flow is typically estimated as gross income less vacancy, non recoverable expenses, collection losses, lease incentives, maintenance cost, agent and commission costs and other operating and management expenses. The series of periodic net operating incomes, along with an estimate of the terminal value anticipated at the end of the projection period, are then discounted.

Significant increases/(decreases) in estimated rental value and outgoing per annum in isolation would result in a significant higher/(lower) fair value of the properties. Significant increases/(decreases) in market yield in isolation would also result in a significantly lower/(higher) fair value.

Generally, a change in the assumption made for the estimated rental value is accompanied by a directionally similar change in the rent growth per annum and discount rate.

17. INVESTMENT PROPERTIES (CONT'D)

Description of valuation techniques used and key inputs to valuation of investment properties (cont'd):

Comparison method

Under the comparison method, a property's fair value is estimated based on comparable transactions. This approach is based upon the principle of substitution under which a potential buyer will not pay more for the property than it will cost to buy a comparable substitute property. In theory, the best comparable sale would be an exact duplicate of the subject property and would indicate, by the known selling price of the duplicate, the price for which the subject property could be sold.

Highest and best use

For all investment property that is measured at fair value, the current use of the property is considered the highest and best use.

18. INTANGIBLE ASSETS

	COMPUTER SOFTWARE	
	2021 RM'000	2020 RM'000
Group		
Cost		
At the beginning of financial year	**1,604**	1,604
Additions	**62**	–
At the end of financial year	**1,666**	1,604
Accumulated amortisation		
At the beginning of financial year	**1,586**	1,511
Amortisation charge for the financial year (Note 8)	**18**	75
At the end of financial year	**1,604**	1,586
Net carrying amount	**62**	18

	COMPUTER SOFTWARE RM'000
Company	
Cost	
At 1 April 2019/1 April 2020/31 March 2021	**14**
Accumulated amortisation	
At 1 April 2019/1 April 2020/31 March 2021	**14**
Net carrying amount	**–**

Computer software represents licenses and other software assets that are not an integral part of property, plant and equipment. Software assets are recorded at cost and have finite useful life based on the term of the license or other contractual basis. The cost is amortised over the asset's useful life.

19. INTEREST IN SUBSIDIARIES

	COMPANY	
	2021	2020
	RM'000	RM'000
Unquoted shares at cost	**1,691,435**	1,728,733
Less: Accumulated impairment losses	**(238,934)**	(181,806)
	1,452,501	1,546,927

The Company increased its investment in subsidiaries by RM1,900,000 (2020: RM 191,975,000) through the capitalisation of amounts due from these subsidiaries.

The Company's subsidiaries have also redeemed preference shares and repaid capital contribution amounting RM18,878,000 (2020: RM Nil) and RM20,320,000 (2020: RM Nil) respectively.

At the reporting date, the Company conducted an impairment review of the interest in certain subsidiaries based on the recoverable amounts of these subsidiaries, which represents the Directors' estimation of fair value less costs to sell of these subsidiaries.

The review gave rise to the recognition of net impairment loss of RM57,128,000 (2020: RM97,720,000) as disclosed in Notes 6 and 8 based on the recoverable amounts of the investments.

2021

In the current financial year, included in the total carrying amount of interest in subsidiaries of RM1,452,501,000 is interest in a subsidiary in the hospitality segment with carrying amount of RM173,642,000. The cessation of a business unit and the adverse impact from the COVID-19 pandemic on the financial performance of this subsidiary during the financial year indicated that the carrying amount of the interest in this subsidiary may be impaired. Accordingly, the management estimated the recoverable amount of the interest in this subsidiary by estimating the fair value less cost of disposal of this subsidiary. The impairment assessment gave rise to an impairment loss of RM65,879,000 for the financial year ended 31 March 2021.

2020

In the previous financial year included in the total carrying amount of interest in subsidiaries of RM1,546,927,000 is interest in subsidiaries in the hospitality, investments and others segments with carrying amount of RM407,662,000. The COVID-19 pandemic which resulted in significant decline in the value of right-of-use assets and investment properties of these subsidiaries indicated that the carrying amount of the interest in the subsidiaries may be impaired. Accordingly, the management estimated the recoverable amount of the interest in subsidiaries by estimating the fair value less cost of disposal of these subsidiaries.The impairment assessment gave rise to an impairment loss of RM97,397,000 for the financial year ended 31 March 2020.

19. INTEREST IN SUBSIDIARIES (CONT'D)

Details of the subsidiaries are as follows:

NAME OF SUBSIDIARIES	COUNTRY OF INCORPORATION	PRINCIPAL ACTIVITIES	PROPORTION OF OWNERSHIP INTEREST 2021 %	PROPORTION OF OWNERSHIP INTEREST 2020 %	NON-CONTROLLING INTERESTS 2021 %	NON-CONTROLLING INTERESTS 2020 %	SHARE CAPITAL RM
I) SUBSIDIARIES OF THE COMPANY							
E&O Property Development Berhad ("E&OPROP") #	Malaysia	Investment holding and provision of management services	**100**	100	**–**	–	738,819,160
Dynamic Degree Sdn. Bhd.	Malaysia	Investment holding	**100**	100	**–**	–	115,341,783
E&O Developers Sdn. Bhd.**	Malaysia	Investment holding	**100**	100	**–**	–	23,000,000
Eastern & Oriental Hotel Sdn. Berhad	Malaysia	Ownership and management of hotel, property development and investment holding	**100**	100	**–**	–	263,700,000
Matrix Promenade Sdn. Bhd.	Malaysia	Investment holding	**100**	100	**–**	–	232,226,000
KCB Geotechnics Sdn. Bhd.** ∞ ^	Malaysia	Property investment	**100**	100	**–**	–	500,000
Twenty First Century Realty Sdn. Bhd.	Malaysia	Property investment	**100**	100	**–**	–	9,602,337
Eastern & Oriental Properties (Guernsey) Limited** ∞	Guernsey	Investment holding	**100**	100	**–**	–	£1
E&O Hotel Management (M) Sdn. Bhd.** ∞	Malaysia	Lease, operate and manage service apartments and related hospitality services	**100**	100	**–**	–	47,602
II) SUBSIDIARIES OF EASTERN & ORIENTAL HOTEL SDN. BERHAD							
E&O Cruises Sdn. Bhd.	Malaysia	Charter of vessel	**100**	100	**–**	–	2
E&O Vista Sdn. Bhd.	Malaysia	Provision of management services	**100**	100	**–**	–	320,000
III) SUBSIDIARIES OF MATRIX PROMENADE SDN. BHD.							
Radiant Kiara Sdn. Bhd. ** ∞ α	Malaysia	Property investment	**–**	100	**–**	–	–
E&O-PIE Sdn. Bhd.** ∞ α	Malaysia	Property investment	**–**	100	**–**	–	–
E&O Trading Sdn. Bhd.	Malaysia	Property investment	**100**	100	**–**	–	241,092,002
IV) SUBSIDIARY OF EASTERN & ORIENTAL PROPERTIES (GUERNSEY) LIMITED							
Oriental Light (Guernsey) Limited**	Guernsey	Property investment	**100**	100	**–**	–	£1

NAME OF SUBSIDIARIES	COUNTRY OF INCORPORATION	PRINCIPAL ACTIVITIES	PROPORTION OF OWNERSHIP INTEREST		NON-CONTROLLING INTERESTS		SHARE CAPITAL RM
			2021 %	2020 %	2021 %	2020 %	
a) Subsidiary of Oriental Light (Guernsey) Limited							
Oriental Light (UK) Limited** ∞	United Kingdom	Property development and trading	**100**	100	**–**	–	£1
V) SUBSIDIARIES OF E&OPROP							
Ambangan Puri Sdn. Bhd.	Malaysia	Property development and property investment	**100**	100	**–**	–	28,150,160
Eminent Pedestal Sdn. Bhd.∞	Malaysia	Project management services	**100**	100	**–**	–	100,000
Edisi Utama Sdn. Bhd.∞	Malaysia	Property development	**100**	100	**–**	–	2,216,000
E&O Properties Sdn. Bhd.	Malaysia	Property development, property investment and project management	**100**	100	**–**	–	18,390,000
Eastern & Oriental Express Sdn. Bhd.	Malaysia	Property development	**100**	100	**–**	–	185,351,000
E&O Sales & Marketing Sdn. Bhd.	Malaysia	Rendering of sales and marketing services for property development projects	**100**	100	**–**	–	17,981,000
E&O Property (Singapore) Pte. Ltd.** ∞ ^	Singapore	Rendering of sales and marketing services for property development projects	**100**	100	**–**	–	S$500,000
Emerald Designs Sdn. Bhd.∞	Malaysia	Property development	**100**	100	**–**	–	117,804,000
Galaxy Prestige Sdn. Bhd.	Malaysia	Investment holding	**100**	100	**–**	–	131,878,000
Kamunting Management Services Sdn. Bhd.**	Malaysia	Investment holding	**100**	100	**–**	–	78,407,150
KCB Holdings Sdn. Bhd.	Malaysia	Investment holding	**100**	100	**–**	–	392
Eastern & Oriental PLC**	United Kingdom	Property investment and property management	**100**	100	**–**	–	£2,006,250
Regal Alliance Sdn. Bhd.∞	Malaysia	Property development	**100**	100	**–**	–	24,152,582

19. INTEREST IN SUBSIDIARIES (CONT'D)

NAME OF SUBSIDIARIES	COUNTRY OF INCORPORATION	PRINCIPAL ACTIVITIES	PROPORTION OF OWNERSHIP INTEREST		NON-CONTROLLING INTERESTS		SHARE CAPITAL
			2021 %	2020 %	**2021 %**	2020 %	RM
V) SUBSIDIARIES OF E&OPROP (CONT'D)							
E&O Resource Management Sdn. Bhd. (formerly known as Ribuan Imbang Sdn. Bhd.) ∞	Malaysia	Provision of management services	**100**	100	**–**	–	3,302
Tinggi Murni Sdn. Bhd.∞	Malaysia	Investment holding	**100**	100	**–**	–	99,402
Teratak Warisan (M) Sdn. Bhd.**∞ α	Malaysia	Investment holding	**–**	100	**–**	–	–
a) Subsidiary of Ambangan Puri Sdn. Bhd.							
Seventy Damansara Sdn. Bhd.** ∞	Malaysia	Property investment and property development	**100**	100	**–**	–	3,250,000
b) Subsidiaries of E&O Properties Sdn. Bhd.							
E&O Management Services Sdn. Bhd.** ∞ α	Malaysia	Property management and property investment	**–**	100	**–**	–	–
Kayangan Budaya Sdn. Bhd.	Malaysia	Property development	**87.5**	87.5	**12.5**	12.5	12,500,200
c) Subsidiaries of Kamunting Management Services Sdn. Bhd.							
Bridgecrest Resources Sdn. Bhd.	Malaysia	Investment holding	**100**	100	**–**	–	100,000
E&O-PDC Holdings Sdn. Bhd.	Malaysia	Investment holding	**60.0**	60.0	**40.0**	40.0	35,000
i) Subsidiaries of Bridgecrest Resources Sdn. Bhd.							
E&O Property (Penang) Sdn. Bhd.	Malaysia	Property development	**100**	100	**–**	–	2,500,010
Permaijana Ribu (M) Sdn. Bhd.	Malaysia	Investment holding	**90.0**	90.0	**10.0**	10.0	5,000,000
ii) Subsidiary of Permaijana Ribu (M) Sdn. Bhd.							
Tanjung Pinang Development Sdn. Bhd.	Malaysia	Land reclamation and development	**81.0**	81.0	**19.0**	19.0	5,000,000
iii) Subsidiaries of Tanjung Pinang Development Sdn. Bhd.							
Persada Mentari Sdn. Bhd.#	Malaysia	Property development	**64.8**	64.8	**35.2**	35.2	5,000,000
Junjung Angkasa Sdn. Bhd.∞ #	Malaysia	Property development	**81.0**	81.0	**19.0**	19.0	1

NAME OF SUBSIDIARIES	COUNTRY OF INCORPORATION	PRINCIPAL ACTIVITIES	PROPORTION OF OWNERSHIP INTEREST 2021 %	2020 %	NON-CONTROLLING INTERESTS 2021 %	2020 %	SHARE CAPITAL RM
d) Subsidiaries of KCB Holdings Sdn. Bhd.							
Trans-Mutual Sdn. Bhd.** ∞ α	Malaysia	Investment holding	**–**	100	**–**	–	–
WCW Technologies Sdn. Bhd.	Malaysia	Property investment	**100**	100	**–**	–	54,262,000
E&O Customer Services Sdn. Bhd.	Malaysia	Property and project management	**100**	100	**–**	–	6,134,010
e) Subsidiary of Tinggi Murni Sdn. Bhd.							
Samudra Pelangi Sdn. Bhd.	Malaysia	Investment holding	**100**	100	**–**	–	2
i) Subsidiaries of Samudra Pelangi Sdn. Bhd.							
Indasu Housing Development Sdn. Bhd.** ∞	Malaysia	Housing development	**100**	100	**–**	–	2
KSM Property Development Sdn. Bhd.	Malaysia	Project management and rendering of sales and marketing services for property development projects	**100**	100	**–**	–	3,116,002
Rhinever Housing Development Sdn. Bhd.** ∞	Malaysia	Housing development	**100**	100	**–**	–	6,616,002
Rimelite Sdn. Bhd.	Malaysia	Property development and property investment	**100**	100	**–**	–	41
Terra Damansara Sdn. Bhd.** ∞	Malaysia	Property development	**100**	100	**–**	–	540,000
Unicorn Housing Development Sdn. Bhd.** ∞ α	Malaysia	Housing development	**–**	100	**–**	–	–
ii) Subsidiary of Indasu Housing Development Sdn. Bhd.							
Monplus Housing Development Sdn. Bhd.** ∞	Malaysia	Housing development	**100**	100	**–**	–	250,000

19. INTEREST IN SUBSIDIARIES (CONT'D)

NAME OF SUBSIDIARIES	COUNTRY OF INCORPORATION	PRINCIPAL ACTIVITIES	PROPORTION OF OWNERSHIP INTEREST 2021 %	PROPORTION OF OWNERSHIP INTEREST 2020 %	NON-CONTROLLING INTERESTS 2021 %	NON-CONTROLLING INTERESTS 2020 %	SHARE CAPITAL RM
V) SUBSIDIARIES OF E&OPROP (CONT'D)							
f) Subsidiaries of Eastern & Oriental PLC							
Loxley Holdings Management Limited**	British Virgin Islands	Property development	**100**	100	**–**	–	£5,000,000
Hammersmith Properties Limited** ∞	Channel Islands	Property development and property investment	**100**	100	**–**	–	£1
i) Subsidiary of Hammersmith Properties Limited							
Hammersmith Development (UK) Limited** ∞	England and Wales	Provision of property development and management services	**100**	100	**–**	–	£1

** Audited by firms of auditors other than Ernst & Young PLT
^ Under member's voluntary winding up
α Liquidated during the financial year
∞ Dormant
Interests in these subsidiaries with carrying amounts of RM215,902,000 (2020: RM215,902,000) have been pledged as security for borrowings as disclosed in Note 27.

(a) Incorporation of subsidiary

There was no new incorporation of subsidiary during the financial year.

(b) Business combinations

There were no business combinations during the financial year.

(c) Material partly-owned subsidiaries

Financial information of subsidiaries that have material non-controlling interests are provided below:

Proportion of equity interest held by material non-controlling interests:

NAME	COUNTRY OF INCORPORATION AND OPERATION	PROPORTION OF OWNERSHIP INTEREST 2021 %	PROPORTION OF OWNERSHIP INTEREST 2020 %
Persada Mentari Sdn. Bhd. ("PMSB")	Malaysia	**35.2**	35.2
Permaijana Ribu Sdn. Bhd. ("PRSB")	Malaysia	**10.0**	10.0
Tanjung Pinang Development Sdn. Bhd. ("TPD")	Malaysia	**19.0**	19.0

	GROUP 2021 RM'000	2020 RM'000
Accumulated balances of material non-controlling interests:		
PMSB	**1,414**	1,555
PRSB	**470**	471
TPD	**45,840**	43,166
Other individually immaterial non-controlling interests	**(87)**	(71)
	47,637	45,121
Total comprehensive (loss)/income allocated to material non-controlling interests:		
PMSB	**(141)**	(35)
PRSB	**(1)**	(1)
TPD	**2,674**	3,656
Other individually immaterial non-controlling interests	**(16)**	(16)
	2,516	3,604

The summarised financial information of these subsidiaries are provided below. This information is based on amounts before inter-company eliminations.

Summarised statement of comprehensive income for financial year ended 31 March 2021:

	PMSB RM'000	PRSB RM'000	TPD RM'000	TOTAL RM'000
Revenue	**–**	**–**	**42,351**	**42,351**
Cost of sales	**–**	**–**	**(13,766)**	**(13,766)**
Other income	**131**	**–**	**6,109**	**6,240**
Other expenses	**(533)**	**(12)**	**(1,033)**	**(1,578)**
Finance costs	**–**	**–**	**(5,114)**	**(5,114)**
(Loss)/profit before tax	**(402)**	**(12)**	**28,547**	**28,133**
Taxation	**1**	**–**	**(7,046)**	**(7,045)**
(Loss)/profit for the financial year, representing total comprehensive (loss)/income for the financial year	**(401)**	**(12)**	**21,501**	**21,088**
Attributable to:				
Non-controlling interests	**(141)**	**(1)**	**4,085**	**3,943**
Adjustments and eliminations	**–**	**–**	**(1,411)**	**(1,411)**
Other individually immaterial non-controlling interests				**(16)**
Total non-controlling interests				**2,516**

19. INTEREST IN SUBSIDIARIES (CONT'D)

(c) Material partly-owned subsidiaries (cont'd)

The summarised financial information of these subsidiaries are provided below. This information is based on amounts before inter-company eliminations (cont'd).

Summarised statement of comprehensive income for financial year ended 31 March 2020:

	PMSB RM'000	PRSB RM'000	TPD RM'000	TOTAL RM'000
Revenue	–	–	139,548	139,548
Cost of sales	–	–	(70,111)	(70,111)
Other income	159	–	6,401	6,560
Other expenses	(143)	(13)	(9,015)	(9,171)
Finance costs	–	–	(3,341)	(3,341)
Profit/(loss) before tax	16	(13)	63,482	63,485
Income tax expense	(19)	–	(17,164)	(17,183)
(Loss)/profit for the financial year, representing total comprehensive (loss)/income for the financial year	(3)	(13)	46,318	46,302
Attributable to:				
Non-controlling interests	(1)	(1)	8,800	8,798
Adjustments and eliminations	(34)	–	(5,144)	(5,178)
Other individually immaterial non-controlling interests				(16)
Total non-controlling interests				3,604

Summarised statement of financial position as at 31 March 2021:

	PMSB RM'000	PRSB RM'000	TPD RM'000	TOTAL RM'000
Non-current assets	**118,871**	**7,000**	**916,179**	**1,042,050**
Other current assets	**297**	**–**	**316,552**	**316,849**
Cash and bank balances	**12,087**	**1**	**15,843**	**27,931**
Total current assets	**12,384**	**1**	**332,395**	**344,780**
Total assets	**131,255**	**7,001**	**1,248,574**	**1,386,830**
Trade and other payables and provision	**127,238**	**2,305**	**219,549**	**349,092**
Other current liabilities	**–**	**–**	**236,096**	**236,096**
Total current liabilities	**127,238**	**2,305**	**455,645**	**585,188**
Non-current liabilities	**–**	**–**	**551,664**	**551,664**
Total liabilities	**127,238**	**2,305**	**1,007,309**	**1,136,852**
Total equity	**4,017**	**4,696**	**241,265**	**249,978**
Attributable to:				
Non-controlling interests	**1,414**	**470**	**45,840**	**47,724**
Other individually immaterial non-controlling interests				**(87)**
Total non-controlling interests				**47,637**

Summarised statement of financial position as at 31 March 2020:

	PMSB RM'000	PRSB RM'000	TPD RM'000	TOTAL RM'000
Non-current assets	98,853	7,000	754,326	860,179
Other current assets	150	–	137,686	137,836
Cash and bank balances	8,131	1	20,462	28,594
Total current assets	8,281	1	158,148	166,430
Total assets	107,134	7,001	912,474	1,026,609
Trade and other payables and provision	102,712	2,296	399,596	504,604
Other current liabilities	4	–	299	303
Total current liabilities	102,716	2,296	399,895	504,907
Non-current liabilities	–	–	285,391	285,391
Total liabilities	102,716	2,296	685,286	790,298
Total equity	4,418	4,705	227,188	236,311
Attributable to:				
Non-controlling interests	1,555	471	43,166	45,192
Other individually immaterial non-controlling interests				(71)
Total non-controlling interests				45,121

Summarised cash flow information for financial year ended 31 March 2021:

	PMSB RM'000	PRSB RM'000	TPD RM'000
Operating	**(4,044)**	**–**	**(111,666)**
Financing	**8,000**	**–**	**107,047**
Net increase/(decrease) in cash and cash equivalents during the financial year	**3,956**	**–**	**(4,619)**

Summarised cash flow information for financial year ended 31 March 2020:

	PMSB RM'000	PRSB RM'000	TPD RM'000
Operating	(94,824)	–	(270,310)
Financing	98,432	–	148,089
Net increase/(decrease) in cash and cash equivalents during the financial year	3,608	–	(122,221)

20. INVESTMENT IN JOINT VENTURES

	GROUP	
	2021 RM'000	2020 RM'000
Unquoted shares at cost	**131,820**	131,820
Share of post-acquisition reserves	**(10,036)**	11,679
	121,784	143,499

Details of the joint ventures are as follows:

NAME OF JOINT VENTURES	COUNTRY OF INCORPORATION	PRINCIPAL ACTIVITY	PROPORTION OF OWNERSHIP INTEREST	
			2021 %	2020 %
Damansara Peak Sdn. Bhd. ("DPSB")	Malaysia	Property development	**51.00**	51.00
Patsawan Properties Sdn. Bhd. ("PPSB")	Malaysia	Property development	**51.00**	51.00
Mergexcel Property Development Sdn. Bhd. ("MPDSB") - dormant	Malaysia	Property development	**50.00**	50.00
Nuri Merdu Sdn. Bhd. ("NMSB")	Malaysia	Property development	**50.00**	50.00
KCB Trading Sdn. Bhd. ("KCBT")	Malaysia	Property development	**51.00**	51.00

Pursuant to the Shareholders' Agreement entered between KCB Holdings Sdn. Bhd. ("KCBH") and Mitsui Fudosan (Asia) Malaysia Sdn. Bhd. ("MFAM"), profit or loss of DPSB shall be distributed at 51% in favour of KCBH and 49% in favour of MFAM.

Pursuant to the Shareholders' Agreement entered between Samudra Pelangi Sdn. Bhd. ("SPSB") and Mitsui Fudosan Asia Pte. Ltd. ("MFA"), profit or loss of PPSB shall be distributed at 51% in favour of SPSB and 49% in favour of MFA.

Pursuant to the Joint Venture Agreement entered between Ribuan Imbang Sdn. Bhd. ("RISB") and Lion Courts Sdn. Bhd. ("LCSB"), profit or loss of the MPDSB shall be distributed at 55.87% in favour of LCSB and 44.13% in favour of RISB.

Pursuant to the Shareholders' Agreement entered between KCBH and Sea Investment Three Pte. Ltd. ("SEAI3"), profit or loss of KCBT shall be distributed at 51% in favour of KCBH and 49% in favour of SEAI3.

The following table summarises the information of the Group's material joint ventures, adjusted for any differences in accounting policies.

(i) Summarised statement of financial position

	DPSB RM'000	PPSB RM'000	MPDSB RM'000	NMSB RM'000	KCBT RM'000	TOTAL RM'000
31 March 2021						
Non-current assets	**3,216**	**8,592**	**–**	**55,092**	**–**	**66,900**
Other current assets	**93,809**	**162,742**	**15**	**149,521**	**231**	**406,318**
Cash and bank balances	**12,619**	**6,312**	**2,147**	**15,761**	**7,235**	**44,074**
Total current assets	**106,428**	**169,054**	**2,162**	**165,282**	**7,466**	**450,392**
Total assets	**109,644**	**177,646**	**2,162**	**220,374**	**7,466**	**517,292**
Trade and other payables and provisions	**96,025**	**20,177**	**7**	**34,168**	**124**	**150,501**
Other current liabilities	**–**	**30,081**	**5**	**24**	**–**	**30,110**
Total current liabilities	**96,025**	**50,258**	**12**	**34,192**	**124**	**180,611**
Non-current liabilities	**13,656**	**149,553**	**–**	**16,477**	**–**	**179,686**
Total liabilities	**109,681**	**199,811**	**12**	**50,669**	**124**	**360,297**
Net (liabilities)/assets	**(37)**	**(22,165)**	**2,150**	**169,705**	**7,342**	**156,995**
31 March 2020						
Non-current assets	–	11,325	2	56,485	14	67,826
Other current assets	11,029	136,089	15	146,537	9,766	303,436
Cash and bank balances	253	12,666	2,112	23,025	33,355	71,411
Total current assets	11,282	148,755	2,127	169,562	43,121	374,847
Total assets	11,282	160,080	2,129	226,047	43,135	442,673
Trade and other payables and provisions	11,032	9,763	7	20,256	6,122	47,180
Other current liabilities	–	18,678	3	2,944	552	22,177
Total current liabilities	11,032	28,441	10	23,200	6,674	69,357
Non-current liabilities	–	152,664	–	29,934	–	182,598
Total liabilities	11,032	181,105	10	53,134	6,674	251,955
Net assets/(liabilities)	250	(21,025)	2,119	172,913	36,461	190,718

20. INVESTMENT IN JOINT VENTURES (CONT'D)

(ii) Summarised statement of comprehensive income

	DPSB RM'000	PPSB RM'000	MPDSB RM'000	NMSB RM'000	KCBT RM'000	TOTAL RM'000
31 March 2021						
Revenue	**–**	**19,716**	**–**	**19,599**	**9,090**	**48,405**
Depreciation and amortisation	**(58)**	**(1,719)**	**–**	**(1,394)**	**–**	**(3,171)**
Interest income	**12**	**56**	**22**	**233**	**286**	**609**
(Loss)/profit before tax	**(287)**	**(147)**	**44**	**(3,306)**	**950**	**(2,746)**
Taxation	**–**	**(993)**	**(13)**	**98**	**(69)**	**(977)**
(Loss)/profit after tax	**(287)**	**(1,140)**	**31**	**(3,208)**	**881**	**(3,723)**
31 March 2020						
Revenue	–	14,367	–	22,897	52,706	89,970
Depreciation and amortisation	–	(1,081)	(1)	(1,397)	–	(2,479)
Interest income	–	252	79	718	1,265	2,314
(Loss)/profit before tax	–	(6,796)	1,491	(14,189)	11,090	(8,404)
Taxation	–	2,824	(19)	(156)	(2,690)	(41)
(Loss)/profit after tax	–	(3,972)	1,472	(14,345)	8,400	(8,445)

(iii) Reconciliation of the summarised financial information presented above to the carrying amount of the Group's interest in joint ventures

	DPSB RM'000	PPSB RM'000	MPDSB RM'000	NMSB RM'000	KCBT RM'000	TOTAL RM'000
31 March 2021						
Net assets/(liabilities) at 1 April 2020	**250**	**(21,025)**	**2,119**	**172,913**	**36,461**	**190,718**
(Loss)/profit for the financial year	**(287)**	**(1,140)**	**31**	**(3,208)**	**881**	**(3,723)**
Dividend paid during the financial year	**–**	**–**	**–**	**–**	**(30,000)**	**(30,000)**
Net (liabilities)/assets at the end of financial year	**(37)**	**(22,165)**	**2,150**	**169,705**	**7,342**	**156,995**
Interest in joint ventures as at the end of financial year	**51.00%**	**51.00%**	**44.13%**	**50.00%**	**51.00%**	
Carrying value of Group's interest	**–**	**(11,304)**	**949**	**84,852**	**3,744**	**78,241**
Impairment loss	**–**	**–**	**–**	**–**	**(4,278)**	**(4,278)**
Unrealised profit	**–**	**(21)**	**–**	**(266)**	**–**	**(287)**
Fair value adjustment	**–**	**44,496**	**–**	**–**	**3,612**	**48,108**
Net assets at 31 March 2021	**–**	**33,171**	**949**	**84,586**	**3,078**	**121,784**
31 March 2020						
Net (liabilities)/assets at 1 April 2019	–	(17,053)	11,147	112,658	58,061	164,813
(Loss)/profit for the financial year	–	(3,972)	1,472	(14,345)	8,400	(8,445)
Issuance of share capital	250	–	–	74,600	–	74,850
Dividend paid during the financial year	–	–	(10,500)	–	(30,000)	(40,500)
Net assets/(liabilities) at the end of financial year	250	(21,025)	2,119	172,913	36,461	190,718
Interest in joint ventures as at the end of financial year	51.00%	51.00%	44.13%	50.00%	51.00%	
Carrying value of Group's interest	128	(10,723)	935	86,456	18,595	95,391
Fair value adjustment	–	44,496	–	–	3,612	48,108
Net assets at 31 March 2020	128	33,773	935	86,456	22,207	143,499

21. OTHER INVESTMENTS

	GROUP 2021 CARRYING AMOUNT RM'000	2021 MARKET VALUE RM'000	2020 CARRYING AMOUNT RM'000	2020 MARKET VALUE RM'000
Non-current				
At fair value through profit or loss:				
- Quoted shares in Malaysia	**8,966**	**8,966**	3,489	3,489

The investment in quoted shares in Malaysia carried at fair value through profit or loss have been pledged to various financial institutions for credit facilities granted to the Group and the Company as disclosed in Note 27.

22. DEFERRED TAX (LIABILITIES)/ASSETS

	GROUP 2021 RM'000	GROUP 2020 RM'000	COMPANY 2021 RM'000	COMPANY 2020 RM'000
At the beginning of financial year	**(23,250)**	(30,513)	**21**	–
Recognised in profit or loss (Note 11)	**7,382**	7,263	**(21)**	21
At the end of financial year	**(15,868)**	(23,250)	**–**	21
Presented after appropriate offsetting as follows:				
Deferred tax assets	**23,971**	17,736	**–**	21
Deferred tax liabilities	**(39,839)**	(40,986)	**–**	–
	(15,868)	(23,250)	**–**	21

The Group offsets tax assets and liabilities if and only if it has a legally enforceable right to set off current tax assets and current tax liabilities and the deferred tax assets and deferred tax liabilities relate to income taxes levied by the same tax authority.

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

Deferred tax asset of the Group

	INVENTORIES RM'000	PROPERTY, PLANT AND EQUIPMENT RM'000	PROVISIONS RM'000	OTHERS RM'000	TOTAL RM'000
At 1 April 2019	4,556	397	8,646	1,146	14,745
Recognised in profit or loss	8,848	–	(3,802)	(1,125)	3,921
At 31 March 2020	13,404	397	4,844	21	18,666
At 1 April 2020	**13,404**	**397**	**4,844**	**21**	**18,666**
Recognised in profit or loss	**1,551**	**–**	**3,775**	**(21)**	**5,305**
At 31 March 2021	**14,955**	**397**	**8,619**	**–**	**23,971**

Deferred tax liabilities of the Group

	INVESTMENT PROPERTIES RM'000	INVENTORIES RM'000	OTHERS RM'000	TOTAL RM'000
At 1 April 2019	(5,864)	(39,394)	–	(45,258)
Recognised in profit or loss	2,032	2,248	(938)	3,342
At 31 March 2020	(3,832)	(37,146)	(938)	(41,916)
At 1 April 2020	**(3,832)**	**(37,146)**	**(938)**	**(41,916)**
Recognised in profit or loss	**3**	**1,136**	**938**	**2,077**
At 31 March 2021	**(3,829)**	**(36,010)**	**–**	**(39,839)**

Deferred tax (liability)/asset of the Company

	OTHERS RM'000	PROPERTY, PLANT AND EQUIPMENT RM'000	PROVISIONS RM'000	TOTAL RM'000
At 1 April 2019	–	(129)	129	–
Recognised in profit or loss	21	129	(129)	21
At 31 March 2020	21	–	–	21
At 1 April 2020	**21**	**–**	**–**	**21**
Recognised in profit or loss	**(21)**	**–**	**–**	**(21)**
At 31 March 2021	**–**	**–**	**–**	**–**

Deferred tax assets have not been recognised in respect of the following items:

	GROUP		COMPANY	
	2021 RM'000	2020 RM'000	**2021 RM'000**	2020 RM'000
Unused tax losses	**131,471**	109,868	**–**	–
Unabsorbed capital allowances	**49,279**	39,427	**–**	–
Unabsorbed investment tax allowances	**135,748**	135,748	**–**	–
Provisions	**4,651**	6,220	**4,651**	6,220
Others	**10,641**	12,964	**–**	–
	331,790	304,227	**4,651**	6,220
Deferred tax benefit at 24% (2020: 24%), if recognised	**79,630**	73,014	**1,116**	1,493

At the reporting date, the Group has unused tax losses, unabsorbed capital allowances and unabsorbed investment tax allowances that are available for offset against future taxable profits for the companies in which the losses and allowances arose, for which no deferred tax asset is recognised due to uncertainty of its recoverability. The availability of unused tax losses for offsetting against future taxable profits of the respective subsidiaries are subject to a 7-year limitation on the carry forward of those losses under the Finance Bill 2018 and guidelines issued by the tax authority. The availability of the unused tax losses, unabsorbed capital allowances and unabsorbed investment tax allowances for offsetting against future taxable profits of the respective subsidiaries are also subject to no substantial changes in shareholdings under the Income Tax Act, 1967 and guidelines issued by the tax authority.

23. CONTRACT COST ASSETS

	NOTE	GROUP 2021 RM'000	GROUP 2020 RM'000
Costs to fulfil a contract	(a)	**21,161**	23,460
Costs to obtain contracts with customers	(b)	**356**	1,486
		21,517	24,946

	GROUP 2021 RM'000	GROUP 2020 RM'000
(a) Costs to fulfil a contract		
At beginning of the financial year	**23,460**	13,720
Transfer from property development costs (Note 16(b))	**46,286**	–
Additions	**9,777**	55,310
Recognised during the financial year	**(58,362)**	(45,570)
At end of the financial year	**21,161**	23,460
(b) Costs to obtain contracts with customers		
At beginning of the financial year	**1,486**	2,721
Additions	**2,169**	6,809
Recognised during the financial year	**(3,299)**	(8,044)
At end of the financial year	**356**	1,486
(c) Total cost recognised during the financial year		
Costs to fulfil a contract	**58,362**	45,570
Costs to obtain contracts with customers	**3,299**	8,044
	61,661	53,614
Analysed into:		
- property development costs (Note 5)	**59,064**	46,044
- completed properties (Note 5(a))	**2,597**	7,570
	61,661	53,614

Proceeds from sales of development properties are assigned to certain financial institutions as securities for credit facilities granted to certain subsidiaries.

24. TRADE AND OTHER RECEIVABLES

	NOTE	GROUP 2021 RM'000	GROUP 2020 RM'000	COMPANY 2021 RM'000	COMPANY 2020 RM'000
Current					
Trade receivables					
Third parties		**38,539**	26,102	**–**	–
Retention sum receivable		**46,400**	61,670	**–**	–
		84,939	87,772	**–**	–
Less: Allowance for expected credit losses:					
- Third parties		**(4,677)**	(3,642)	**–**	–
Trade receivables, net	(a)	**80,262**	84,130	**–**	–
Other receivables					
Other receivables	(d)	**29,682**	19,757	**1,973**	1,979
Amounts due from subsidiaries	(b)	**–**	–	**105,817**	109,698
Amounts due from joint ventures	(c)	**82,559**	8,887	**–**	–
Deposits		**2,050**	2,984	**53**	432
		114,291	31,628	**107,843**	112,109
Less: Allowance for expected credit losses:					
- Other receivables		**(243)**	(243)	**(90)**	(90)
- Amounts due from subsidiaries		**–**	–	**(3,708)**	(737)
		(243)	(243)	**(3,798)**	(827)
Other receivables, net	(d)	**114,048**	31,385	**104,045**	111,282
		194,310	115,515	**104,045**	111,282
Non-current					
Trade receivable					
Retention sum receivable	(a)	**–**	7,795	**–**	–
Other receivable					
Deposits		**2,078**	1,681	**277**	–
		2,078	9,476	**277**	–
Total trade and other receivables (current and non-current)		**196,388**	124,991	**104,322**	111,282
Less: GST/VAT receivable		**(1,787)**	(5,198)	**–**	(2)
Add: Cash and bank balances (Note 25)		**469,298**	296,430	**114,956**	153,608
Total financial assets measured at amortised cost		**663,899**	416,223	**219,278**	264,888

24. TRADE AND OTHER RECEIVABLES (CONT'D)

(a) Trade receivables

The credit period for completed properties is generally for a period of three months, extending up to four months (2020: four months) while the term in respect of property development activities is approximately 21 (2020: 21) working days in accordance with the Housing Development (Control and Licensing) Act, 1966, whereas the credit term for other business activities ranges from 7 to 30 (2020: 7 to 30) days.

Retention sum receivables are monies withheld by lawyer upon delivery of vacant possession to the property buyers. These funds will be released by the lawyer in two stages, the first release will be at the expiry of eight months and second release will be at the expiry of twenty-four months from the date of vacant possession.

Ageing analysis of trade receivables

The ageing analysis of the Group's total trade receivables is as follows:

	GROUP	
	2021 RM'000	2020 RM'000
Neither past due nor impaired	**52,076**	69,822
1 to 30 days past due not impaired	**3,226**	10,522
31 to 60 days past due not impaired	**23,765**	5,430
61 to 90 days past due not impaired	**280**	44
91 to 120 days past due not impaired	**134**	253
More than 121 days past due not impaired	**781**	5,854
Past due but not impaired	**28,186**	22,103
Impaired	**4,677**	3,642
	84,939	95,567

Receivables that are neither past due nor impaired

Trade receivables that are neither past due nor impaired are creditworthy debtors with good payment records with the Group. None of the Group's trade receivables have been renegotiated during the financial year.

Receivables that are past due but not impaired

The Group has trade receivables amounting to RM28,186,000 (2020: RM22,103,000) that are past due at the reporting date but not impaired.

These receivables are unsecured. Management is confident that these receivables are recoverable as these accounts are still active.

Receivables that are impaired

The Group's trade receivables that are impaired at the reporting date and the movement of the allowance accounts used to record the expected credit losses are as follows:

	GROUP	
	2021 RM'000	2020 RM'000
Trade receivables - nominal amount	**6,729**	4,034
Less: Allowance for expected credit losses	**(4,677)**	(3,642)
	2,052	392
Movement in allowance accounts:		
At the beginning of financial year	**3,642**	2,829
Charge for the financial year (Note 8)	**1,039**	813
Reversal for the financial year (Note 6)	**(4)**	–
At the end of financial year	**4,677**	3,642

(b) Amounts due from subsidiaries

The amounts due from subsidiaries are unsecured, non-interest bearing and are repayable upon demand, except for an amount of RM79,186,000 (2020: RM23,626,000) which bore interest at rates ranging from 5.40% to 6.15% (2020: 6.40% to 6.90%) per annum.

(c) Amounts due from joint ventures

The amounts due from joint ventures are unsecured, non-interest bearing and are repayable upon demand, except for an amount of RM5,100,000 in the current financial year which bore interest at rate of 5.00% per annum. Included in amounts due from joint ventures is the amount receivable from a joint venture amounted to RM71,016,000 for the disposal of freehold lands in a subsidiary as disclosed in Note 26.

(d) Other receivables

Other receivables that are impaired

The Group's and the Company's other receivables that are impaired at the reporting date and the movement of the allowance accounts used to record the expected credit losses are as follows:

	GROUP		COMPANY	
	2021 RM'000	2020 RM'000	**2021 RM'000**	2020 RM'000
Other receivables - nominal amount	**243**	243	**26,821**	827
Less: Allowance for expected credit losses	**(243)**	(243)	**(3,798)**	(827)
	–	–	**23,023**	–
Movement in allowance accounts:				
At the beginning of financial year	**243**	277	**827**	1,290
Charge for the financial year (Note 8)	**–**	2	**2,971**	81
Reversal for the financial year (Note 6)	**–**	(36)	**–**	(544)
At the end of financial year	**243**	243	**3,798**	827

25. CASH AND BANK BALANCES

	GROUP		COMPANY	
	2021 RM'000	2020 RM'000	**2021 RM'000**	2020 RM'000
Cash at banks and on hand	**435,183**	252,769	**114,791**	153,447
Short-term deposits	**34,115**	43,661	**165**	161
Cash and bank balances	**469,298**	296,430	**114,956**	153,608

(a) Included in cash at banks and on hand of the Group are amounts of RM37,612,000 (2020: RM43,830,000) held pursuant to Section 7A of the Housing Development (Control and Licensing) Act, 1966 and therefore restricted from use in other operations. RM6,793,000 of these cash at banks and on hand in the previous financial year were assigned and charged as security for a term loan facility.

(b) Short-term deposits of the Group amounting to RM10,390,000 (2020: RM8,432,000) are pledged as securities for facilities granted to the Group.

(c) In addition to the above sums, other cash and bank balances of the Group and of the Company amounting to RM3,726,000 and RM500,000 (2020: RM11,176,000 and RM500,000) respectively are assigned and charged as security for a term loan facility as disclosed in Note 27.

(d) The weighted average effective interest rates and average maturity of deposits of the Group and of the Company at the reporting date were as follows:

	GROUP		COMPANY	
	2021	2020	**2021**	2020
Weighted average effective interest rates (%)				
- Fixed rates	**1.60%**	2.85%	**1.72%**	3.04%
- Floating rates	**1.73%**	3.15%	**–**	–
Average maturities (days)	**1 - 30**	1 - 30	**1 - 30**	14 - 30

For the purpose of statements of cash flows, cash and cash equivalents comprise the following:

	GROUP		COMPANY	
	2021 RM'000	2020 RM'000	**2021 RM'000**	2020 RM'000
Cash and bank balances	**469,298**	296,430	**114,956**	153,608
Less: Restricted cash and bank balances	**(14,116)**	(19,608)	**(500)**	(500)
Less: Bank overdrafts (Note 27)	**(19,901)**	(40,135)	**(17,510)**	(39,192)
Total cash and cash equivalents	**435,281**	236,687	**96,946**	113,916

26. NON-CURRENT ASSETS CLASSIFIED AS HELD FOR SALE

On 28 November 2019, the Group entered into a sale and purchase agreement with a third party to dispose of freehold land parcels of Rimelite Sdn. Bhd., a wholly-owned subsidiary of the Company, for a sale consideration of RM55,000,000.

On 8 January 2020, the Group entered into a sale and purchase agreement with a joint venture to dispose of freehold land parcels of Ambangan Puri Sdn. Bhd., a wholly-owned subsidiary of the Company, for a sale consideration of RM88,329,000.

A plan had been in place and both lands were available for immediate sale in their present condition prior to 31 March 2020.

As at 31 March 2020, the non-current assets classified as held for sale amounted to RM45,468,000.

The Group has completed its disposal of these freehold land parcels on 2 June 2020 and 21 December 2020 respectively. During the financial year, the amount of non-current assets classified as held for sale recognised as an expense in cost of sales of the Group was RM45,176,000 as disclosed in Note 5.

27. LOANS AND BORROWINGS

		GROUP		COMPANY	
	MATURITY	**2021 RM'000**	2020 RM'000	**2021 RM'000**	2020 RM'000
Current					
Secured:					
Bank overdrafts	On demand	**19,901**	40,135	**17,510**	39,192
Revolving credits	On demand	**99,613**	79,904	**5,000**	5,000
Term loans	2022	**23,442**	29,635	**10,000**	–
Obligations under finance leases (Note 35(d))	2022	**416**	506	**–**	–
Unsecured:					
RCMTNs	2021	**–**	151,504	**–**	151,504
		143,372	301,684	**32,510**	195,696
Non-current					
Secured:					
Revolving credits	2023 - 2025	**129,353**	69,920	**–**	–
Term loans	2023 - 2035	**449,025**	391,577	**25,000**	35,000
Obligations under finance leases (Note 35(d))	2023 - 2025	**486**	902	**–**	–
Sukuk Murabahah	2024 - 2026	**544,413**	280,178	**–**	–
		1,123,277	742,577	**25,000**	35,000
Total loans and borrowings					
Secured:					
Bank overdrafts (Note 25)		**19,901**	40,135	**17,510**	39,192
Revolving credits		**228,966**	149,824	**5,000**	5,000
Term loans		**472,467**	421,212	**35,000**	35,000
Obligations under finance leases (Note 35(d))		**902**	1,408	**–**	–
Sukuk Murabahah		**544,413**	280,178	**–**	–
Unsecured:					
RCMTNs		**–**	151,504	**–**	151,504
		1,266,649	1,044,261	**57,510**	230,696

27. LOANS AND BORROWINGS (CONT'D)

As at the reporting date, the weighted average effective interest rates for loans and borrowings, were as follows:

	GROUP		COMPANY	
	2021	2020	**2021**	2020
Bank overdrafts - Floating rates	**6.53%**	7.06%	**6.81%**	7.11%
Revolving credits - Floating rates	**4.66%**	5.54%	**4.22%**	5.37%
Term loans - Floating rates	**4.24%**	5.01%	**4.88%**	6.04%
Sukuk Murabahah - Floating rates	**4.00%**	4.83%	**–**	–
RCMTNs - Fixed rates	**–**	6.38%	**–**	6.38%

The finance leases bore interest at rates ranging from 2.08% to 2.55% (2020: 2.08% to 2.75%) per annum during the financial year.

The remaining maturities of loans and borrowings as at 31 March 2021 and 31 March 2020 were as follows:

	GROUP		COMPANY	
	2021 RM'000	2020 RM'000	**2021 RM'000**	2020 RM'000
On demand or within one year	**143,372**	301,684	**32,510**	195,696
More than 1 year and less than 2 years	**129,665**	117,698	**10,000**	10,000
More than 2 years and less than 5 years	**829,724**	517,966	**15,000**	25,000
5 years or more	**163,888**	106,913	**–**	–
	1,266,649	1,044,261	**57,510**	230,696

(a) Bank overdrafts

The bank overdrafts are secured by charges on certain properties, unquoted shares and quoted shares as disclosed in the relevant notes.

(b) Revolving credits

The revolving credits are secured by charges on certain inventories, unquoted shares, contract cost assets, cash and bank balances and freehold land of the Group and of the Company as disclosed in the relevant notes.

(c) Term loans

The term loans are secured by corporate guarantees from the Company as disclosed in Note 36 and charges on certain properties, inventories, investment properties, unquoted shares, contract cost assets and cash and bank balances of the Group and of the Company as disclosed in the relevant notes.

(d) RCMTNs

The Company had on 6 March 2015 issued RM200,000,000 nominal value of RCMTNs ("Tranche I") and on 1 April 2015 issued an additional tranche of RM150,000,000 nominal value of RCMTNs ("Tranche II"). The maturity dates of the Tranche I and Tranche II were 6 March 2020 and 1 April 2020 respectively and the yield to maturity at issuance date was 6.38%. The entire proceeds from the issuance of RCMTNs by the Company has been fully utilised for investments, land acquisition and/or property development expenditure and general working capital for the Group.

The salient terms of the RCMTNs are as follows:

(i) the RCMTNs shall have the tenure of five (5) years from the date of its issue;

(ii) the coupon rate for the RCMTNs is determined at 2.00%;

(iii) the RCMTNs were issued via bought deal without issuance of a prospectus to investors who fall under Schedule 6 or Schedule 7 and read together with Schedule 9 of the Capital Markets and Services Act, 2007; and

(iv) the holders of RCMTNs shall have the right to convert all or any part of the RCMTNs held by them into fully paid new E&O shares at the conversion price at any time during the conversion period, subject to such holder giving prior irrevocable written notice to the Company within a timeframe to be stipulated in the Trust Deed. The conversion price for the RCMTNs is fixed at RM5.00.

The conversion price is subject to adjustments pursuant to certain events as set out in the Trust Deed (including but not limited to any alteration in the capital structure of the Issuer during the tenure of the RCMTNs whether by way of rights issue, bonus issue, or other capitalisation issue, consolidation or subdivision of E&O shares or reduction of capital or otherwise howsoever).

The obligations represented by the RCMTNs shall constitute direct, unconditional, unsubordinated and unsecured obligations of the Company ranking pari passu without discrimination, preference or priority among themselves and pari passu with all other present and future unsecured and unsubordinated obligations of the Company from time to time.

Unless previously converted or purchased and cancelled, all outstanding RCMTNs will be redeemed at par on the maturity date.

The RCMTNs has been fully repaid during the financial year.

(e) Sukuk Murabahah

On 19 December 2019, Tanjung Pinang Development Sdn Bhd (the "Issuer" or "TPD"); an indirect subsidiary of the Company established an Islamic medium term note programme ("Sukuk Murabahah Programme") for the issuance of unrated Islamic medium term notes ("Sukuk Murabahah") based on the Shariah principle of Murabahah of up to RM1,500,000,000 in nominal value.

The Sukuk Murabahah is constituted by a Trust Deed dated 18 February 2020 executed between TPD and the Trustee for the holders of the Sukuk Murabahah.

The Sukuk Murabahah Programme shall have tenure of 25 years from the date of first issue of the Sukuk Murabahah. Each tranche of Sukuk Murabahah shall be issued for tenure of more than 1 year and up to 25 years from the date of issuance, at the option of the TPD, provided that the tenure of the Sukuk Murabahah shall not extend beyond the tenure of the Sukuk Murabahah Programme.

Proceeds from the issuance of the Sukuk Murabahah shall be utilised for the following purposes which shall be Shariah-compliant:

(i) To refinance existing financing or borrowings of the issuer and/or its subsidiaries;

(ii) To part finance land reclamation, infrastructure and development costs in respect of projects undertaken by the issuer and/or its subsidiaries;

(iii) To finance conversion premium of land(s) owned by the issuer and/or its subsidiaries;

27. LOANS AND BORROWINGS (CONT'D)

(e) Sukuk Murabahah (cont'd)

Proceeds from the issuance of the Sukuk Murabahah shall be utilised for the following purposes which shall be Shariah-compliant (cont'd):

(iv) To repay amounts due to the issuer's and/or its subsidiaries' related companies and/or to reimburse the issuer's and/or its subsidiaries' related companies for amounts disbursed or advanced by such companies in relation to land reclamation cost of projects undertaken by the issuer and/or its subsidiaries;

(v) To finance working capital requirements in relation to projects undertaken by the issuer and/or its subsidiaries and/or other requirements related to the business activities of the issuer and/or its subsidiaries; and/or

(vi) To defray fees, costs and expenses in relation to the issue of the Sukuk Murabahah and the Sukuk Murabahah Programme.

The Sukuk Murabahah is secured by corporate guarantee from the Company as disclosed in Note 36 and charges on certain inventories, unquoted shares and cash and bank balances of the Group as disclosed in the relevant notes.

28. PROVISIONS

	RESTORATION COSTS OF PROPERTY, PLANT AND EQUIPMENT RM'000 (a)	OTHERS RM'000 (b)	TOTAL RM'000
Group			
At 1 April 2019	191	–	191
Addition during the financial year	222	5,000	5,222
At 31 March 2020/1 April 2020	**413**	**5,000**	**5,413**
Addition during the financial year	**862**	**–**	**862**
Reversal of provision during the financial year (Note 6)	**(90)**	**(2,700)**	**(2,790)**
At 31 March 2021	**1,185**	**2,300**	**3,485**
At 31 March 2021			
Current	**–**	**2,300**	**2,300**
Non-current:			
Later than 1 year but not later than 5 years	**1,185**	**–**	**1,185**
	1,185	**2,300**	**3,485**
At 31 March 2020			
Current	39	5,000	5,039
Non-current:			
Later than 1 year but not later than 2 years	374	–	374
	413	5,000	5,413

	RESTORATION COSTS OF PROPERTY, PLANT AND EQUIPMENT RM'000 (a)	OTHERS RM'000 (b)	TOTAL RM'000
Company			
At 1 April 2019/31 March 2020/1 April 2020	**39**	**–**	**39**
Addition during the financial year	**818**	**–**	**818**
At 31 March 2021	**857**	**–**	**857**
At 31 March 2021			
Non-current	**857**	**–**	**857**
At 31 March 2020			
Current	39	–	39

(a) Restoration costs of property, plant and equipment

Provision for restoration costs is the estimated costs of dismantling, removal or restoration of property, plant and equipment arising from the acquisition or use of such assets, which are capitalised and included in the cost of property, plant and equipment.

(b) Others

Provision for estimated cost of repair for certain properties previously sold by the Group.

29. TRADE AND OTHER PAYABLES

	NOTE	GROUP 2021 RM'000	GROUP 2020 RM'000	COMPANY 2021 RM'000	COMPANY 2020 RM'000
Current					
Trade payables	(a)				
Third parties		**25,640**	8,456	**–**	–
Retention sum payable		**23,405**	46,639	**–**	–
		49,045	55,095	**–**	–
Other payables					
Amounts due to subsidiaries	(b)	**–**	–	**64,415**	36,979
Amount due to non-controlling interests	(c)	**15,728**	14,050	**–**	–
Other payables	(d)	**6,153**	17,927	**203**	142
Accruals	(e)	**212,567**	46,743	**1,591**	7,057
Deposits received	(f)	**4,104**	18,183	**–**	–
		238,552	96,903	**66,209**	44,178
		287,597	151,998	**66,209**	44,178

29. TRADE AND OTHER PAYABLES (CONT'D)

	GROUP		COMPANY	
	2021 RM'000	2020 RM'000	**2021 RM'000**	2020 RM'000
Non-current				
Trade payables				
Retention sum payable	**7,251**	15,000	**–**	–
Other payables				
Deposits received	**3,320**	3,022	**–**	–
	10,571	18,022	**–**	–
Total trade and other payables (current and non-current)	**298,168**	170,020	**66,209**	44,178
Less: SST/GST payable	**(283)**	(486)	**–**	–
Less: Other payable (current)	**(928)**	(4,349)	**–**	–
Add: Lease liabilities (Note 15)	**68,270**	62,404	**4,755**	2,985
Add: Loans and borrowings (Note 27)	**1,266,649**	1,044,261	**57,510**	230,696
Total financial liabilities carried at amortised cost	**1,631,876**	1,271,850	**128,474**	277,859

(a) Trade payables

Trade payables are non-interest bearing and the normal credit terms granted to the Group range from 14 to 120 (2020: 14 to 120) days.

(b) Amounts due to subsidiaries

The amounts due to subsidiaries are unsecured, non-interest bearing and are repayable upon demand.

(c) Amount due to non-controlling interests

The amount due to non-controlling interests is in respect of advances extended to a subsidiary by its shareholder. The amount is unsecured, non-interest bearing and is repayable upon demand except for an amount of RM2,800,000 (2020: RM1,200,000) which bore interest at rate of 6.00% (2020: 6.00%) per annum.

(d) Other payables

These amounts are non-interest bearing. Other payables are normally settled on an average term of six months (2020: average term of six months).

Included in the current other payables is the accrued liability in the form of reclaimed land, arising from the Group's land reclamation project. It was measured at the fair value of the non-monetary asset given up. As at 31 March 2021, the remaining liability is RM928,000 (2020: RM4,349,000).

(e) Accruals

Included in accruals is the amount payable for the freehold land conversion premium incurred in relation to the conversion of leasehold land to freehold land status of certain land parcels in a subsidiary amounted to RM175,693,000.

(f) Deposits received

Included in deposits received in the previous financial year was deposit received from third parties amounted to RM14,333,000 for the disposal of freehold lands in certain subsidiaries as disclosed in Note 26.

30. SHARE CAPITAL

	GROUP/COMPANY			
	NUMBER OF ORDINARY SHARES		AMOUNT	
	2021	2020	**2021**	2020
	'000	'000	**RM'000**	RM'000
Issued and fully paid:				
At the beginning of financial year	**1,456,942**	1,456,937	**1,521,802**	1,521,789
Ordinary shares issued during the financial year				
- pursuant to warrants exercised	**–**	5	**–**	13
At the end of financial year	**1,456,942**	1,456,942	**1,521,802**	1,521,802

Issue of shares

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

Of the total 1,456,941,521 (2020: 1,456,941,521) issued and fully paid-up ordinary shares, 25,592,596 (2020: 25,592,596) ordinary shares are held as treasury shares by the Company. As at 31 March 2021, the number of issued and fully paid-up ordinary shares (not held as treasury shares) is 1,431,348,925 (2020: 1,431,348,925) ordinary shares.

The Company increased its issued and paid-up ordinary share capital in the previous financial year from RM1,521,789,000 to RM1,521,802,000 by way of the issuance of 4,977 new ordinary shares pursuant to exercise of warrants at an issue price of RM2.60 per ordinary share.

31. TREASURY SHARES

	GROUP/COMPANY			
	NUMBER OF TREASURY SHARES		AMOUNT	
	2021 '000	2020 '000	**2021 RM'000**	2020 RM'000
At the beginning of financial year	**25,593**	24,392	**28,160**	27,719
Purchase of treasury shares	**–**	1,201	**–**	441
At the end of financial year	**25,593**	25,593	**28,160**	28,160

Treasury shares relate to ordinary shares of the Company that are held by the Company. The amount consists of the acquisition costs of treasury shares net of the proceeds on their subsequent sale or issuance.

None of the treasury shares held were resold or cancelled during the financial year.

The Company repurchased 1,200,700 of its issued ordinary shares from the open market in the previous financial year at an average price of RM0.367 per share. The total consideration paid for the repurchase including transaction cost was RM441,000. The shares repurchased were being held as treasury shares in accordance with Section 127 of the Act.

As at 31 March 2021, the Company held as treasury shares a total of 25,592,596 (2020: 25,592,596) of its 1,456,941,521 (2020: 1,456,941,521) issued ordinary shares. Such treasury shares are held at a carrying amount of RM28,160,000 (2020: RM28,160,000).

32. RESERVES

	NOTE	GROUP		COMPANY	
		2021 RM'000	2020 RM'000	**2021 RM'000**	2020 RM'000
Distributable:					
Retained profits	(a)	**192,086**	277,220	**54,961**	43,123
Non-distributable:					
Foreign currency translation reserve	(b)	**(17,055)**	(4,426)	**–**	–
Other reserve	(c)	**106**	1,026	**–**	–
		(16,949)	(3,400)	**–**	–
		175,137	273,820	**54,961**	43,123

(a) Retained profits

The Company may distribute dividends out of its entire retained profits as of 31 March 2021 and 31 March 2020 under the single-tier system.

(b) Foreign currency translation reserve

The foreign currency translation reserve is used to record exchange differences arising from the translation of the financial statements of foreign operations whose functional currencies are different from that of the Group's presentation currency. It is also used to record the exchange differences arising from monetary items which form part of the Group's net investment in foreign operations, where the monetary item is denominated in either the functional currency of the reporting entity or the foreign operation.

(c) Other reserve

Other reserve represented capital redemption reserve arose as a result of redemption of preference shares by subsidiaries in accordance with Section 618(4) of the Act.

33. EMPLOYEE BENEFITS

(a) Retirement benefit obligations

A subsidiary of the Group in the hospitality segment operate an unfunded, defined benefit Retirement Benefit Scheme (the "Scheme") for their eligible employees. The Group's obligation under the Scheme is determined based on a latest actuarial valuation by an independent actuary. Under the Unfunded Scheme, eligible employees are entitled to retirement benefits based on last drawn monthly basic salary adjusted for the number of years of service on attainment of Normal Retirement Age of 60 or Optional Retirement Age of 50.

Movements in the net liability were as follows:

	2021 RM'000	2020 RM'000
Group		
At the beginning of financial year	**435**	284
Recognised in profit or loss (Note 9)	**79**	164
Paid during the financial year	**(33)**	(13)
At the end of financial year	**481**	435

The amounts recognised in the statement of financial position were determined as follows:

	2021 RM'000	2020 RM'000
Group		
Present value of defined benefit obligations, representing net liability	**481**	435
Analysed as:		
- current liabilities	**15**	32
- non-current liabilities	**466**	403
	481	435

The amounts recognised in the profit or loss were determined as follows:

	2021 RM'000	2020 RM'000
Group		
Current service cost	**67**	137
Interest cost on benefit obligation	**12**	27
Net benefit expense	**79**	164

33. EMPLOYEE BENEFITS (CONT'D)

(a) Retirement benefit obligations (cont'd)

The principal assumptions used in determining the retirement benefit obligations for the Group's Scheme are shown below:

	2021 %	2020 %
Discount rate (i)	**3.8**	3.8
Price inflation (ii)	**2.2**	2.2
Expected rate of salary increase (iii)	**6.0**	6.0

(i) Based on 13-year (2020: 13-year) high quality bond yields interpolated from 10 and 15 year AA-rated corporate bonds as at reporting date.

(ii) Based on historical Consumer Price Indices increases which have ranged from around 0.6% to 3.7% per annum in the last 10 years.

(iii) Salary increases in the general industry for the past 11 years averaged at 6.2% p.a.. Rate of 6.0% (2020: 6.0%) was used due to longer term of the Scheme.

A quantification sensitivity analysis for significant assumption as at 31 March 2021 and 31 March 2020 are as shown below:

			GROUP	
ASSUMPTIONS	**DISCOUNT RATE**		**FUTURE SALARY**	
SENSITIVITY LEVEL	**1.00% INCREASE**	**1.00% DECREASE**	**1.00% INCREASE**	**1.00% DECREASE**
	(INCREASE)/DECREASE IN LOSS AFTER TAX		**DECREASE/(INCREASE) IN LOSS AFTER TAX**	
	RM'000	**RM'000**	**RM'000**	**RM'000**
2021				
Impact on defined benefit obligation	**(58)**	**71**	**74**	**(61)**
2020				
Impact on defined benefit obligation	(52)	63	61	(51)

The sensitivity analysis above have been determined based on a method that extrapolates the impact on defined benefit obligation as a result of reasonable changes in key assumptions occurring at the end of the reporting period.

The expected payments of the defined benefit plan in future years are as follows:

	2021 RM'000	2020 RM'000
Within the next 12 months	**15**	32
Between 2 and 5 years	**119**	110
Beyond 5 years	**347**	139
Total expected payments	**481**	281

The average duration of the defined benefit plan obligation at the end of the reporting period is 13 years (2020: 13.5 years).

(b) LTIP

The LTIP is governed by the By-Laws approved by the shareholders at an Extraordinary General Meeting held on 27 September 2012. The LTIP was implemented on 26 February 2013 and is in force for a maximum period of 10 years from the date of implementation.

The LTIP comprises the Performance-based Restricted Stock Unit Incentive Plan ("PSU Award") and the Restricted Stock Unit Incentive Plan ("RSU Award").

Effective from 26 February 2013, the Company implemented the LTIP and started to offer eligible employees and Executive Directors ("Eligible Person") the entitlement to receive LTIP in the Company on 15 March 2013 instead of the Company's Employees' Share Option Scheme.

In the previous financial years, the remaining shares awarded under the final third LTIP grant was partially vested with the balance awarded shares forfeited. There were no new LTIP approved and awarded in the financial year.

The salient features and terms of the LTIP were as follows:

(a) The scheme committee appointed by the Board of Directors to administer the LTIP may, in its discretion where necessary, direct the implementation and administration of the plan. The scheme committee may at any time within the duration of the plan, offer PSU Award and RSU Award under the LTIP to Eligible Person of the Group.

(b) The Board of Directors and/or the scheme committee will if required by prevailing laws establish a Trust to be administered by the Trustee for purposes of subscribing for new shares or purchasing existing shares from the market and transferring them to Eligible Person of the Group participating in the LTIP at such time as the scheme committee may direct. The Trustee will, to the extent permitted by law, to accept funding and/or assistance, financial or otherwise from the Company and/or its subsidiaries and/or third parties to pay expenses in relation to the administration of the Trust.

(c) The aggregate number of LTIP shares that may be allocated to an Eligible Person who, either singly or collectively through persons connected with the Eligible Person holds 20.0% or more of the issued and paid-up shares (excluding treasury shares) of the Company, shall not exceed 10.0% of the total number of LTIP shares to be awarded under the scheme.

(d) All new ordinary shares issued pursuant to the LTIP will rank pari passu in all respect with the then existing ordinary shares of the Company, except that the new ordinary shares so issued will not be entitled to any rights, dividends or other distributions declared, made or paid to shareholders prior to the date of allotment of such new ordinary shares, and will be subject to all the provisions of the Articles of Association of the Company relating to transfer, transmission or otherwise.

(e) Any employee shall be eligible to participate in the LTIP if the following conditions are satisfied:

RSU Award

(i) he/she must be at least eighteen (18) years of age;

(ii) his/her employment has been confirmed in writing and continues to be so employed by the Group as at the Award Date; and

(iii) he/she meets any other criteria as may be determined by the scheme committee in its sole discretion from time to time.

33. EMPLOYEE BENEFITS (CONT'D)

(b) LTIP (cont'd)

The salient features and terms of the LTIP were as follows (cont'd):

(e) Any employee shall be eligible to participate in the LTIP if the following conditions are satisfied (cont'd):

PSU Award

(i) he/she must be at least eighteen (18) years of age;

(ii) his/her employment has been confirmed in writing and continues to be so employed by the Group at senior managers or higher level (who for avoidance of doubt includes the Executive Directors) as at the Award Date; and

(iii) he/she meets any other criteria as may be determined by the scheme committee in its sole discretion from time to time.

(f) The shares awarded will only be vested to the Eligible Person of the Group under the LTIP, on their respective vesting dates, provided the following vesting conditions are fully and duly satisfied:

- the LTIP share's market value as at the expiry of the vesting period is more than the LTIP share's market value as at the Award Date;

- the eligible employees or Executive Directors of the Group has continued to be an Eligible Person from the Award Date up to the end of the vesting period; and

- in respect of the PSU Award, Eligible Person of the Group having achieved his/her performance targets as stipulated by the scheme committee and as set out in their offer of awards.

34. SIGNIFICANT RELATED PARTY TRANSACTIONS

(a) In addition to the related party transaction disclosed elsewhere in the financial statements, the following significant transactions between the Group and the Company with related parties took place at terms agreed between the parties during the financial year:

	GROUP (INCOME)/EXPENSE	
	2021 RM'000	2020 RM'000
Rental received and receivable from:		
- GDP Group of companies ("GDP Group") in which a key management personnel of the Company also holds directorship in certain companies in the GDP Group	**(115)**	(108)
- a joint venture	**(797)**	(630)
Project management and administrative services fees received and receivable from joint ventures *	**(262)**	(1,040)
Interest receivable from joint ventures *	**(111)**	(1,248)

	GROUP (INCOME)/EXPENSE	
	2021 RM'000	2020 RM'000
Selling and marketing fees receivable from joint ventures *	**(643)**	(1,569)
Dividend received from joint ventures	**(15,300)**	(19,934)
Sale of properties to Directors and a person connected to a Director of the Company	**–**	(2,717)
Disposal of freehold land in a subsidiary to a joint venture	**(43,282)**	–
Procurement of consultancy services from:		
- GDP Group in which a key management personnel of the Company also holds directorship in certain companies in the GDP Group	**890**	8,930
Design services rendered by:		
- Interiors in which a director of Interiors is a person connected to a Director of the Company	**–**	127
Procurement of contractual work from:		
- Kerjaya Prospek Group in which a Director of the Company also holds directorship in the Kerjaya Prospek Group Berhad	**55,054**	28,668

	COMPANY (INCOME)/EXPENSE	
	2021 RM'000	2020 RM'000
Subsidiaries:		
Dividend income	**(90,236)**	(136,847)
Interest income received and receivable	**(704)**	(7,676)
Management fee received and receivable	**(6,215)**	(7,865)

Related companies in these financial statements refer to companies within the Eastern & Oriental Berhad Group.

The transactions between related parties are set on terms mutually agreed between the parties.

Information regarding outstanding balances arising from related party transactions as at 31 March 2021 and 2020 are disclosed in Notes 24 and 29.

* Represent gross income/receivable before elimination of unrealised profit.

34. SIGNIFICANT RELATED PARTY TRANSACTIONS (CONT'D)

(b) Compensation of key management personnel

	GROUP		COMPANY	
	2021 RM'000	2020 RM'000	**2021 RM'000**	2020 RM'000
Short term employee benefits	**5,797**	13,788	**1,988**	5,734
Defined contribution plan	**766**	1,627	**261**	556
	6,563	15,415	**2,249**	6,290

Included in the total remuneration of key management personnel is:

	GROUP		COMPANY	
	2021 RM'000	2020 RM'000	**2021 RM'000**	2020 RM'000
Executive Directors' remuneration (Note 10)	**3,765**	9,063	**1,013**	3,043

35. COMMITMENTS

(a) Capital commitments

Capital commitments as at 31 March 2021 and 2020 are as follows:

	GROUP	
	2021 RM'000	2020 RM'000
Capital expenditure		
Approved and contracted for:		
- Land reclamation	**274,205**	368,449
- Property, plant and equipment	**810**	2,871
- Investment property	**–**	13,700
Approved but not contracted for:		
- Property, plant and equipment	**1,832**	2,119

(b) Operating lease commitments - the Group as lessee

The Group and the Company have entered into commercial leases on business premises and equipment. These leases have a tenure ranging from one to three years, with options to renew for one to three years. Certain contracts include escalation clauses or contingent rental computed based on revenue achieved. There are no restrictions placed upon the Group and the Company by entering into these leases.

Future minimum rentals payable under non-cancellable operating leases at the reporting date are as follows:

	GROUP		COMPANY	
	2021 RM'000	2020 RM'000	**2021 RM'000**	2020 RM'000
Future minimum rentals payable:				
Not later than 1 year	**66**	309	**28**	51
Later than 1 year and not later than 5 years	**27**	74	**14**	31
	93	383	**42**	82

(c) Operating lease commitments - the Group as lessor

The Group has entered into commercial property leases on its investment properties. These leases have remaining non-cancellable lease terms of between one to three years. Certain leases include a clause to enable upward revision of the rental charge on an annual basis based on prevailing market conditions.

Future minimum rentals receivable under non-cancellable operating leases at the reporting date are as follows:

	GROUP	
	2021 RM'000	2020 RM'000
Future minimum rentals receivable:		
Not later than 1 year	**14,747**	14,524
Later than 1 year and not later than 5 years	**9,337**	16,665
	24,084	31,189

(d) Finance lease commitments

The Group and the Company have finance leases for certain motor vehicles. These leases do not have terms of renewal, but have purchase options at nominal values at the end of the lease term.

Future minimum lease payments under finance leases together with the present value of the net minimum lease payments are as follows:

	GROUP	
	2021 RM'000	2020 RM'000
Future minimum lease payments:		
Not later than 1 year	**466**	568
Later than 1 year and not later than 2 years	**277**	466
Later than 2 years and not later than 5 years	**256**	533
Total future minimum lease payments	**999**	1,567
Less: Future finance charges	**(97)**	(159)
Present value of finance lease liabilities (Note 27)	**902**	1,408
Less: Amount due within 12 months (Note 27)	**(416)**	(506)
Amount due after 12 months (Note 27)	**486**	902

36. FINANCIAL GUARANTEES

	COMPANY	
	2021 **RM'000**	2020 RM'000
Corporate guarantees given to financial institutions for credit facilities granted to subsidiaries:		
- financial institutions	**1,081,615**	761,054

As at reporting date, no values are ascribed on these guarantees provided by the Company to secure banking facilities described above as the Directors regard the value of the credit enhancement provided by these guarantees as minimal and the probability of default, based on historical track records of the parties receiving the guarantees are remote. This is because the loans and borrowings granted under the guarantees are secured by legal charges over the Group's certain properties, investment properties, unquoted shares, cash and bank balances and inventories as disclosed in the relevant notes.

37. FINANCIAL INSTRUMENTS

(a) Financial risk management objectives and policies

The Group's and the Company's financial risk management policy seeks to ensure that adequate financial resources are available for the development of the Group's and of the Company's businesses whilst managing their interest rate risks (both fair value and cash flow), foreign currency risk, liquidity risk, credit risk and equity price risk. The Board reviews and agrees policies for managing each of these risks and they are summarised below.

(b) Interest rate risk

Cash flow interest rate risk is the risk that the future cash flows of a financial instrument will fluctuate because of changes in market interest rates. Fair value interest rate risk is the risk that the value of a financial instrument will fluctuate due to changes in market interest rates. The Group's and the Company's income and operating cash flows are substantially independent of changes in market interest rates. The Group's and the Company's interest-bearing financial assets are mainly short term in nature and have been mostly placed in fixed deposits.

The Group's and the Company's interest rate risk arises primarily from interest-bearing borrowings. Borrowings at floating rates expose the Group and the Company to cash flow interest rate risk. Borrowings obtained at fixed rates expose the Group and the Company to fair value interest rate risk. The Group and the Company manage their interest rate exposure by maintaining a mix of fixed and floating rate borrowings.

Sensitivity analysis for variable rate instruments

The Group and the Company do not account for any fixed rate instruments at fair value through profit or loss. Therefore, a change in interest rates at the reporting date would not affect the profit or loss.

The following table demonstrates the sensitivity to a reasonably possible change in interest rates on that portion of loans and borrowings affected. With all other variables held constant, the Group's and the Company's profit before tax are affected through the impact on floating rate borrowings, as follows:

	INCREASE/(DECREASE) IN BASIS POINTS	INCREASE/(DECREASE) IN PROFIT BEFORE TAX	
		2021 RM'000	2020 RM'000
Group			
Floating rate borrowings	25	**1,872**	1,259
	(25)	**(1,872)**	(1,259)
Company			
Floating rate borrowings	25	**(144)**	(198)
	(25)	**144**	198

The assumed movement in basis points for the interest rate sensitivity analysis is based on the currently observable market environment.

(c) Foreign currency risk

Foreign currency risk is the risk that the fair value or future cash flows of an exposure will fluctuate because of changes in foreign exchange rates.

The Group is not significantly exposed to foreign currency risk as the majority of the Group's transactions, assets and liabilities are denominated in Ringgit Malaysia except for foreign currency risk arising from a country in which certain foreign subsidiaries operate. The currency giving rise to this risk is primarily Great Britain Pound ("GBP").

Included in the following consolidated statement of financial position captions of the Group as at the reporting date are balances denominated in the following major foreign currency:

	GROUP
	GBP RM'000
At 31 March 2021	
Cash and bank balances	**90,160**
Trade and other receivables	**30,419**
Trade and other payables	**(6,298)**
Loans and borrowings	**(161,929)**
At 31 March 2020	
Cash and bank balances	5,711
Trade and other receivables	9,386
Trade and other payables	(8,656)
Loans and borrowings	(107,425)

In relation to its investment in foreign subsidiaries whose net assets are exposed to currency translation risks and which are held for long term investment purposes, the differences arising from such translation are recorded under the foreign currency translation reserve. These translation differences are reviewed and monitored on a regular basis.

37. FINANCIAL INSTRUMENTS (CONT'D)

(c) Foreign currency risk (cont'd)

Sensitivity analysis for foreign currency risk

The following table demonstrates the sensitivity to a reasonably possible change in GBP exchange rates, with all other variables held constant. The impact on the Group's profit before tax is due to changes in the fair value of monetary assets and liabilities. The Group's exposure to foreign currency changes for all other currencies is not material.

		GROUP INCREASE/(DECREASE) IN PROFIT BEFORE TAX	
		2021 RM'000	2020 RM'000
GBP/RM	- strengthened 5%	**2,382**	5,049
	- weakened 5%	**(2,382)**	(5,049)

(d) Liquidity risk

Liquidity risk is the risk that the Group or the Company will encounter difficulty in meeting financial obligations due to shortage of funds. The Group's and the Company's exposure to liquidity risk arises primarily from mismatches of the maturities of financial assets and liabilities. The Group's and the Company's objective is to maintain a balance between continuity of funding and flexibility through the use of stand-by bank borrowings.

The Group and the Company actively manage their debt maturity profile, operating cash flows and the availability of funding so as to ensure that all refinancing, repayment and funding needs are met. As part of their overall prudent liquidity management, the Group and the Company maintain sufficient levels of cash or cash convertible investments to meet their working capital requirements. In addition, the Group and the Company strive to maintain available banking facilities of a reasonable level to their overall debt position.

Analysis of financial instruments by remaining contractual maturities

The table below summarises the maturity profile of the Group's and of the Company's liabilities at the reporting date based on contractual undiscounted repayment obligations.

				2021 RM'000
	ON DEMAND OR WITHIN ONE YEAR	ONE TO FIVE YEARS	OVER FIVE YEARS	TOTAL
Group				
Financial liabilities:				
Trade and other payables	**286,386**	**11,591**	**–**	**297,977**
Loans and borrowings	**145,876**	**1,103,782**	**235,587**	**1,485,245**
Lease liabilities	**19,492**	**45,796**	**20,146**	**85,434**
Total undiscounted financial liabilities	**451,754**	**1,161,169**	**255,733**	**1,868,656**

				2021 RM'000
	ON DEMAND OR WITHIN ONE YEAR	**ONE TO FIVE YEARS**	**OVER FIVE YEARS**	**TOTAL**
Company				
Financial liabilities:				
Trade and other payables	**66,209**	**–**	**–**	**66,209**
Loans and borrowings	**32,721**	**27,479**	**–**	**60,200**
Lease liabilities	**1,016**	**4,267**	**267**	**5,550**
Total undiscounted financial liabilities	**99,946**	**31,746**	**267**	**131,959**

				2020 RM'000
	ON DEMAND OR WITHIN ONE YEAR	ONE TO FIVE YEARS	OVER FIVE YEARS	TOTAL
Group				
Financial liabilities:				
Trade and other payables	147,163	19,856	–	167,019
Loans and borrowings	305,183	757,823	182,401	1,245,407
Lease liabilities	9,848	42,606	30,777	83,231
Total undiscounted financial liabilities	462,194	820,285	213,178	1,495,657
Company				
Financial liabilities:				
Trade and other payables	44,178	–	–	44,178
Loans and borrowings	195,696	40,442	–	236,138
Lease liabilities	1,016	2,286	–	3,302
Total undiscounted financial liabilities	240,890	42,728	–	283,618

(e) Credit risk

Credit risk is the risk that a counterparty will not meet its obligations under a financial instrument, leading to a financial loss. The Group and the Company are exposed to credit risk from their operating activities (primarily trade and other receivables) and from their financing activities, including deposits with banks and financial institutions, foreign exchange transactions and other financial instruments.

The Group's and the Company's objective is to seek continual revenue growth while minimising losses incurred due to increased credit risk exposure. The Group and the Company trade only with recognised and creditworthy third parties. It is the Group's and the Company's policy that all customers who wish to trade on credit terms are subject to credit verification procedures. In addition, receivable balances are monitored on an ongoing basis with the result that the Group's and the Company's exposure to bad debts are not significant.

37. FINANCIAL INSTRUMENTS (CONT'D)

(e) Credit risk (cont'd)

Exposure to credit risk

At the reporting date, the Group's and the Company's maximum exposure to credit risk is represented by the carrying amount of each class of financial assets recognised in the statements of financial position.

Information regarding credit enhancements for trade and other receivables is disclosed in Note 24.

Credit risk concentration profile

The Group determines concentrations of credit risk by monitoring the business segments of its trade receivables on an ongoing basis. The credit risk concentration profile of the Group's trade receivables net of allowances for expected credit losses at the reporting date are as follows:

	2021		2020	
	RM'000	**% OF TOTAL**	RM'000	% OF TOTAL
Properties	**80,094**	**99.8%**	90,806	98.8%
Hospitality	**156**	**0.2%**	961	1.0%
Investments and others	**12**	**0.0%**	158	0.2%
	80,262	**100.0%**	91,925	100.0%

The Group seeks to maintain strict control over its outstanding receivables and has a credit control department to minimise credit risk. Overdue balances are reviewed regularly by senior management. In view of the aforementioned and the fact that the Group's trade receivables relate to a large number of diversified customers, there is no significant concentration of credit risk.

Financial assets that are neither past due nor impaired

Information regarding trade and other receivables that are neither past due nor impaired is disclosed in Note 24. Deposits with banks and other financial institutions and other investments that are neither past due nor impaired are placed with or entered into with reputable financial institutions or companies with high credit ratings and no history of default.

Financial assets that are either past due or impaired

Information regarding financial assets that are either past due or impaired is disclosed in Note 24.

(f) Equity price risk

Equity price risk is the risk that the fair value or future cash flows of the Group's financial instruments will fluctuate because of changes in market prices (other than interest or exchange rates).

The Group’s listed equity securities are susceptible to equity price risk arising from uncertainties about future values of other investments. These instruments are classified as financial asset at fair value through profit or loss. The Group does not have exposure to commodity price risk.

Equity price risk sensitivity analysis

At the reporting date, the exposure to listed equity securities at fair value was RM8,966,000 (2020: RM3,489,000). An increase/(decrease) of 5% (2020: 5%) on the quoted prices of these listed equities securities, could have an impact of approximately RM448,300 (2020: RM174,000) on the loss before tax of the Group, arising as a result of higher/lower fair value gains/(losses) on financial assets at fair value through profit or loss.

38. FAIR VALUE MEASUREMENT

The Group measures fair values using the following fair value hierarchy that reflects the significance of the inputs used in making the measurements:

Level 1
Quoted (unadjusted) market prices in active markets for identical assets or liabilities.

Level 2
Valuation techniques for which the lowest level input that is significant to the fair value measurement is directly or indirectly observable.

Level 3
Valuation techniques for which the lowest level input that is significant to the fair value measurement is unobservable.

(a) Non-financial assets that are measured at fair value

The table below analyses the Group's and the Company's non-financial assets measured at fair value at the reporting date, according to the levels in the fair value hierarchy:

	GROUP	
	FAIR VALUE LEVEL 3	
	2021 RM'000	2020 RM'000
Investment properties (Note 17)	**358,218**	375,086

Description of valuation techniques used and key inputs to valuation on investment properties is as disclosed in Note 17.

There have been no transfer between Level 1, Level 2 and Level 3 during the financial year.

(b) Financial instruments that are measured at fair value

	GROUP	
	FAIR VALUE LEVEL 1	
	2021 RM'000	2020 RM'000
Other investments (Note 21)	**8,966**	3,489

There are no liabilities measured at fair value.

There have been no transfer between Level 1, Level 2 and Level 3 during the financial year.

38. FAIR VALUE MEASUREMENT (CONT'D)

(c) Fair value of financial instruments by classes that are not carried at fair value and whose carrying amounts are not reasonable approximation of fair value

	GROUP		COMPANY	
	CARRYING AMOUNT RM'000	FAIR VALUE RM'000	CARRYING AMOUNT RM'000	FAIR VALUE RM'000
2021				
Financial liabilities:				
Loans and borrowings:				
- Obligations under finance lease	**486**	**446**	**–**	**–**
Lease liabilities	**52,853**	**65,942**	**4,000**	**4,534**
2020				
Financial liabilities:				
Loans and borrowings:				
- Obligations under finance lease	902	809	–	–
Lease liabilities	56,858	73,383	2,129	2,286

(d) Financial instruments that are not carried at fair value and whose carrying amounts are reasonable approximation of fair value

The following are classes of financial instruments that are not carried at fair value and whose carrying amounts are reasonable approximation of fair value:

	NOTE
Trade and other receivables	24
Loans and borrowings - with floating rate	27
Trade and other payables	29

The carrying amounts of these financial assets and liabilities are reasonable approximation of fair values, either due to their short-term nature or that they are floating rate instruments that are re-priced to market interest rates on or near the reporting date as the impact of discounting is immaterial.

The fair values of loans and borrowings are estimated by discounting expected future cash flows at market incremental lending rate for similar types of lending, borrowing or leasing arrangements at the reporting date.

39. CHANGES IN LIABILITIES ARISING FROM FINANCING ACTIVITIES

	AT 1 APRIL 2020 RM'000	DRAWDOWN RM'000	REPAYMENT RM'000	EXCHANGE DIFFERENCES RM'000	RECLASSI-FICATIONS RM'000	OTHER CHANGES RM'000	2021 AT 31 MARCH 2021 RM'000
Group							
Short term borrowings:							
Revolving credits	79,904	–	–	–	20,000	(291)	99,613
Term loans	29,635	–	(4,189)	–	(2,106)	102	23,442
Obligations under finance leases	506	–	(506)	–	416	–	416
RCMTNs	151,504	–	(150,000)	–	–	(1,504)	–
	261,549	–	(154,695)	–	18,310	(1,693)	123,471
Long term borrowings:							
Revolving credits	69,920	80,000	–	–	(20,000)	(567)	129,353
Term loans	391,577	83,294	(32,813)	6,562	2,106	(1,701)	449,025
Obligations under finance leases	902	–	–	–	(416)	–	486
Sukuk Murabahah	280,178	265,000	–	–	–	(765)	544,413
	742,577	428,294	(32,813)	6,562	(18,310)	(3,033)	1,123,277
	1,004,126	428,294	(187,508)	6,562	–	(4,726)	1,246,748

	AT 1 APRIL 2020 RM'000	DRAWDOWN RM'000	REPAYMENT RM'000	RECLASSI-FICATIONS RM'000	OTHER CHANGES RM'000	2021 AT 31 MARCH 2021 RM'000
Company						
Short term borrowings:						
Revolving credits	5,000	–	–	–	–	5,000
Term loans	–	–	–	10,000	–	10,000
RCMTNs	151,504	–	(150,000)	–	(1,504)	–
	156,504	–	(150,000)	10,000	(1,504)	15,000
Long term borrowings:						
Term loans, representing total long term borrowings	35,000	–	–	(10,000)	–	25,000
	191,504	–	(150,000)	–	(1,504)	40,000

39. CHANGES IN LIABILITIES ARISING FROM FINANCING ACTIVITIES (CONT'D)

							2020
	AT 1 APRIL 2019 RM'000	DRAWDOWN RM'000	REPAYMENT RM'000	EXCHANGE DIFFERENCES RM'000	RECLASSI-FICATIONS RM'000	OTHER CHANGES RM'000	AT 31 MARCH 2020 RM'000
Group							
Short term borrowings:							
Revolving credits	114,595	–	(60,000)	–	20,080	5,229	79,904
Term loans	176,115	–	(166,033)	(753)	19,634	672	29,635
Obligations under finance leases	542	–	(599)	–	563	–	506
RCMTNs	192,421	–	(200,000)	–	143,688	15,395	151,504
	483,673	–	(426,632)	(753)	183,965	21,296	261,549
Long term borrowings:							
Revolving credits	261,052	40,000	(207,200)	–	(20,080)	(3,852)	69,920
Term loans	502,455	188,168	(289,136)	100	(19,634)	9,624	391,577
Obligations under finance leases	845	–	–	–	(563)	620	902
RCMTNs	143,688	–	–	–	(143,688)	–	–
Sukuk Murabahah	–	289,100	–	–	–	(8,922)	280,178
	908,040	517,268	(496,336)	100	(183,965)	(2,530)	742,577
	1,391,713	517,268	(922,968)	(653)	–	18,766	1,004,126

	AT 1 APRIL 2019 RM'000	DRAWDOWN RM'000	REPAYMENT RM'000	RECLASSI-FICATIONS RM'000	OTHER CHANGES RM'000	2020 AT 31 MARCH 2020 RM'000
Company						
Short term borrowings:						
Revolving credits	5,000	–	–	–	–	5,000
RCMTNs	192,421	–	(200,000)	143,688	15,395	151,504
	197,421	–	(200,000)	143,688	15,395	156,504
Long term borrowings:						
Revolving credits	7,200	–	(7,200)	–	–	–
Term loans	35,000	–	–	–	–	35,000
RCMTNs	143,688	–	–	(143,688)	–	–
	185,888	–	(7,200)	(143,688)	–	35,000
	383,309	–	(207,200)	–	15,395	191,504

40. CAPITAL MANAGEMENT

For the purpose of the Group’s and of the Company's capital management, capital includes issued capital and all other equity reserves attributable to the owners of the parent. The primary objective of the Group’s and of the Company's capital management is to maximise shareholders' value.

In order to achieve this overall objective, the Group’s and the Company's capital management, amongst other things, aims to ensure that they meet financial covenants attached to the interest-bearing loans and borrowings that define capital structure requirements. Breaches in meeting the financial covenants would permit the bank to immediately recall the loans and borrowings. There have been no breaches of financial covenants of any interest-bearing loans and borrowings in the current financial year.

40. CAPITAL MANAGEMENT (CONT'D)

The Group and the Company manage their capital structure and make adjustments in light of changes in economic conditions and the requirements of the financial covenants. To maintain or adjust the capital structure, the Group and the Company may adjust the dividend payment to shareholders, return capital to shareholders or issue new shares. The Group and the Company monitor capital using a net gearing ratio, which is net debt divided by total capital (excluding assets and liabilities classified as held for sale). The Group's and the Company's policy is to maintain net gearing ratio at an acceptable limit.

No changes were made in the objectives, policies or processes for managing capital during the financial years ended 31 March 2021 and 2020.

		GROUP		COMPANY	
	NOTE	**2021 RM'000**	2020 RM'000	**2021 RM'000**	2020 RM'000
Loans and borrowings	27	**1,266,649**	1,044,261	**57,510**	230,696
Less: Cash and bank balances	25	**(469,298)**	(296,430)	**(114,956)**	(153,608)
Net debt		**797,351**	747,831	**(57,446)**	77,088
Equity attributable to the owners of the parent, representing total capital		**1,668,779**	1,767,462	**1,548,603**	1,536,765
Net gearing ratio		**48%**	42%	**0%**	5%

41. SEGMENT INFORMATION

For management purposes, the Group is organised into business units based on their products and services, and has three reportable operating segments, as follows:

(i) Properties - development and investment in residential and commercial properties

(ii) Hospitality - management and operations of hotels and restaurants

(iii) Investments and others

Except as indicated above, no operating segments has been aggregated to form the above reportable operating segments.

Management monitors the operating results of its business units separately for the purpose of making decisions about resource allocation and performance assessment. Segment performance is evaluated based on operating profit or loss which, in certain respects as explained in the table below, is measured differently from operating profit or loss in the consolidated financial statements. Group financing (including finance costs) and income taxes are managed on a group basis and are not allocated to operating segments.

The Group's geographical segments information are prepared based on the locations of assets. The segment revenue by geographical location of customers does not differ materially from segment revenue by geographical location of assets.

Transfer prices between operating segments are at terms agreed between the parties during the financial year.

Geographical segments

The following table provides an analysis of the Group's revenue and assets, analysed by geographical segments:

	TOTAL REVENUE FROM EXTERNAL CUSTOMERS		SEGMENT ASSETS	
	2021 RM'000	2020 RM'000	**2021 RM'000**	2020 RM'000
Malaysia	**249,217**	486,802	**2,966,282**	2,746,863
United Kingdom	**55,508**	–	**648,809**	639,110
Others	**–**	–	**1**	1
	304,725	486,802	**3,615,092**	3,385,974

41. SEGMENT INFORMATION (CONT'D)

Business segments

The following table provides an analysis of the Group's revenue, results, assets, liabilities and other information by business segments:

	PROPERTIES		HOSPITALITY		INVESTMENTS AND OTHERS		ADJUSTMENTS AND ELIMINATIONS		NOTE	PER CONSOLIDATED FINANCIAL STATEMENTS	
	2021 RM'000	2020 RM'000	**2021 RM'000**	2020 RM'000	**2021 RM'000**	2020 RM'000	**2021 RM'000**	2020 RM'000		**2021 RM'000**	2020 RM'000
Revenue											
External sales	**287,361**	418,372	**15,257**	63,392	**2,107**	5,038	**–**	–		**304,725**	486,802
Inter-segment sales	**662**	795	**–**	–	**79,610**	475,326	**(80,272)**	(476,121)	A	**–**	–
Total revenue	**288,023**	419,167	**15,257**	63,392	**81,717**	480,364	**(80,272)**	(476,121)		**304,725**	486,802
Results											
Interest income	**5,806**	16,993	**129**	509	**1,620**	9,474	**(282)**	(2,978)	A	**7,273**	23,998
Loss from fair value adjustment of investment properties	**(37,377)**	(120,256)	**–**	–	**–**	–	**–**	–		**(37,377)**	(120,256)
Depreciation and amortisation	**(1,417)**	(1,587)	**(19,166)**	(19,194)	**(1,853)**	(2,519)	**–**	–	B	**(22,436)**	(23,300)
Share of results of joint ventures	**(6,146)**	(4,265)	**–**	–	**–**	–	**–**	–		**(6,146)**	(4,265)
Other material non-cash expenses	**(64,394)**	(69,160)	**(32,081)**	(19,523)	**47,704**	1,496	**–**	–	C	**(48,771)**	(87,187)
Segment results	**(5,434)**	(71,423)	**(75,065)**	(40,732)	**104,615**	430,899	**(72,154)**	(474,354)	D	**(48,038)**	(155,610)
Assets											
Investment in joint ventures	**121,784**	143,499	**–**	–	**–**	–	**–**	–		**121,784**	143,499
Non-current assets classified as held for sale	**–**	45,468	**–**	–	**–**	–	**–**	–		**–**	45,468
Additions to non-current assets	**277,218**	113,198	**367**	38,496	**1,261**	2,244	**–**	–	E	**278,846**	153,938
Segment assets	**3,054,562**	2,740,695	**239,218**	310,719	**1,700,504**	1,823,843	**(1,379,192)**	(1,489,283)	F	**3,615,092**	3,385,974
Liabilities											
Segment liabilities	**1,201,589**	1,054,045	**12,815**	17,445	**67,760**	76,557	**616,512**	425,344	G	**1,898,676**	1,573,391

41. SEGMENT INFORMATION (CONT'D)

A Inter-segment revenues, income and expenses are eliminated on consolidation.

B Depreciation and amortisation consist of the following items as presented in the respective notes to the financial statements:

	NOTE	2021 RM'000	2020 RM'000
Amortisation of intangible assets	8	**(18)**	(75)
Depreciation of property, plant and equipment	8	**(16,761)**	(14,095)
Depreciation of right-of-use assets	8	**(5,657)**	(9,130)
		(22,436)	(23,300)

C Other material non-cash (expenses)/income consist of the following items as presented in the respective notes to the financial statements:

		2021 RM'000	2020 RM'000
Net expected credit losses on financial assets:			
- trade receivables	6,8	**(1,035)**	(813)
- other receivables	6,8	**–**	34
Bad debts written off	8	**(4)**	(40)
Net gain/(loss) on disposal of:			
- property, plant and equipment	6,8	**16**	(15)
Net unrealised gain on foreign exchange	6,8	**43,801**	1,323
Unwinding of discounts - net	6,7	**(159)**	1,846
Property, plant and equipment written off	8	**(168)**	(260)
Other inventories written off	8	**(156)**	-
Fair value gain on other investments	6	**5,477**	176
Property development costs written down	8	**(64,520)**	(69,862)
Impairment loss on:			
- property, plant and equipment	8	**(31)**	–
- right-of-use assets	8	**(31,913)**	(19,458)
Net gain on derecognition of lease liabilities	6	**–**	46
Provision for retirement benefits	9	**(79)**	(164)
		(48,771)	(87,187)

D The following items are (deducted from)/added to segment profit to arrive at "(Loss)/profit before tax" presented in the consolidated statement of comprehensive income:

	NOTE	2021 RM'000	2020 RM'000
Inter-segment expense/(income)		**3,399**	(7,676)
Inter-segment dividends		**(76,580)**	(472,502)
Inter-segment interests		**1,027**	5,824
		(72,154)	(474,354)

E Additions to non-current assets consist of:

		2021 RM'000	2020 RM'000
Property, plant and equipment	14	**3,367**	41,254
Intangible assets	18	**62**	–
Investment properties	17	**12,817**	7,258
Land held for property development	16	**262,600**	105,426
		278,846	153,938

F The following items are added to/(deducted from) segment assets to arrive at total assets reported in the consolidated statement of financial position:

		2021 RM'000	2020 RM'000
Deferred tax assets	22	**23,971**	17,736
Tax recoverable		**3,232**	6,951
Investment in joint ventures	20	**121,784**	143,499
Inter-segment assets		**(1,528,179)**	(1,657,469)
		(1,379,192)	(1,489,283)

G The following items are added to/(deducted from) segment liabilities to arrive at total liabilities reported in the consolidated statement of financial position:

		2021 RM'000	2020 RM'000
Deferred tax liabilities	22	**39,839**	40,986
Income tax payable		**3,123**	3,159
Loans and borrowings	27	**1,266,649**	1,044,261
Lease liabilities	15	**68,270**	62,404
Inter-segment liabilities		**(761,369)**	(725,466)
		616,512	425,344

42. MATERIAL LITIGATION

On 18 February 2021, the Company's solicitors had been served with a Notice of Arbitration dated 18 February 2021 by the solicitors representing The Synod of the Diocese of West Malaysia ("Synod" or the "Claimant") notifying the commencement of arbitration proceedings against the Company under the auspices of the Asian International Aribitration Centre in Kuala Lumpur.

Synod is the registered and beneficial owner of 200 serviced apartments known as St Mary Residences, located at Jalan Tengah, Off Jalan Sultan Ismail, Kuala Lumpur ("Property"). The Property was leased by the Company on 8 May 2012 for the purpose of undertaking the Company's serviced apartments business under the name E&O Residences ("Subject Lease").

Pursuant to a notice dated 12 June 2020, the Company gave requisite notice and terminated the Subject Lease effective 18 September 2020.

The Claimant is alleging wrongful termination of the Subject Lease by the Company and is amongst others seeking the following remedies:

(i) A declaration that the Company's termination of the Subject Lease was wrongful, null and void;

(ii) A declaration that the Subject Lease subsists and consequently a decree of specific performance of the Subject Lease;

(iii) Alternatively, damages in the sum of RM118,394,012 or such sums to be assessed by the arbitral tribunal, in lieu of specific performance; and

(iv) Interest and cost.

The arbitral proceedings in respect of the above claim are, as at the date of this report, still on-going.

43. SIGNIFICANT EVENT

COVID-19 pandemic

The Group reported a net loss of RM69,225,000 for the financial year ended 31 March 2021. The COVID-19 pandemic has had a significant impact on the financial position and performance of the Group for the financial year ended 31 March 2021. Travel and border restrictions and movement restrictions implemented by countries around the world coupled with the already depressed global and local economic sentiments have led to a significant fall in demand in goods and services of the Group's business segments.

The financial statements have been prepared based upon conditions existing as at 31 March 2021 and have considered those events occurring subsequent to that date, that provide evidence of conditions that existed at the end of the reporting period. In particular, the outbreak of COVID-19 occurred before 31 March 2021 and its impact is considered an event that existed as at the reporting date. Accordingly, adjustments relating to assets impairment, write down, expected credit loss and fair value loss have been made to the financial statements as at 31 March 2021 for the impacts of COVID-19. The Group will continue to reassess its estimates of assets impairment, write down, expected credit loss and fair value movement (if any) for the next financial year ending 31 March 2022, based on the performance for the remainder of the financial year.

GROUP'S PROPERTIES

LOCATION	TENURE	YEAR OF ACQUISITION	APPROXIMATE LAND AREA/ UNITS	DESCRIPTION	AGE OF BUILDING (YEARS)	NET BOOK VALUE AS AT 31.03.2021 RM'000
Lot No. 43, 62, 72, 73, 76, 77, 88, 89, 91, 93, 94, 137 - 140, 149, 150, 168,	Freehold	2006	339.156 acres	Vacant Land	–	122,235
169, 171, 172, 177, 179, 183 - 189, 192 (New Lot 244), 202 - 204, 222 - 224, 228 - 234 & PT No. 2	Lease expiring 10.12.2022	2006	7.787 acres	Vacant Land		
Mukim 8, South-West District Pulau Pinang	Lease expiring 29.6.2053	2006	0.245 acres	Vacant Land		
PT No. 857, H.S.(D) No. 14395 Bandar Tanjong Pinang Sek.1 Daerah Timor Laut Pulau Pinang	Freehold	2007	0.66 acres	Vacant Land	–	2,678
PT No. 1, 3, 4, 7, 8, 9, 10, 12, 16, 18, 19, 22 - 406 All within Bandar Tanjong Pinang Daerah Timor Laut	Lease expiring 30.1.2117	2018	560,385 sq. mt.	Reclaimed Land	–	1,232,522
Lot No. 10014, H.S.(D) No. 166726 Bandar Tanjong Pinang Sek.1 Daerah Timor Laut Pulau Pinang	Freehold	2013	1 unit	Residential Condominium	9	1,172
Lot No. 10014, H.S.(D) No. 166726 Bandar Tanjong Pinang Sek.1 Daerah Timor Laut Pulau Pinang	Freehold	2015	2 units	Residential Condominium	7	3,534
PT 711, H.S.(D) No. 11105 Bandar Tanjong Pinang Sek.1 Daerah Timor Laut Pulau Pinang	Lease expiring 28.4.2103	2018	1 unit	Low medium cost apartment	4	65
Lot 10016, H.S.(D) No. 169813 Bandar Tanjong Pinang Sek.1 Daerah Timor Laut Pulau Pinang	Freehold	2019	1 unit	Executive apartment	3	554

GROUP'S PROPERTIES (CONT'D)

LOCATION	TENURE	YEAR OF ACQUISITION	APPROXIMATE LAND AREA/ UNITS	DESCRIPTION	AGE OF BUILDING (YEARS)	NET BOOK VALUE AS AT 31.03.2021 RM'000
Lot No. 1300 to 1314, 1316, 1318 to 1320, 1322, 1323, 1325, 1326, 1329 to 1333, 1335, 1336, 1338 to 1340, 1342, 1343,	Lease expiring 2088/89	2006	303.274 acres	Vacant Land	–	108,633
1345 to 1347, 1349, 1351 to 1354, 1356, 1357, 1359, 1360, 1363 to 1369, 1372 to 1374, 1376, 1377, 1379 to 1393 All within Mukim of Ulu Kelang District of Gombak Selangor Darul Ehsan	Lease expiring 19.05.2097	2006	6.256 acres	Vacant Land		
Annexe Block Jalan Tun Razak Lot No. 383, Section 63, Town and District of Kuala Lumpur	Freehold	2008	2,750 sq. mt.	3-Storey designated Commercial Block	14	37,000
Dua Residency Condominium Jalan Tun Razak Geran 71700/M1-A/20/139 Bandar Kuala Lumpur Wilayah Persekutuan	Freehold	2009	1 unit	Residential Condominium	14	2,341
Lot 10001, Seksyen 1 (Hakmilik 138146) PT No.1216, H.S.(D) No.15928 PT No.1431, H.S.(D) No.18120 Bandar Tanjong Pinang Sek. 1 Daerah Timor Laut	Freehold	2010	total floor area of 422,915 sq. ft. together with accessories parcel of 183,373 sq. ft.	Retail Mall Light House Marina	11	130,400
Pulau Pinang	Lease expiring 5.11.2111	2010	13,673 sq. mt.			
Geran 76431/M1/B1/1 Geran 76431/M1/B2/2 Bandar Kuala Lumpur Wilayah Persekutuan	Freehold	2010	4,312 sq. mt.	Retail Mall	8	37,000
Lot 10001, Seksyen 1 (Hakmilik 138146) Bandar Tanjong Pinang Sek. 1 Daerah Timor Laut Pulau Pinang	Freehold	2016	18,295 sq. ft.	Office building	5	54,800

LOCATION	TENURE	YEAR OF ACQUISITION	APPROXIMATE LAND AREA/ UNITS	DESCRIPTION	AGE OF BUILDING (YEARS)	NET BOOK VALUE AS AT 31.03.2021 RM'000
Lot No. 124, Geran 35844 Lot No. 831, Geran 61602 Lot No. 224, Geran 63919 Lot No. 249, Geran 35873 Bandar Georgetown Daerah Timor Laut Penang	Freehold	1978	4.35 acres	Land with building for hotel use	–	196,712
Lot No. 407, PN 1380 Bandar Georgetown Daerah Timor Laut Penang	Lease expiring in 31.12.2055	1978	0.08 acres	Land with building for hotel use	–	166
37-39 Kingsway London WC2B 6TP United Kingdom Title Number NGL226475	Freehold	2012	4,313.40 sq. mt.	Serviced Apartment under refurbishment	–	99,018
London W6 9DP United Kingdom Title Number BGL4589 and NGL549314	Freehold	2015	1.3 acres	Vacant land for development	–	364,177
ESCA House London W2 4HY United Kingdom Title Number NGL947388	Freehold	2014	16,409.33 sq. ft.	Land with building	–	62,919
PT 52001, HSD No. 306719 PT 52002, HSD No. 306720 PT 52003, HSD No. 306721 PT 52004, HSD No. 306722 PT 52005, HSD No. 306723 Seksyen U17 Mukim Sungai Buloh Daerah Petaling Selangor Darul Ehsan	Freehold	2016	65.93 acres	Land held for development	–	276,890

ANALYSIS OF SHAREHOLDINGS

AS AT 30 JUNE 2021

ORDINARY SHARE CAPITAL

Issued Shares	:	1,456,941,521 Ordinary Shares
Class of Share	:	Ordinary Share
Voting Rights	:	One (1) vote per Ordinary Share
Number of Treasury Shares held	:	25,592,596

DISTRIBUTION OF SHAREHOLDINGS

SIZE OF SHAREHOLDINGS	NO. OF SHAREHOLDERS	%	NO. OF SHARES	%
Less than 100	1,554	7.97	51,934	0.00
100 to 1,000	7,166	36.73	3,021,054	0.21
1,001 to 10,000	7,661	39.27	26,860,757	1.88
10,001 to 100,000	2,655	13.61	75,008,609	5.24
100,001 to less than 5% of issued Shares	469	2.40	453,598,191	31.69
5% and above of issued Shares	4	0.02	872,808,380	60.98
Total	**19,509**	**100.00**	**1,431,348,925#**	**100.00**

Excluding 25,592,596 Treasury Shares.

THIRTY LARGEST SHAREHOLDERS BASED ON THE RECORD OF DEPOSITORS
(Excluding 25,592,596 Treasury Shares)

NO.	NAME OF SHAREHOLDERS	NO. OF SHARES	%
1.	Amsec Nominees (Tempatan) Sdn Bhd *Pledged Securities Account – Ambank (M) Berhad for Amazing Parade Sdn Bhd (SMART)*	568,289,161	39.70
2.	Public Nominees (Tempatan) Sdn Bhd *Pledged Securities Account for Paramount Spring Sdn. Bhd. (BDA)*	128,497,890	8.98
3.	Kumpulan Wang Persaraan (Diperbadankan)	90,180,135	6.30
4.	Cimsec Nominees (Tempatan) Sdn Bhd *CIMB Bank Berhad for Morning Crest Sdn Bhd (CBM)*	85,841,194	6.00
5.	Cimsec Nominees (Tempatan) Sdn Bhd *Pledged Securities Account for Tham Ka Hon (EDG)*	48,352,590	3.38
6.	Sweetwater SPV Sdn Bhd	30,550,000	2.13
7.	Amsec Nominees (Tempatan) Sdn Bhd *Pledged Securities Account – AmBank (M) Berhad for Sweetwater SPV Sdn Bhd*	30,000,000	2.10

NO.	NAME OF SHAREHOLDERS	NO. OF SHARES	%
8.	Al Wakalah Nominees (Tempatan) Sdn Bhd *Pledged Securities Account for Amcorp Group Berhad*	29,130,277	2.04
9.	HSBC Nominees (Asing) Sdn Bhd *Exempt An for BNP Paribas Singapore Branch (A/C Clients-FGN)*	23,354,083	1.63
10.	Maybank Nominees (Asing) Sdn Bhd *Cacona Pte Ltd (270700)*	18,000,000	1.26
11.	UOB Kay Hian Nominees (Asing) Sdn Bhd *Exempt An for UOB Kay Hian Pte Ltd (A/C Clients)*	16,972,617	1.19
12.	Kerjaya Prospek Development (M) Sdn. Bhd.	14,928,046	1.04
13.	Magnum Berhad	11,321,622	0.79
14.	Alliancegroup Nominees (Tempatan) Sdn Bhd *Pledged Securities Account for Tan Pow Choo @ Wong Seng Eng (6000090)*	9,000,000	0.63
15.	Kenanga Nominees (Tempatan) Sdn Bhd *Pledged Securities Account for Koh Boon Poh (008)*	8,852,600	0.62
16.	Cimsec Nominees (Tempatan) Sdn Bhd *CIMB for Azizan bin Abd Rahman (PB)*	8,354,412	0.58
17.	CIMB Group Nominees (Asing) Sdn. Bhd. *Pledged Securities Account for Billford Holdings Limited (CBM-REC-MCSB)*	7,173,974	0.50
18.	HSBC Nominees (Asing) Sdn Bhd *Exempt An for Bank Julius Baer & Co. Ltd. (Singapore BCH)*	6,980,155	0.49
19.	CGS-CIMB Nominees (Asing) Sdn Bhd *Exempt An for CGS-CIMB Securities (Singapore) Pte. Ltd. (Retail Clients)*	5,768,270	0.40
20.	HSBC Nominees (Asing) Sdn Bhd *Exempt An for Credit Suisse (SG BR-TST-Asing)*	5,574,388	0.39
21.	Citigroup Nominees (Tempatan) Sdn Bhd *Kumpulan Wang Persaraan (Diperbadankan) (AHAM Equity Fund)*	4,928,345	0.34
22.	Citigroup Nominees (Tempatan) Sdn Bhd *Employees Provident Fund Board (PHEIM)*	4,422,000	0.31
23.	CIMB Islamic Nominees (Tempatan) Sdn Bhd *Principal Islamic Asset Management Sdn Bhd for Lembaga Tabung Haji*	3,672,000	0.26
24.	Maybank Nominees (Asing) Sdn Bhd *Future Equity Investments Limited (270832)*	3,000,000	0.21

ANALYSIS OF SHAREHOLDINGS

AS AT 30 JUNE 2021 (CONT'D)

NO.	NAME OF SHAREHOLDERS	NO. OF SHARES	%
25.	Cheah See Han	2,617,934	0.18
26.	Chai Kim-Lyn	2,541,964	0.18
27.	TA Nominees (Tempatan) Sdn Bhd *Pledged Securities Account for Chor Sek Choon*	2,404,781	0.17
28.	Huang Phang Lye	2,210,802	0.15
29.	Tiong Nam Logistics Holdings Berhad	2,200,000	0.15
30.	Kamil Ahmad Merican	2,145,825	0.15
	Total	**1,177,265,065**	**82.25**

SUBSTANTIAL SHAREHOLDERS BASED ON THE REGISTER OF SUBSTANTIAL SHAREHOLDERS AS AT 30 JUNE 2021

	SHAREHOLDINGS			
NAME OF SUBSTANTIAL SHAREHOLDERS	DIRECT	%	INDIRECT	%
Dato' Seri Tham Ka Hon	48,352,590	3.38	221,513,058 [1]	15.48
Datuk Tee Eng Ho	–	–	711,714,755 [2]	49.72
Tee Eng Seng	–	–	711,714,755 [2]	49.72
Datin Toh Siew Chuon	284,494	0.02	568,288,819 [3]	39.70
Amazing Parade Sdn Bhd	568,288,819	39.70	–	–
Paramount Spring Sdn Bhd	128,497,890	8.98	–	–
Summerchrome Sdn Bhd	–	–	128,497,890 [4]	8.98
Pentas Jasa Sdn Bhd	–	–	128,497,890 [5]	8.98
Grand Mission International Limited	–	–	128,497,890 [6]	8.98
Bright Milestone Sdn Bhd	–	–	128,497,890 [7]	8.98
Billford Holdings Limited	7,173,974	0.50	85,841,194 [8]	6.00
Morning Crest Sdn Bhd	85,841,194	6.00	–	–
Kumpulan Wang Persaraan (Diperbadankan)	90,180,135	6.30	6,200,897	0.43

Notes:

[1] Deemed interest by virtue of Section 8(4) of the Companies Act 2016 held through Paramount Spring Sdn Bhd ("PSSB"), Summerchrome Sdn Bhd ("SCSB"), Pentas Jasa Sdn Bhd ("PJSB"), Grand Mission International Limited, Billford Holdings Limited ("BHL") and Morning Crest Sdn Bhd ("MCSB").

[2] Deemed interest by virtue of Section 8(4) of the Companies Act 2016 held through Amazing Parade Sdn Bhd, Kerjaya Prospek Development (M) Sdn Bhd and SCSB, which in turn holds 100% in PSSB.

[3] Deemed interest by virtue of Section 8(4) of the Companies Act 2016 held through Amazing Parade Sdn Bhd.

[4] Deemed interest by virtue of Section 8(4) of the Companies Act 2016 held through PSSB, a wholly-owned subsidiary of SCSB.

[5] Deemed interest by virtue of Section 8(4) of the Companies Act 2016 held through its shareholding of 55% in SCSB, which in turn holds 100% of PSSB.

[6] Deemed interest by virtue of Section 8(4) of the Companies Act 2016 held through its shareholding of 100% in PJSB, which in turn holds 55% in SCSB, which in turn holds 100% of PSSB.

[7] Deemed interest by virtue of Section 8(4) of the Companies Act 2016 held through SCSB, which in turn holds 100% in PSSB.

[8] Deemed interest by virtue of Section 8(4) of the Companies Act 2016 held through MCSB, a wholly-owned subsidiary of BHL.

DIRECTORS' INTEREST IN SHARES BASED ON THE REGISTER OF DIRECTORS' INTEREST AS AT 30 JUNE 2021

NAME OF DIRECTORS	SHAREHOLDINGS			
	DIRECT	%	INDIRECT	%
Datuk Tee Eng Ho	–	–	711,999,249 (1)	49.74
Dato' Seri Tham Ka Hon	48,352,590	3.38	221,513,058 (2)	15.48
Kok Tuck Cheong	–	–	–	–
Khoo Siong Kee	125,000	0.01	–	–
Lim Kien Lai @ Lim Kean Lai	10,000	0.001	–	–
Tee Bee Kim	–	–	–	–

Notes:

(1) Deemed interest by virtue of Section 8(4) of the Companies Act 2016 held through Amazing Parade Sdn Bhd, Kerjaya Prospek Development (M) Sdn Bhd and Summerchrome Sdn Bhd ("SCSB"), which in turn holds 100% in Paramount Spring Sdn Bhd ("PSSB") and interest of spouse by virtue of Section 59(11)(c) of the Companies Act 2016.

(2) Deemed interest by virtue of Section 8(4) of the Companies Act 2016 held through PSSB, SCSB, Pentas Jasa Sdn Bhd, Grand Mission International Limited, Billford Holdings Limited and Morning Crest Sdn Bhd.

NOTICE OF ANNUAL GENERAL MEETING

NOTICE IS HEREBY GIVEN that the Ninety-Fourth Annual General Meeting of Eastern & Oriental Berhad will be conducted on a fully virtual basis through online remote voting and live streaming from the broadcast venue at Tricor Business Centre, Manuka 2 & 3 Meeting Room, Unit 29-01, Level 29, Tower A, Vertical Business Suite, Avenue 3, Bangsar South, No. 8, Jalan Kerinchi, 59200 Kuala Lumpur ("Broadcast Venue") on Wednesday, 25 August 2021 at 2.00 p.m. for the following purposes:

AGENDA

AS ORDINARY BUSINESS

1. To receive the Audited Financial Statements for the financial year ended 31 March 2021 together with the Reports of the Directors and Auditors thereon. **Please refer to Explanatory Note 1**

2. To approve the payment of Directors' fees of RM1,075,000 in respect of the financial year ended 31 March 2021. **(Ordinary Resolution 1)**

3. To approve the payment of Directors' fees of RM83,453 in respect of the financial year ending 31 March 2022. **(Ordinary Resolution 2)**

4. To re-elect Dato' Seri Tham Ka Hon who retires by rotation in accordance with Clause 109 of the Company's Constitution. **(Ordinary Resolution 3)**

5. To re-elect the following Directors who retire in accordance with Clause 114 of the Company's Constitution:
   (a) Mr Khoo Siong Kee **(Ordinary Resolution 4)**
   (b) Mr Lim Kien Lai @ Lim Kean Lai **(Ordinary Resolution 5)**
   (c) Ms Tee Bee Kim **(Ordinary Resolution 6)**

6. To re-appoint Messrs Ernst & Young PLT as Auditors of the Company and to authorise the Directors to fix their remuneration. **(Ordinary Resolution 7)**

AS SPECIAL BUSINESS

To consider and if thought fit, to pass the following resolutions:

7. **Authority to allot and issue shares pursuant to Sections 75 and 76 of the Companies Act 2016** **(Ordinary Resolution 8)**

   "THAT, subject always to the Companies Act 2016, the Constitution of the Company and approvals of the relevant governmental and/or regulatory authorities, the Directors be and are hereby empowered, pursuant to Sections 75 and 76 of the Companies Act 2016, to issue ordinary shares in the Company from time to time and upon such terms and conditions and for such purposes as the Directors may deem fit provided that the aggregate number of shares issued pursuant to this resolution does not exceed ten percent (10%) of the total number of issued shares of the Company for the time being and that such authority shall continue to be in force until the conclusion of the next Annual General Meeting of the Company."

8. **Authority to allot and issue shares under Enhanced General Mandate for Rights Issue on Pro-Rata Basis ("Enhanced Rights Issue Mandate")** **(Ordinary Resolution 9)**

"THAT, subject always to the Companies Act 2016 ("the Act"), Main Market Listing Requirements ("Listing Requirements") of Bursa Malaysia Securities Berhad ("Bursa Securities"), the Constitution of the Company and approvals of the relevant governmental and/or regulatory authorities, the Directors be and are hereby empowered pursuant to Sections 75 and 76 of the Act, to issue and allot ordinary shares of the Company under an enhanced rights issue exercise ("Enhanced Rights Issue"), PROVIDED ALWAYS THAT:

(i) The Enhanced Rights Issue Mandate can only be exercised for rights issue of ordinary shares of the Company;
(ii) The new shares to be issued in line with the Enhanced Rights Issue Mandate must not exceed 50% of the total number of issued shares (excluding treasury shares) of the Company ("Rights Shares") for the time being;
(iii) The price of the Rights Shares to be issued are not priced at more than 30% discount to the theoretical ex-rights price;
(iv) An irrevocable letter(s) of undertaking from the existing controlling shareholders to subscribe for their full entitlements is procured; and
(v) The Company continues to comply with all the other requirements for new issue of securities under the Listing Requirements, including the obligation to announce the rights issue with information as prescribed in the Listing Requirements.

THAT the Proposed Enhanced Rights Issue Mandate shall continue to be in force until 31 December 2021, or any such other extended period as may be introduced by Bursa Securities and under such case, the Proposed Enhanced Rights Issue Mandate shall lapse at the conclusion of the next Annual General Meeting of the Company.

THAT the Board be and is hereby authorised to disregard and deal with any fractional entitlements of the Rights Shares arising from the Enhanced Rights Issue, if any, in such manner as the Board, in their absolute discretion deems fit, expedient, and to be in the best interest of the Company.

THAT the Rights Shares which are not taken up or validly taken up shall be made available for excess applications by the entitled shareholders and/ or their renouncee(s), if any, and the Board be and is hereby authorised to allocate such excess rights shares on a basis as the Board shall at its absolute discretion, deem fit, expedient, and in the best interest of the Company, in accordance with the procedures to be set out in an abridged prospectus to be issued in due course.

THAT the proceeds from the Enhanced Rights Issue be utilised in such manner as the Board, may at its absolute discretion, deem fit, expedient and to be in the best interest of the Company, subject to the approval of the relevant authorities, where required.

THAT the Rights Shares shall, upon allotment and issuance, rank pari passu in all respects with the existing ordinary shares of the Company, save and except that the Rights Shares will not be entitled to any dividends, rights, allotments and/ or any other form of distributions where the entitlement date of such dividends, rights, allotments and/ or any other form of distributions precedes the relevant date of allotment and issuance of the Rights Shares.

AND THAT the Board be and is hereby authorised to sign and execute all documents to give effect to the Enhanced Rights Issue with full power to assent to any condition, modification, variation and/ or amendment in any manner as may be required or imposed by the relevant authorities and to take all steps and do all acts and things in the manner as the Board may consider necessary or expedient in order to implement, finalise and give full effect to the Enhanced Rights Issue."

9. **Proposed Renewal of the Shareholders' Mandate for the Company and/or its Subsidiaries to enter into Recurrent Related Party Transactions of A Revenue or Trading Nature** **(Ordinary Resolution 10)**

"THAT pursuant to paragraph 10.09 of the Main Market Listing Requirements of Bursa Malaysia Securities Berhad, the mandate for recurrent related party transactions of a revenue or trading nature which are necessary for the day-to-day operations of the Company and/or its subsidiaries ("E&O Group") ("Recurrent Transactions") given by the shareholders of the Company on 15 September 2020 be and is hereby renewed and approval be and is hereby given to E&O Group to continue to enter into and to give effect to the Recurrent Transactions with the related parties as set out in Section 2.2 of the circular to shareholders dated 27 July 2021 being transactions carried out in the ordinary course of business of the E&O Group on terms not more favourable to the related parties than those generally available to the public and are not to the detriment of the minority shareholders of the Company.

THAT the approval hereby given shall continue to be in force until:

(a) the conclusion of the next annual general meeting ("AGM") of the Company following the general meeting at which the general mandate was passed, at which time it will lapse, unless by a resolution passed at the meeting, the authority is renewed;
(b) the expiration of the period within which the next AGM after that date is required to be held pursuant to section 340(2) of the Companies Act 2016 (but shall not extend to such extension as may be allowed pursuant to section 340(4) of the Companies Act 2016); or
(c) revoked or varied by resolution passed by the shareholders in general meeting,

whichever is the earliest;

AND THAT authority be and is hereby given to the Directors of the Company to do such acts and things (including, without limitation, executing all such documents as may be required) to enter into and to give effect to the Recurrent Transactions authorised by this Ordinary Resolution."

10. **Proposed Renewal of Shareholders' Mandate for the Authority to the Company to Purchase up to ten percent (10%) of its own Shares in the Total Number of Issued Shares in the Company** **(Ordinary Resolution 11)**

"THAT subject always to the Companies Act 2016 ("the Act"), the Constitution of the Company, the Main Market Listing Requirements of Bursa Malaysia Securities Berhad ("Bursa Securities") and all other relevant applicable laws, regulations and guidelines and the approvals of all relevant authorities, the approval granted by the shareholders of the Company at the Ninety-Third Annual General Meeting of the Company held on 15 September 2020, authorising the Company to purchase and/or hold such amount of ordinary shares ("Shares") in the Company ("Proposed Share Buy-Back") as may be determined by the Directors from time to time through Bursa Securities be and is hereby renewed, provided that:

(i) the aggregate number of Shares which may be purchased and/or held by the Company pursuant to this resolution shall not exceed ten percent (10%) of the total number of issued Shares of the Company at the time of purchase; and

(ii) the maximum funds to be allocated by the Company for the purpose of the Proposed Share Buy-Back shall not exceed the Company's retained profits;

THAT the Directors of the Company be and are hereby authorised to deal with the Shares so purchased in their absolute discretion in any of the following manners:

(i) cancel all the Shares so purchased; and/or

(ii) retain the Shares so purchased as treasury shares for distribution as dividend to the shareholders and/or resell on the market of Bursa Securities; and/or

(iii) retain part thereof as treasury shares and cancel the remainder; or

in any other manner as prescribed by the Act, rules, regulations and orders made pursuant to the Act and the requirements of Bursa Securities and any other relevant authority for the time being in force;

AND THAT such authority shall commence immediately upon the passing of this resolution, until the conclusion of the next Annual General Meeting ("AGM") of the Company or the expiry of the period within which the next AGM is required by law to be held unless earlier revoked or varied by ordinary resolution of the shareholders of the Company in general meeting;

AND FURTHER THAT the Directors of the Company be and are hereby authorised to take all such steps as are necessary and/or enter into any and all agreements and arrangements with any party or parties to implement, finalise and give full effect to the Proposed Share Buy-Back with full power to assent to any conditions, modifications, revaluations, variations and/or amendments (if any) as may be imposed by the relevant authorities from time to time to implement or to effect the purchase of its own Shares."

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

By Order of the Board

WONG YAH YEE
Company Secretary
MAICSA 7040513
SSM Practicing Certificate No. 202008001898

Kuala Lumpur
27 July 2021

NOTES:

1. The Broadcast Venue is strictly for the purpose of complying with Section 327(2) of the Companies Act 2016 which requires the Chairman of the meeting to be present at the main venue of the meeting. Shareholder(s) or proxy(ies) or attorney(s) or authorised representative(s) WILL NOT BE ALLOWED to attend the Ninety-Fourth Annual General Meeting ("94th AGM") in person at the Broadcast Venue on the day of the meeting.

   Shareholders are to attend, speak (including posing questions to the Board via real time submission of typed texts) and vote (collectively, "participate") remotely at the 94th AGM via the Remote Participation and Voting facilities ("RPV") provided by Tricor Investor & Issuing House Services Sdn. Bhd. ("Tricor"). A shareholder who has appointed a proxy or attorney or authorised representative to participate in this 94th AGM via RPV must request his/her proxy or attorney or authorised representative to register himself/herself for RPV. *Please refer to the Administrative Guide for RPV via its TIIH Online website at https://tiih.online.*

2. For the purpose of determining who shall be entitled to participate in this 94th AGM via RPV, the Company shall be requesting Bursa Malaysia Depository Sdn. Bhd. to make available to the Company, the Record of Depositors. Only a shareholder whose name appears in the Record of Depositors as at 19 August 2021 shall be entitled to participate or appoint proxy(ies) to participate in his/her stead in this 94th AGM via RPV.

3. As the 94th AGM is a fully virtual AGM, shareholders who are unable to participate in this 94th AGM may appoint the Chairman of the meeting as his/her proxy and indicate the voting instructions in the proxy form.

4. A shareholder of the Company entitled to attend and vote at this 94th AGM via RPV is entitled to appoint not more than two (2) proxies to attend and vote in his stead. Where a shareholder appoints more than one (1) proxy, the appointment shall be invalid unless he/she specifies the proportion of his/her shareholdings to be represented by each proxy. A proxy may but need not be a shareholder of the Company.

5. Where a shareholder is an authorised nominee as defined under the Securities Industry (Central Depositories) Act, 1991, it may appoint not more than two (2) proxies in respect of each securities account it holds with ordinary shares of the Company standing to the credit of the said securities account.

6. Where a shareholder of the Company is an exempt authorised nominee which holds ordinary shares in the Company for multiple beneficial owners in one (1) securities account ("omnibus account"), there is no limit to the number of proxies which the exempt authorised nominee may appoint in respect of each omnibus account it holds.

7. The instrument appointing a proxy shall be in writing under the hand of the appointer or his attorney duly authorised in writing or if the appointer is a corporation either under its common seal or under the hand of an officer or attorney duly authorised in writing.

8. The instrument appointing a proxy shall be deposited 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, the Customer Service Centre at Unit G-3, Ground Floor, Vertical Podium, Avenue 3, Bangsar South, No. 8, Jalan Kerinchi, 59200 Kuala Lumpur, Malaysia, OR by electronic form via *TIIH Online at https://tiih.online,* not later than Monday, 23 August 2021 at 2.00 p.m. *Please refer to the Electronic Submission of Proxy Form in the Administrative Guide.*

9. Corporate representatives of corporate shareholders or attorneys appointed by power of attorney must deposit their original certificate of appointment of corporate representative or their power of attorney, where applicable to the Share Registrar of the Company or the Customer Service Centre not later than Monday, 23 August 2021 at 2.00 p.m. to participate via RPV in the 94th AGM.

EXPLANATORY NOTES ON ORDINARY BUSINESS AND SPECIAL BUSINESS

Note 1 - Audited Financial Statements for the Financial Year ended 31 March 2021

Item 1 of the Agenda is meant for discussion only as the provision of Section 340(1)(a) of the Companies Act 2016 does not require the audited financial statements to be formally approved by the shareholders. As such, this item is not put forward for voting.

Ordinary Resolution 1 – Payment of Directors' fees for financial year ended 31 March 2021

The proposed Directors' fees for the financial year ended 31 March 2021 remain unchanged as follows:

BOARD/COMMITTEE	CHAIRMAN (RM'000/YEAR)	MEMBER (RM'000/YEAR)
Board	230	100
Audit Committee	35	25
Risk Management Committee	30	20
Nomination, Remuneration and Scheme Committee	30	20

Ordinary Resolution 2 – Payment of Directors' fees for financial year ending 31 March 2022

The proposed Directors' fees for the financial year ending 31 March 2022 are pro-rated fees for Directors who have resigned on 10 May 2021 and 12 May 2021 respectively. The approval for the proposed Directors' fees for the current Directors for the financial year ending 31 March 2022 will be sought at the next Annual General Meeting.

Ordinary Resolution 8 – Authority pursuant to Sections 75 and 76 of the Companies Act 2016

The proposed resolution 8, if passed, will empower the Directors to allot and issue new ordinary shares in the Company up to an amount not exceeding in total ten percent (10%) of the total number of issued shares of the Company, subject to compliance with the relevant regulatory requirements. This approval is sought to avoid any delay and cost in convening a general meeting for such issuance of shares. This authority, unless revoked or varied at a general meeting, will expire at the next Annual General Meeting of the Company. The general mandate had also been sought for in the last Annual General Meeting of the Company. There were no shares issued and no proceeds raised from the previous mandate.

The renewal of the general mandate will provide flexibility to the Company for any possible fund raising activities, including but not limited to placing of shares, for purpose of funding future investment project(s), working capital and/or acquisition(s).

Ordinary Resolution 9 – Authority to Allot and Issue Shares Under Enhanced General Mandate for Rights Issue on Pro Rata Basis ("Enhanced Rights Issue Mandate")

The Enhanced Rights Issue Mandate is a temporary relief measure allowing eligible listed issuers to obtain mandated shareholders' approval at a general meeting to undertake rights issue exercises, announced by The Securities Commission Malaysia and Bursa Malaysia Securities Berhad on 10 November 2020.

The purpose of the Enhanced Rights Issue Mandate is to allow the Company to undertake expedited right issue exercises via an enhanced rights issue framework, which allows the Company to issue new rights shares on a pro rata basis, up to 50% of the total number of issued shares (excluding treasury shares) of the Company.

Under this expedited process, the Company will be granted greater flexibilities to raise funds via rights issue in an expeditious manner without delay and incurring additional costs to convene a separate general meeting to seek shareholders' approval for a right issue.

The Board is of the opinion that the Enhance Rights Issue Mandate in the best interest of the Company and its shareholders.

Ordinary Resolution 10 – Proposed Renewal of the Shareholders' Mandate for the Company and/or its Subsidiaries to enter into Recurrent Related Party Transactions of A Revenue or Trading Nature

The proposed resolution 10, if passed, will enable the Company and/or its subsidiaries to enter into recurrent related party transactions of a revenue or trading nature, particulars of which are set out in the Company's circular to shareholders dated 27 July 2021. This authority, unless revoked or varied at a general meeting, will expire at the next Annual General Meeting of the Company.

Ordinary Resolution 11 – Proposed Renewal of Shareholders' Mandate for the Authority to the Company to Purchase up to ten percent (10%) of its own Shares in the Total Number of Issued Shares in the Company

The proposed resolution 11, if passed, will enable the Company to purchase its own shares through Bursa Securities of up to ten percent (10%) of the total number of issued shares in the Company at any point in time, particulars of which are set out in the Company's statement to shareholders dated 27 July 2021. This authority, unless revoked or varied at a general meeting, will expire at the next Annual General Meeting of the Company.

STATEMENT ACCOMPANYING NOTICE OF ANNUAL GENERAL MEETING

(1) The Directors standing for re-election at the Ninety-Fourth Annual General Meeting of the Company are as follows:

   (i) Pursuant to Clause 109 of the Company's Constitution:
      (a) Dato' Seri Tham Ka Hon

   (ii) Pursuant to Clause 114 of the Company's Constitution:
      (a) Mr Khoo Siong Kee
      (b) Mr Lim Kien Lai @ Lim Kean Lai
      (c) Ms Tee Bee Kim

(2) The details of the above Directors standing for re-election are set out in the Directors' Profile on pages 18 to 21 in the Annual Report.

(3) The details of the above Directors' securities holding in the Company are set out on page 231 in the Annual Report.

EASTERN & ORIENTAL
BERHAD

FORM OF PROXY

Number of shares held	CDS Account No

I/We ....
(FULL NAME IN CAPITAL LETTERS)

NRIC/Passport/Company No. ....
of ....
(FULL ADDRESS)

and Tel. No. ...., being a shareholder(s) of **EASTERN & ORIENTAL BERHAD (Company No.: 192701000031 (555–K))** hereby appoint the following person(s) as my/our proxy(ies):

	FULL NAME	NRIC/PASSPORT NO.	PERCENTAGE (%) OF SHAREHOLDINGS TO BE REPRESENTED
Proxy 1			
and/or (delete as appropriate)			
Proxy 2			

or failing him/her, the Chairman of the Meeting as my/our proxy(ies) to vote for me/us and on my/our behalf at the Ninety-Fourth Annual General Meeting of the Company to be conducted on a fully virtual basis through online remote voting and live streaming from the broadcast venue at Tricor Business Centre, Manuka 2 & 3 Meeting Room, Unit 29-01, Level 29, Tower A, Vertical Business Suite, Avenue 3, Bangsar South, No. 8, Jalan Kerinchi, 59200 Kuala Lumpur ("Broadcast Venue") on Wednesday, 25 August 2021 at 2.00 p.m. and at any adjournment thereof.

RESOLUTIONS		FOR*	AGAINST*
Ordinary Resolution 1	To approve payment of Directors' fees for financial year ended 31 March 2021		
Ordinary Resolution 2	To approve payment of Directors' fees for financial year ending 31 March 2022		
Ordinary Resolution 3	To re-elect Dato' Seri Tham Ka Hon as Director		
Ordinary Resolution 4	To re-elect Mr Khoo Siong Kee as Director		
Ordinary Resolution 5	To re-elect Mr Lim Kien Lai @ Lim Kean Lai as Director		
Ordinary Resolution 6	To re-elect Ms Tee Bee Kim as Director		
Ordinary Resolution 7	To re-appoint Messrs Ernst & Young PLT as Auditors of the Company		
Ordinary Resolution 8	To authorise the issue of shares pursuant to Sections 75 and 76 of the Companies Act 2016		
Ordinary Resolution 9	To authorise the issue of shares under Enhanced General Mandate for Rights Issue on Pro-Rata Basis		
Ordinary Resolution 10	To approve the Proposed Renewal of the Shareholders' Mandate for Recurrent Related Party Transactions		
Ordinary Resolution 11	To approve the Proposed Renewal of Shareholders' Mandate for Share Buy-Back		

*Please indicate with a cross (X) in spaces provided whether you wish your vote(s) to be cast for or against the resolutions set out in the Notice of Meeting. In the absence of specific direction, your proxy may vote or abstain as he/she thinks fit.

Signed this .... day of .... 2021 .... Signature of shareholder(s)/Seal

NOTES:

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stamp

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
MALAYSIA

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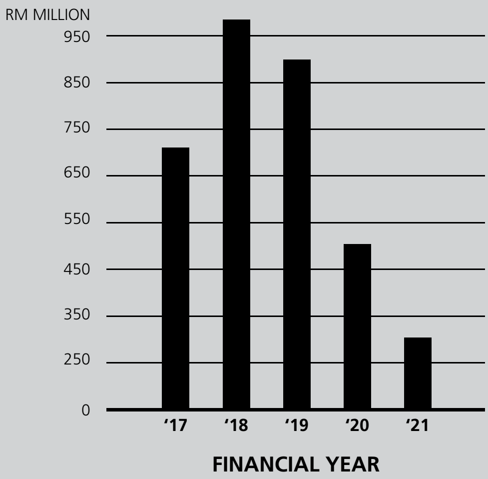
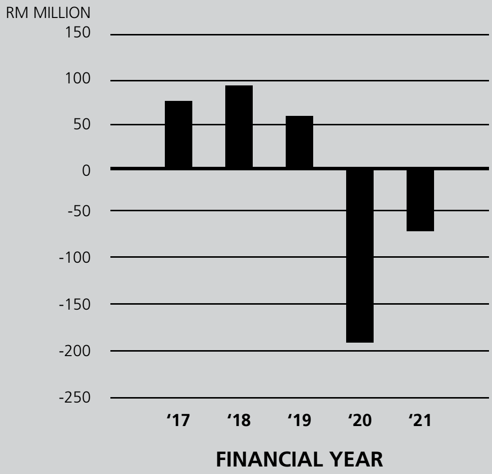
5-YEAR GROUP FINANCIAL HIGHLIGHTS

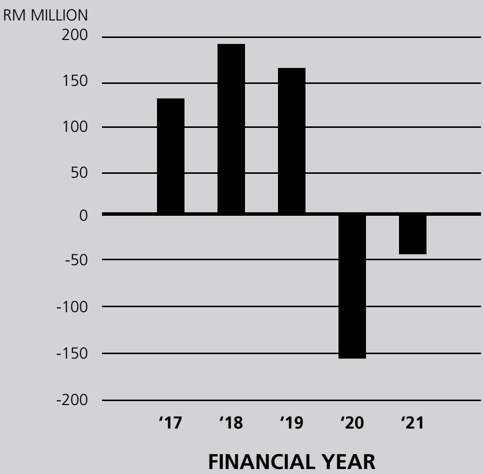
REVENUE



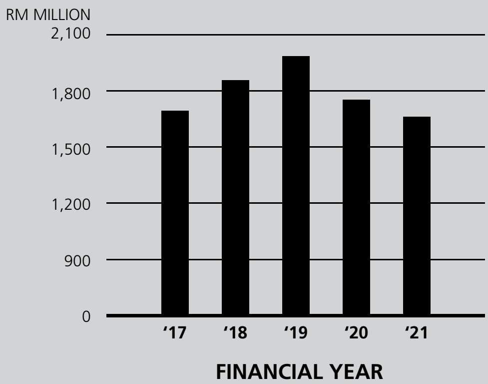
PROFIT/(LOSS) ATTRIBUTABLE TO OWNERS OF THE PARENT



PROFIT/(LOSS) BEFORE TAX



SHAREHOLDERS' FUND



Note: Please refer to page 3 for Eastern & Oriental Berhad's 10-year group financial highlights

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