ANNUAL
REPORT
2022

EASTERN & ORIENTAL
BERHAD

www.easternandoriental.com

EXPECT
NOTHING ORDINARY

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

VISION

Enriched by our heritage, to craft legacies for the future by creating placemaking addresses of enduring value.

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	2022	2021	2020	2019	2018	2017	2016	2015	2014	2013
STATEMENTS OF COMPREHENSIVE INCOME										
Revenue	140,496	304,725	486,802	886,320	982,706	704,764	422,183	449,497	497,141	605,536
Profit/(Loss) before tax	82,536	(48,038)	(155,610)	161,898	189,083#	125,296	54,755	202,136	167,173	187,271
Income tax expense	(14,717)	(21,187)	(36,728)	(85,534)	(79,261)#	(34,380)	(15,926)	(45,470)	(47,389)	(50,505)
Profit/(Loss) attributable to owners of the parent	63,760	(71,741)	(195,942)	61,918	94,298#	86,604	37,191	152,088	113,239	129,556
STATEMENTS OF FINANCIAL POSITION										
Issued and Paid-up capital (unit)	1,476,739	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
Weighted Average Number of shares	1,439,598	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
Shareholders' Fund	1,753,608	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
Total Assets	3,354,033	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
Total Loans and Borrowings	1,183,371	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
RATIOS										
Net Earnings/(Loss) per share (sen)	4.4	(5.0)	(13.7)	4.7	7.2#	6.9	3.0	12.5	9.3	11.7
Net Dividend per share (sen)	–	–	1.00	3.00	***	3.00	2.00	**	3.00	3.38
Net Assets per share attributable to owners of the parent (RM)*	1.21	1.17	1.23	1.40	1.42	1.35	1.31	1.31	1.33	1.26
Net Gearing (times)	0.60	0.48	0.42	0.28	0.61	0.73	0.78	0.60	0.31	0.35

* Net assets per share is computed based on the number of ordinary shares in issue net of treasury shares at:
- 31.3.2022 of 1,451,145,883
- 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

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.

EASTERN & ORIENTAL HOTEL
PENANG

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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 **Conlay**. This unique dual offering of 294-unit residential apartments and 197-unit service apartments project is 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. This project with a GDV of RM968 million is scheduled to be completed in end 2023.

In December 2019, E&O further 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. **The Peak** comprises 54 units of luxury low-rise condominiums and has a GDV of RM348 million. The construction is ongoing and the project was previewed in January 2022.

In Penang is the first-of-its-kind master-planned 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 (with a GDV of more than RM5.5 billion) 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.

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, and a selection of interesting retail options. Next to Straits Quay is **Wisma AIA**, an office building with a net lettable area of 115,000 sf.

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.

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 and the upcoming Gurney Wharf public realm and park, this remarkable development is set to become the future pulse of Penang.

The reclamation of 253 acres (Andaman Island Phase 1) which is part of the 760-acre project namely **Andaman Island** was completed in late 2019. E&O is currently finalising the masterplan design of Andaman Island Phase 1 to transform the island to a truly unique destination to live, play and work. Andaman Island Phase 1 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.

Andaman Island Phase 1 is expected to have a GDV of over RM17 billion and will be developed over a period of 15 years. The maiden project called **The Meg** - 1,020-unit service apartments with a GDV of RM648 million, was previewed in December 2021 and sales results have been beyond expectations marking an auspicious start to a new era of growth for E&O Group in Penang with subsequent launches.

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. This project with a GDV of RM539 million is a 50:50 joint venture between E&O and Khazanah Nasional Berhad / Temasek Holdings Ltd. A total of 3 out of 4 phases of this 458-unit terrace houses project have been completed and Phase D is under construction and shall be completed by the end of 2024.

E&O's international foray into real estate investment and development is within prime locations in Central London, including the 54-unit **Lincoln Suites, Princes House** along Kingsway near Covent Gardens, **ESCA House** in Bayswater, and a vacant parcel of commercial property in **Hammersmith**.

The Group's leading position as a lifestyle developer is anchored in luxury hospitality by its namesake **Eastern & Oriental Hotel (E&O 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.

Besides E&O Hotel, the Group operates **E&O Residences** in St Mary Residences in Kuala Lumpur on a long-term lease. This 200-unit service apartment building is located just a 5-minute walking distance from the shopping belt of Kuala Lumpur. Within this project, E&O also owns and leases out **St Mary Place** which is a 43,006 sf retail space to mainly F&B outlets.

E&O also owns an investment property called **Dua Annexe** next to Dua Residency Condominium. This commercial building with 23,652 sf of net lettable area fronting Jalan Tun Razak now serves as our sales gallery for The Peak and Conlay.

Artist's Impression of Andaman Island

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 • Avira Garden Terraces, Medini Iskandar– Phase C

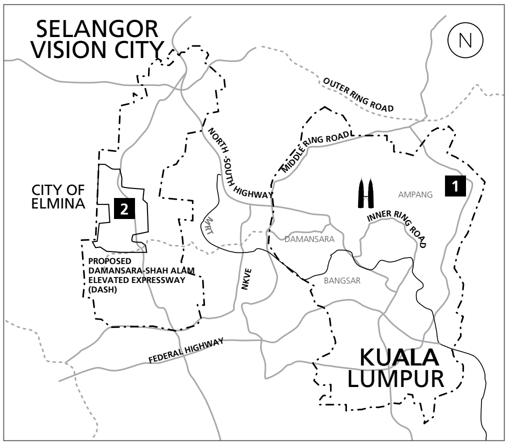
PROPERTY INVESTMENT	**KUALA LUMPUR** • St. Mary Place • Dua Annexe **PENANG ISLAND** • Straits Quay Retail Marina • Wisma AIA **UNITED KINGDOM** • The Lincoln Suites, Princes House, Kingsway
HOSPITALITY	**KUALA LUMPUR** • E&O Residences **PENANG ISLAND** • Eastern & Oriental Hotel

PORTFOLIO OF PROJECTS CURRENTLY IN DEVELOPMENT

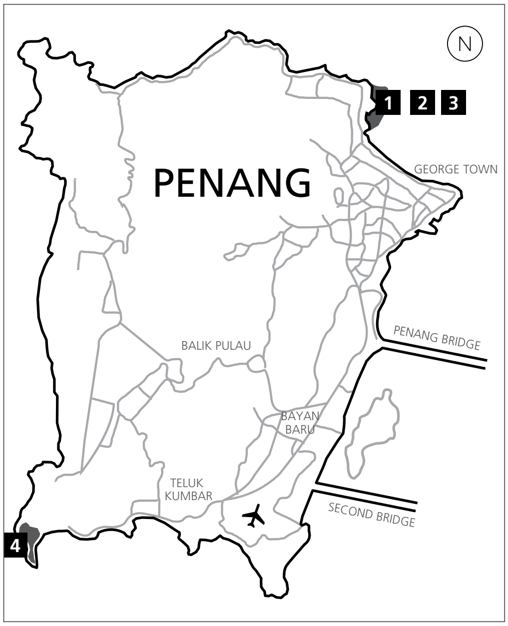
PROPERTY DEVELOPMENT	**KUALA LUMPUR** • Conlay, KLCC • The Peak, Damansara Heights **PENANG – ANDAMAN ISLAND** • The Meg **JOHOR** • Avira Garden Terraces, Medini Iskandar – Phase D (yet to be launched) **UNITED KINGDOM** • ESCA House (yet to be launched) • Hammersmith (yet to be launched)

PORTFOLIO OF LANDBANKS*

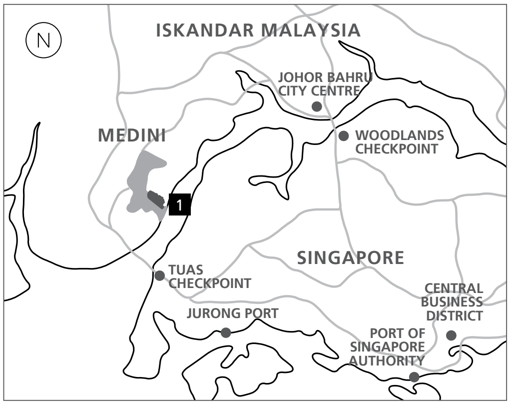
KLANG VALLEY	ACRES
1. Kemensah Heights, Ulu Kelang	309.5
2. Elmina West, Selangor	65.93



PENANG ISLAND	ACRES
1. Seri Tanjung Pinang, Tanjung Tokong, Phase 1	0.7
2. Andaman Island Phase 1 (previously known as Seri Tanjung Pinang, Tanjung Tokong, Phase 2A)	253
3. Andaman Island Phase 2 (previously known as Seri Tanjung Pinang, Tanjung Tokong, Phase 2B & 2C)	**507
4. Gertak Sanggul	347.2



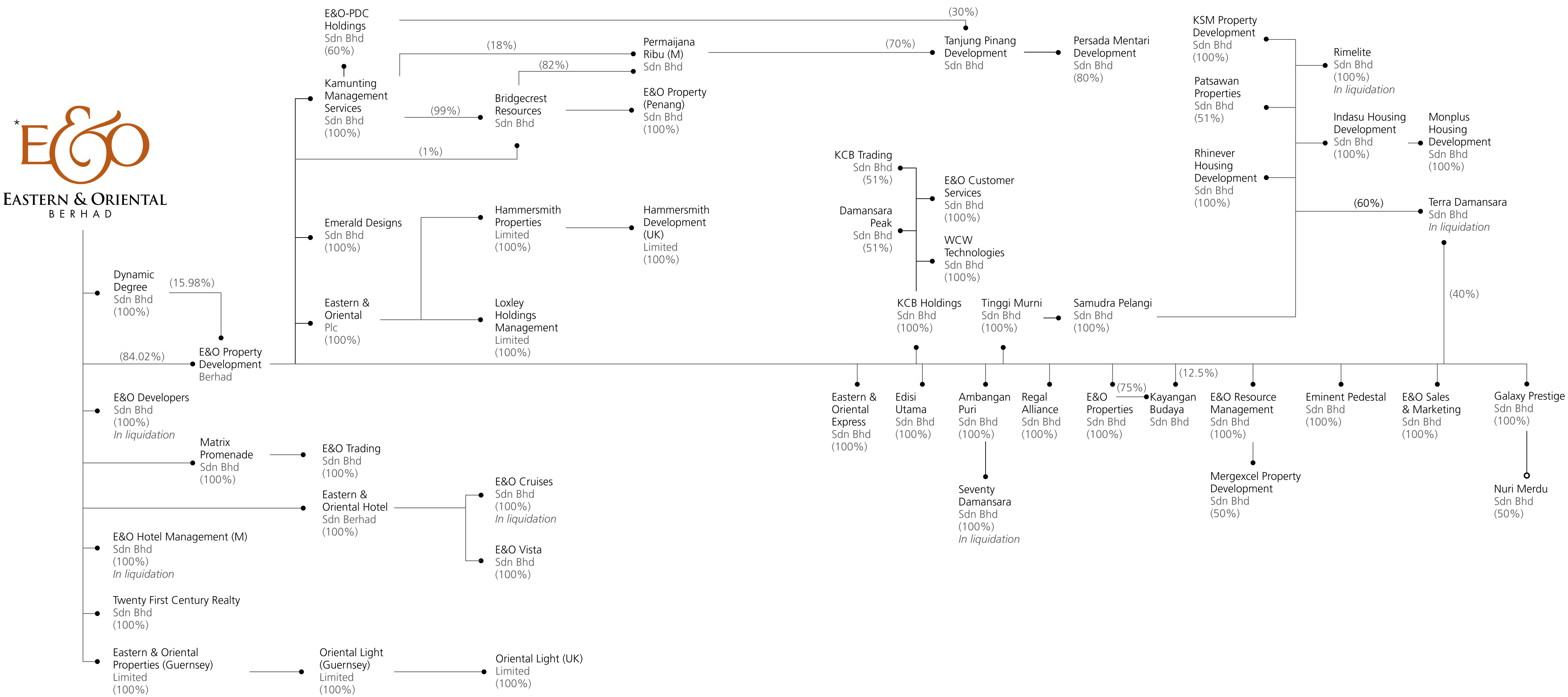
JOHOR	ACRES
1. Avira, Medini, Iskandar Malaysia	32.9



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

EASTERN & ORIENTAL HOTEL
PENANG

GROUP CORPORATE STRUCTURE
AS AT 30 JUNE 2022



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

THE MEG
ANDAMAN ISLAND
PENANG

CORPORATE INFORMATION

DIRECTORS

Datuk Tee Eng Ho	– Executive Chairman
Mr Kok Tuck Cheong	– Managing Director
Mr Tee Eng Seng	– Executive 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
OCBC Bank (Malaysia) Berhad

REGISTRAR

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F 03-2783 9222

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Jalan Damanlela
Pusat Bandar Damansara
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Menara Milenium
8 Jalan Damanlela
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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 57, was appointed to the Board of Eastern & Oriental Berhad on 1 June 2017 as Non-Independent Non-Executive Director. He was redesignated as 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.

MR KOK TUCK CHEONG
Managing Director

Mr Kok Tuck Cheong, a Malaysian, male, aged 66, is the Managing Director of Eastern & Oriental Berhad. He was appointed as 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 TEE ENG SENG
Executive Director

Mr Tee Eng Seng, a Malaysian, male, aged 53, was appointed to the Board of Eastern & Oriental Berhad as Executive Director on 15 October 2021.

Upon completing his formal schooling in 1987, he started his career working in construction related companies and has more than 30 years of experience in civil and building construction industry. He is also involved in property development and has undertaken various remarkable residential and mix development projects in Malaysia.

Mr Tee Eng Seng is a major shareholder and Director of Kerjaya Prospek Group Berhad and Kerjaya Prospek Property Berhad, both Bursa Malaysia Main Board listed companies.

MR KHOO SIONG KEE
Senior Independent Non-Executive Director

Mr Khoo Siong Kee, a Malaysian, male, aged 72 was appointed as Independent Non-Executive Director of Eastern & Oriental Berhad on 12 May 2021. He was redesignated as Senior Independent Director on 22 June 2022. Mr Khoo 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 70 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 58 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 and Mr Tee Eng Seng are brothers and major shareholders of the Company. Datuk Tee Eng Ho's spouse, who is also Mr Tee Eng Seng's sister in law, Datin Toh Siew Chuon is currently a major shareholder 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.

THE MEG
ANDAMAN ISLAND
PENANG

SENIOR MANAGEMENT PROFILE

DATUK TEE ENG HO
Executive Chairman

MR KOK TUCK CHEONG
Managing Director

MR TEE ENG SENG
Executive Director

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

THE PEAK
DAMANSARA HEIGHTS
KUALA LUMPUR

CHAIRMAN'S STATEMENT

My fellow shareholders and friends of E&O,

I am pleased to report that our Group's financial results for the year ended 31 March 2022 has returned to the black on higher property valuations and lower operating costs. During the year the management team made steady progress on the group wide strategic objectives of cost optimisation, operational efficiencies and financial management.

Following the successful reclamation of the 253 acres Andaman Island Phase 1, we have since embarked on major infrastructure works essential to the island. On this large-scale development, we are excited to have the opportunity to infuse key Environmental, Social and Governance (ESG) principles in the overall master planning. A new set of KPIs to benchmark our sustainability initiatives has been introduced as we move forward to transform the island into yet another masterpiece development.

In January 2022 we unveiled the much-anticipated 1,020 units serviced apartments project called The Meg. Since the soft launch, the project has secured more than 64% sales take-up rate (up to end June 2022). This will be our first residential project on the newly reclaimed Andaman Island. We are presently preparing for the launch of The Peak, a high-end luxury condominium project comprising 54 units of low-rise apartments in the affluent and much sought-after neighborhood of Damansara Heights, Kuala Lumpur. This is our third joint venture development project with Mitsui Fudosan Group of Japan.

The opening of the economy and easing of travel restrictions in several parts of the world augurs well for our hospitality division both in Malaysia and in London where our properties are experiencing a healthy revival in revenue and occupancy rates. We are encouraged by this recent performance and will continue to work on improving our service levels and provide our guests with great hospitality experience.

Whilst we are cautiously optimistic of a better economic and operating environment, we are mindful of short-term risks in inflation, rising interest rates and supply chain disruptions. For this reason, we are seeking to strengthen our balance sheet further to undertake our future endeavors – the reclamation of the balance 507 acres in Andaman Island and the launching of several planned property development projects. Following this, we have announced the raising of a maximum of RM362.8 million from a proposed rights issue of Irredeemable Convertible Unsecured Loan Stocks (ICULS).

Finally, I would like to thank our shareholders, bankers, business partners and suppliers for the support and confidence in us. I would also like to thank the E&O team for their effort and commitment in raising the E&O brand to higher levels.

DATUK TEE ENG HO
Executive Chairman

THE PEAK
DAMANSARA HEIGHTS
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 business 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 since 1885. The Group's success stems from its commitment to quality and innovative design, resulting in addresses of enduring value.

E&O's business activities spread across four major locations – 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 continue to be the preferred lifestyle 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 Malaysia's property development and hospitality industries.

The Group has committed to these long-term growth strategies to achieve its ambition:

1. Craft unique and differentiated luxury developments that appeal to our core target group of discerning customers and clients.
2. Develop and grow a new customer base for the E&O brand through evolving and being relevant to new lifestyle trends.
3. Leverage on the success of Seri Tanjung Pinang in Penang to develop our new master-planned community on Andaman Island. This soon-to-be 760-acre master development will be the mainstay of our property 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 long and proud history of delivering quality homes, 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.

Beginning the year 2022, Malaysia has transitioned towards the endemic phase of COVID-19. The impact of COVID-19 is still felt across the Property Development and Hospitality segments. We sold RM271.3 million worth of properties for the financial year ended 31 March 2022 (FY2022), a 12.9% reduction compared to RM311.7 million for the previous financial year ended 31 March 2021 (FY2021).

Key activities for the year under review:

Kuala Lumpur

- We continue to focus our efforts on the marketing of Conlay serviced residences in the KLCC area of Kuala Lumpur. Designed by the acclaimed Kerry Hill architects, this iconic development marks our second joint venture with the Mitsui Fudosan Group. The sales take-up rate and construction progress as at 31 March 2022 were both at 32%. We expect sales to improve when China and Hong Kong relax their international travel restrictions as this development has been popular with buyers from this region. Nevertheless, we have intensified our marketing efforts domestically and in other international markets with a positive response.
- The Group returned to the affluent suburb of Damansara Heights, Kuala Lumpur with the soon-to-be launch of The Peak - 54 units of a luxury low-rise condominium development. This project is yet another of our proud partnership with the Mitsui Fudosan Group. Given, the prime location on the highest point in Damansara Heights adjacent to the National Palace grounds and the limited availability of new residential project in this area, The Peak is attracting interest from existing residents within the Damansara Heights, Bangsar, Mont Kiara vicinity as well as upgraders from other areas looking to reside in this exclusive neighbourhood with easy access to the city and the mature amenities nearby. Piling and earthworks had begun at The Peak in December 2021. The project is expected to complete in 2025.

Penang

- Our award-winning master-planned development project; Seri Tanjung Pinang was first launched in year 2005. Now fully developed and sold, we have successfully delivered more than 3,000 homes worth more than RM5.5 billion to our proud customers. This township became the most sought after seafront address in Penang where the well curated 240 acres land area feature sprawling landscaped parks, driveways and walkways that complement a vibrant, safe and thriving close-knit community.
- Late year 2019 saw another significant milestone for E&O Group in Penang – the completion of land reclamation works for the 253 acres Andaman Island Phase 1 (previously known as Seri Tanjung Pinang Phase 2A). E&O has in the year 2020 proceeded to commence the land reclamation works for Andaman Island Phase 2 (previously known as Seri Tanjung Pinang Phase 2B and 2C) starting with the coastal protection rock bund. The Andaman Island Phase 2 land reclamation project which is expected to be completed in the year 2028 will provide another 507 acres of prime land to fuel E&O's growth for more than 30 years.
- Presently, infrastructure works on Andaman Island Phase 1 is progressing well with several major amenities such as the Andaman Bridge linking Seri Tanjung Pinang to Andaman Island, green sewage treatment plant, roads, utility and drainage networks are being constructed on the island site.
- Our maiden property development launch on Andaman Island Phase 1 is The Meg with 1,020 units high rise serviced apartments targeted at the millennial segment. The Meg offers functional layouts and facilities designed to maximize living spaces that is suited to young executives and new families. Ground preparation and piling works are ongoing and the project is expected to complete in the year 2025.
- Starting off with encouraging sales of The Meg; Andaman Island will herald in a new growth era for the E&O Group and Andaman Island is set to be the catalyst for future earnings and renewed brand building for the next decade and beyond.

Iskandar Malaysia, Johor

- We have recently completed the development of Avira Garden Terraces Phase C in Iskandar Malaysia, Johor. This landed residential project comprising 102 units of linked houses is progressively handed over to buyers beginning April 2022. We are in the midst of constructing the remaining 78 units in Phase D being the last phase of this 458-unit terrace house project.
- Medini, Iskandar Malaysia with its established international educational institutions, shopping centres, medical facilities and commercial precincts has now gained recognition as a destination for both local and foreign house buyers.

United Kingdom

- E&O owns a 1.3 acres vacant development site in Hammersmith Town Centre. The site is highly visible from the A4 – the main artillery road between Heathrow Airport and London City. The site has valid approval to build an office tower and a 400-room hotel with a total gross floor area of 375,000 sf. The Group is currently undertaking a comprehensive project and financial feasibility study of this development.
- ESCA House; located in the highly sought-after area of Bayswater bordering Notting Hill, is an office building that was acquired by the Group for its redevelopment potential. The Group is now marketing the property on an "as-is" basis.

A summary of the sales take-up rate of our current development projects as at 31 March 2022 are as follows:

Location	Project	Sales Take-up Rate
Kuala Lumpur	Conlay	32%
Penang	The Meg – Andaman Island	34%
Medini, Iskandar Malaysia, Johor	Avira – Phase A	83%
	Avira – Phase B	90%
	Avira – Phase C	47%

- Sales take-up rate is based on number of units sold.

Malaysia's economic recovery could be impacted by various challenges both from local and international events such as rising inflation and supply chain disruptions. Limited supplies of building materials available at higher cost may adversely impact profit margins while continued labour shortages may pose risks of completion delays to our development projects. In addition, the potential rise in interest rates and stringent borrowing conditions may negatively impact the affordability of our property purchasers and in turn affect the sales of our properties.

The Group is cognisant of the domestic and international risk environment and has been preparing itself to weather through these uncertainties. The Group has been awarding building contracts on a fixed price basis thus protecting the Group from any adverse material price fluctuations. We adhere to a stringent selection process of contractors for our development to deliver quality dwellings within the stipulated timeframe.

Nevertheless, the Group continues to seek out innovative building designs in our quest to deliver products of higher quality and standards.

PROPERTY INVESTMENT

The Group's assets in the Property Investment segment comprise various properties namely Straits Quay Retail Marina (Penang), Wisma AIA (Penang), Dua Annexe (Kuala Lumpur), St Mary Place (Kuala Lumpur) and Lincoln Suites (London, United Kingdom).

The Group saw increases in foot traffic, customer spending, revenue and occupancy in our investment properties for financial year 2022 compared to the previous financial year 2021. This uptrend continues into the early months of the year 2022.

The average annual occupancy rate of our property investment assets are as follows:

ASSET	OCCUPANCY RATE	
	FY2022	FY2021
Straits Quay Retail Marina, Penang	66%	77%
Wisma AIA, Penang	78%	78%
Dua Annexe, Kuala Lumpur	93%	93%
St Mary Place, Kuala Lumpur	57%	45%
Lincoln Suites, London	65%	N/A

E&O continuously strives to improve the occupancy rate and rental rate at the office building properties and retail properties through optimising tenant mix and increases spending in targeted marketing/ promotional activities to drive foot traffic and potentially tenants' revenue.

Lincoln Suites, London is our latest edition to our investment property portfolio. The newly refurbished hotel comprises 54 units of hotel suites commenced operations and started to welcome guests since 31 August 2021. Lincoln Suites is strategically located along Kingsway, Holborn and is directly across the street from London School of Economics (LSE) and within walking distance to Covent Garden, Lincoln Inn and British Museum.

In the financial year 2022, the Group's investment properties portfolio collectively generated revenue of RM21.6 million and gross profit of RM11.2 million as compared with the previous year of RM17.1 million and RM10.9 million respectively.

HOSPITALITY

The COVID-19 pandemic has taken its toll on the global hospitality industry. Malaysia was not spared. Its impact on our Hospitality division can still be felt today despite Malaysia and many other countries having eased travel restrictions beginning the year 2022.

The Hospitality segment of the Group consists of the Eastern & Oriental Hotel, Penang and the E&O Residences, Kuala Lumpur.

The Eastern & Oriental Hotel, Penang achieved an average occupancy rate of 35.7% in FY2022, with an Average Room Rate of RM621, as compared to 18.2% and RM507 respectively for FY2021. The newly renovated Heritage Wing of Eastern & Oriental Hotel was completed in December 2019 and proved to be very popular among our foreign guests. Together with the refurbished ballroom and several restaurants at the Eastern & Oriental Hotel, we were able to achieve high patronage among local guests too.

The reopening of E&O Residences, Kuala Lumpur in January 2022 was timely in view of the relaxation of border controls. E&O Residences is well positioned in a strategic location in the city centre to cater to long-term guests as well as short stays due to its close proximity to the shopping belt, financial centre and business hubs of the Golden Triangle of Kuala Lumpur.

Availability of well-trained staff remains an industry-wide challenge and our hotels are not spared as well. We continue to hire new recruits and provide training to staff so that they can effectively discharge their duties.

GROUP FINANCIAL REVIEW

Revenue

The Group recorded revenue of RM140.5 million for FY2022; a reduction of RM164.2 million or 53.9% as compared to RM304.7 million recorded in the preceding FY2021.

SEGMENT REVENUE (RM'000)	FY2022	FY2021	% DIFFERENCE
Properties	110,602	287,361	-61.5%
Investments and Others	1,964	2,107	-6.8%
Hospitality	27,930	15,257	83.1%
Total	**140,496**	**304,725**	**-53.9%**

Lower revenue year-on-year ("YOY"), was mainly attributed to the Properties segment registering a reduction of RM176.8 million, but was offset by the increase of RM12.7 million in the Hospitality segment.

The Properties segment recorded a revenue of RM110.6 million in FY2022 as compared to RM287.4 million in FY2021. The reduction in revenue was due to the sale of land parcels of RM98.3 million in FY2021 and lower sales of completed properties amounting to RM70.4 million during FY2022.

The Hospitality segment recorded a revenue of RM27.9 million in FY2022; an increase compared to RM15.3 million in FY2021 mainly due to higher revenue generated from improved occupancy and average room rates at Eastern & Oriental Hotel which benefitted from the higher arrivals of local and foreign visitors to Penang.

Operating expenses

Total operating expenses before finance costs and share of results in joint ventures of the Group in FY2022 was RM174.3 million as compared with RM388.2 million in FY2021, a reduction of RM213.9 million.

OPERATING EXPENSES (RM'000)	FY2022	FY2021	% DIFFERENCE
Cost of sales	61,682	181,953	-66.1%
Administrative expenses	57,148	36,010	58.7%
Selling and marketing expenses	4,205	3,386	24.2%
Other expenses	51,217	166,874	-69.3%
Total	**174,252**	**388,223**	**-55.1%**

The lower operating expenses were due to the following:

1. Cost of sales was lower by 66.1% YOY on the back of lower revenue recorded.

	COST OF SALES (RM'000)		
	FY2022	FY2021	% DIFFERENCE
Property development costs	29,593	59,064	-49.9%
Cost of completed properties	987	48,386	-98.0%
Cost of land sold	-	45,176	-100.0%
Rental related costs	10,403	6,158	68.9%
Properties segment sub-total	**40,983**	**158,784**	**-74.2%**
Cost of hotel and restaurant operations	17,878	21,091	-15.2%
Cost of sales with respect to management services rendered	2,821	2,078	35.7%
Grand total	**61,682**	**181,953**	**-66.1%**

The cost of sales of the Properties segment was lower by 74.2% in line with the reduction in Properties segment revenue of 61.5%.

The reduction in the cost of sales of the hotel operations of RM3.2 million (-15.2%) was due to lower operating costs and staff costs.

2. Reduction in other expenses by 69.3%, from RM166.9 million in FY2021 to RM51.2 million in FY2022. Included in other expenses for FY2022 were unrealised loss on foreign exchange of RM23.2 million and write down on certain properties of the Group amounting to RM2.4 million. Included in other expenses in FY2021 were the impairment losses and write-downs on certain assets and properties of the Group amounted to RM141.0 million, as a consequence of subdued and uncertain global and local economic conditions.

However, the lower operating expenses in FY2022 were offset with an increase in the following:

1. The increase of RM21.1 million or 58.7% in administrative expenses.

2. The increase of RM0.8 million or 24.2% in the Group's selling and marketing expenses in the financial year was mainly attributed to increase digital promotional activities during MCO period.

Other income

The Group's other income has increased to RM147.2 million in FY2022 from RM75.4 million in FY2021. Included in other income for FY2022 were the reversal of impairment loss on right-of-use assets of RM45.8 million, fair value gain on investment properties of RM80.8 million and fair value gain on other investments of RM8.5 million.

Finance costs

The Group's finance costs of RM26.1 million was lower compared to RM33.8 million in FY2021 due to lower interest expense arising from the repayment of bank borrowings with higher interest rates in FY2022.

Profit before tax (PBT)

For FY2022, the Group recorded PBT of RM82.5 million compared to a loss before tax of RM48.0 million in FY2021, representing an increase of RM130.5 million.

The improved results were mainly attributed to the increase in profit before tax of RM112.1 million from the Properties segment and RM99.5 million from the Hospitality segment. However, the increase in profit before tax was reduced by RM67.0 million losses from the Investments and Others segment due to adverse foreign exchange movement which resulted in an unrealised loss on foreign exchange of RM23.2 million as compared to the unrealised gain on foreign exchange of RM43.8 million in FY2021.

Income tax expense

The Group's tax expense for FY2022 was RM14.7 million, which is lower compared with RM21.2 million in FY2021 as a result of the lower profits generated from the Properties segment.

The effective tax rate for the Group for the financial year under review is lower than the statutory tax rate of 24% mainly due to certain income of the Group being non-taxable for tax purposes.

Assets

The Group's total assets were reduced by RM261.1 million from RM3,615.1 million at 31 March 2021 to RM3,354.0 million at 31 March 2022. The reduction was largely attributed to the lower receivables and bank balances which was offset by higher inventories, right-of-use assets and investment properties.

Receivables reduced by RM133.5 million from RM196.4 million in FY2021 to RM62.9 million in FY2022 was mainly due to improved collection of progress billings from purchasers.

The reduction in cash and bank balances by RM331.3 million from RM469.3 million at 31 March 2021 to RM138.0 million at 31 March 2022 was in line with the reduction of bank borrowings to reduce interest expense.

Net assets per share as at 31 March 2022 was RM1.21 per share, being 4 sen higher than RM1.17 per share in the preceding year due to the overall improvement of financial results of FY2022.

Liabilities and gearing ratio

The Group's total liabilities were reduced by RM335.5 million from RM1,898.7 million at 31 March 2021 to RM1,563.2 million at 31 March 2022. This was mainly due to reduction in loans and borrowings of RM83.3 million, reduction in the trade and other payables of RM183.8 million and contract liabilities of RM41.2 million.

The Group's total loans and borrowings reduced from RM1.3 billion as at 31 March 2021 to RM1.2 billion as at 31 March 2022.

(RM 'MIL)	FY2022	FY2021
Loans and borrowings	1,183.3	1,266.6
Less: Cash and bank balances	(138.0)	(469.3)
Net debt	1,045.3	797.3
Equity attributable to owners of the parent	1,753.6	1,668.8
Gross gearing ratio (times)	**0.67**	**0.76**
Net gearing ratio (times)	**0.60**	**0.48**

The net gearing ratio of the Group as at 31 March 2022 was 0.60x as compared to 0.48x as at 31 March 2021.

Proposed Rights Issue of Irredeemable Convertible Unsecured Loan Stocks (ICULS)

E&O is laying the financial foundation to execute its future expansion plans i.e. to complete the reclamation of Andaman Island Phase 2 of approximately 507 acres and to roll out various planned property development projects. The Group will be seeking to raise additional working capital funds over time to meet these requirements.

E&O has on 23 February 2022 announced to undertake a proposed renounceable rights issue of up to RM362,786,470.50 in nominal value of 5-year 3.80% ICULS at 100% of their nominal value of RM0.50 each. The basis of the Proposed Rights Issue is 1 ICULS for every 2 existing ordinary shares in E&O held on an entitlement date to be determined later. This proposed issue is expected to raise a maximum of RM362.8 million and a minimum of RM178.2 million.

The Group intends to utilise the proceeds from the ICULS issue to fund the Andaman Island reclamation and related infrastructure works and group working capital.

Dividend

Dividend payments will depend upon a number of factors considered by the Board, including amongst others, the future earnings expectation, capital commitments, general financial conditions and distributable reserves.

The Board does not recommend any dividend for the financial year ended 31 March 2022 to conserve cash for the Group's expansionary activities.

OUTLOOK & FOCUS

We continue to take proactive measures to remain resilient while we stay steadfast to deliver quality products and services to our customers. We strive to build on our leadership position in market segments and will explore new opportunities and ideas to further improve the Group's performance.

These efforts will be balanced by a disciplined approach in cost management and operational efficiencies. We are committed to achieve our goals with a focus on Environmental, Social and Governance (ESG) principles. Our Property Development team is exploring new and innovative ways of building our properties whilst our Hospitality team will continue to deliver exceptional service for our guests.

Our key consideration in financial management is to preserve and strengthen the balance sheet to weather economic challenges. We continue to exercise prudence over our spending and position the Group to capitalise on any opportunities that may arise.

We are cautiously optimistic of an improving general market condition in Malaysia in line with Bank Negara's recent view that the Malaysian economy is expected to improve further in 2022 [(1)]. Whilst we welcome this outlook, we are cognisant of global events which could pose challenges for our domestic recovery; as such we shall continue to exercise sound financial discipline and prudence in our undertakings.

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(1) *Bank Negara Malaysia Quarterly Bulletin First Quarter 2022 https://www.bnm.gov.my/-/quarterly-bulletin-1q-2022*

SUSTAINABILITY STATEMENT

ABOUT THIS STATEMENT

This Sustainability Statement ("Statement") describes our approach to sustainability in the business and operations of Eastern & Oriental Berhad ("E&O" or the "Company") and its subsidiaries ("E&O Group" or the "Group"), incorporating elements in the aspect of economic, environmental, social, and governance.

Through this Statement, we aim to provide the stakeholders an overview of our sustainability targets, strategies, priorities, efforts, and performance of our businesses and operations primarily in Malaysia, covering the property development segment, including associated reclamation works, property investment segment, hospitality segment, as well as E&O's headquarters and sales galleries. The reporting excludes E&O Residences and the newly built sales gallery on Andaman Island as the full-year data is unavailable. Avira Medini Iskandar, Johor project is also excluded from the reporting as the project is undertaken by a 50:50 joint venture company. Key projects and properties reported under each business segment of the Group include the following:

Business Segment	Projects/ Properties
Property Development	• Andaman Island, Penang (previously known as "STP2") • Conlay, Kuala Lumpur City Centre ("KLCC"), Kuala Lumpur ("KL") • The Peak, Damansara Heights, KL • The Meg, Andaman Island, Penang
Property Investment	• Straits Quay Marina Retail, Penang
Hospitality	• E&O Hotel, Penang
Corporate offices and sales galleries	• Corporate offices in KL and Penang • E&O Sales Gallery, KL • Avira Sales Gallery, Johor

Our disclosure contains sustainability data for the financial year ended 31 March 2022 ("FY2022"), with two years of comparative historical data, where available.

This Statement has been prepared in accordance with the requirements of the Main Market Listing Requirements ("MMLR") of the Bursa Malaysia Securities Berhad ("Bursa") and has also considered other guidelines and best practices for enhanced sustainability disclosures. This Statement has been prepared accordance with the GRI Standards: Core option.

We assure our stakeholders that we are reporting fully, honestly, and transparently in this Statement. We have not sought external assurance for our Sustainability Statement. An internal verification encompasses robust data collection, continuous monitoring and review for improvement are in place to ensure accuracy and quality of the information. This Statement has been reviewed by the E&O's Risk Management Committee ("RMC") and approved by the Board of Directors ("Board").

Stakeholders are welcome to submit queries or comments on this report, or suggestions to improve future reports, at investor.relations@easternandoriental.com.

SUSTAINABILITY AT E&O

We are committed to driving responsible and sustainable business practices throughout our organisation. As a developer and operator of premium lifestyle properties, we ensure sustainability by creating economic value from all our developments and maintaining a track record of delivering products with exceptional quality. At the same time, we are particularly mindful of our role in preserving the environment and enhancing the well-being of individuals, and the communities we operate in. 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 efficiently and responsibly;
- improve the quality of life of the individuals and communities we operate in and support the underprivileged by meeting their social needs; and
- promote responsible business practices by achieving high standards of governance in our business operations.

OUR VALUE CHAIN

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 the project from its initiation and development stages to subsequent construction and operation stages. Our selection criteria for our main contractors, consultants and suppliers goes beyond good track record in respect of financial capability, past performance, and commitment towards high quality standards, but also covering health, safety, security, and environment standards. We hold our contractors and suppliers accountable for their activities and products in line with industry best practices.

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 society. The Group's Sustainability Policy aims to integrate the principles of sustainability into the Group's business objectives, strategies and decision-making. Additionally, we strive to cultivate a culture of sustainability within the Group and the wider community, shaping a long-term vision to design and build a better place for our future generation.

OUR KEY SUSTAINABILITY PERFORMANCE

Sustainability performance in E&O Group is currently measured against a set of key performance indicators ("KPIs") and targets which we have identified corresponding to our material sustainability matters. Having these targets in place, we are able to benchmark our sustainability performance and monitor our progress over time.

To strengthen the commitment towards achieving high standards in sustainability, the performance evaluation of the Board and Senior Management includes sustainability performance review. The Board's performance is assessed in term of its sustainability leadership while Senior Management is held accountable for driving strategic management of the sustainability matters to achieve the KPIs and targets.

We are pleased to report that we have achieved 5 out of 7 KPIs identified in the FY2021 and is on track to achieve the other 2 KPIs. Details of our achievement and progress of the Group's sustainability performance are presented as follows:

KEY PERFORMANCE INDICATORS	PERFORMANCE TARGET	PERFORMANCE	FY2022 RESULT
Product Responsibility			
Assurance on quality of products and workmanship	Achieve at least 70% of Quality Assessment System in Construction ("QLASSIC") Score for all existing and new development projects	▪ Conlay – registered for QLASSIC with a target minimum score of 80 marks ▪ The Peak – registered for QLASSIC with a target minimum score of 80 marks ▪ The Meg – registered for QLASSIC with a target minimum score of 80 marks	In-progress
Green Building Certification	Achieve a minimum certified rating from GreenRE or Green Building Index ("GBI") for all existing and new development projects	▪ Conlay – completed the Actual Assessment and is awarded GreenRE Gold Certification (Provisional) ▪ The Peak – registered and targeted for GreenRE certification ▪ The Meg – registered and targeted for GreenRE certification	In-progress
Provision of green space	Provide at least 10% of the total development area for green space (for Andaman Island land)	Incorporated in master plan, which will be implemented during construction	Achieved

KEY PERFORMANCE INDICATORS	PERFORMANCE TARGET	PERFORMANCE	FY2022 RESULT
Water Management			
Reduction of potable water consumption	Provide rainwater harvesting system which will lead to a reduction of potable water consumption for irrigation by at least 10% in all new development projects	Rainwater harvesting pond has been designed and is currently under construction to collect surface water from the drainage within the Andaman Island which will be used for landscape irrigation. With the rainwater harvesting pond, potable water consumption for irrigation can be reduced by an estimated amount of at least 10% in all the development projects at Andaman Island	Achieved
Material Sourcing and Supply Chain Management			
Sourcing of building materials locally	At least 50% of building materials procured are manufactured locally	70% of building materials, by procurement amount, are manufactured locally	Achieved
Talent Attraction, Retention and Development			
Gender diversity in the workforce	Maintain at least 40% female representation in the workforce	43% of the Group's employees are represented by women as at financial year end	Achieved
Training and development of employees	Opportunities for at least 80% of employees to participate in training	90% of the Group's employees attended training during the financial year	Achieved

During the financial year under review, we have further reviewed and weighted the priority and relevancy of the existing sustainability KPIs. A new set of KPIs and targets were identified for the financial year ending 31 March 2023, as shown in the table below:

KEY PERFORMANCE INDICATORS	PERFORMANCE TARGET
Product Responsibility	
Assurance on quality of products and workmanship	Achieve at least 75% of QLASSIC Score for all existing and new development projects
Green Building Certification	Achieve a minimum certified rating from GreenRE or Green Building Index ("GBI") for all existing and new development projects

KEY PERFORMANCE INDICATORS	PERFORMANCE TARGET
Material Sourcing and Supply Chain Management	
Sourcing of building materials locally	At least 60% of building materials procured are manufactured locally
Energy Management	
LED or energy-efficient lighting system	Incorporate LED or energy-efficient lighting systems covering 90% of floor space area for all existing and new development projects
Waste Management	
Replacing timber formwork with aluminium formwork	By 2023: To replace 80% of formwork used for construction with aluminium formwork By 2025: To replace 90% of formwork used for construction with aluminium formwork
Recycling of steel and aluminium	Achieve a recycling rate of 95% for steel and aluminium waste generated
Compliance with Regulatory Requirements	
Compliance with regulatory requirements (environmental and social regulations)	To have no fines or penalties relating to non-compliance (environmental and social)
Occupational Health and Safety	
Maintain workplace safety	To have no serious injuries and incidents or work-related fatalities within the Group and among contractors
Talent Attraction, Retention and Development	
Gender diversity in the workforce	Maintain at least 40% female representation in the workforce
Training and development of employees	Opportunities for at least 80% of employees to participate in training

GOVERNANCE STRUCTURE

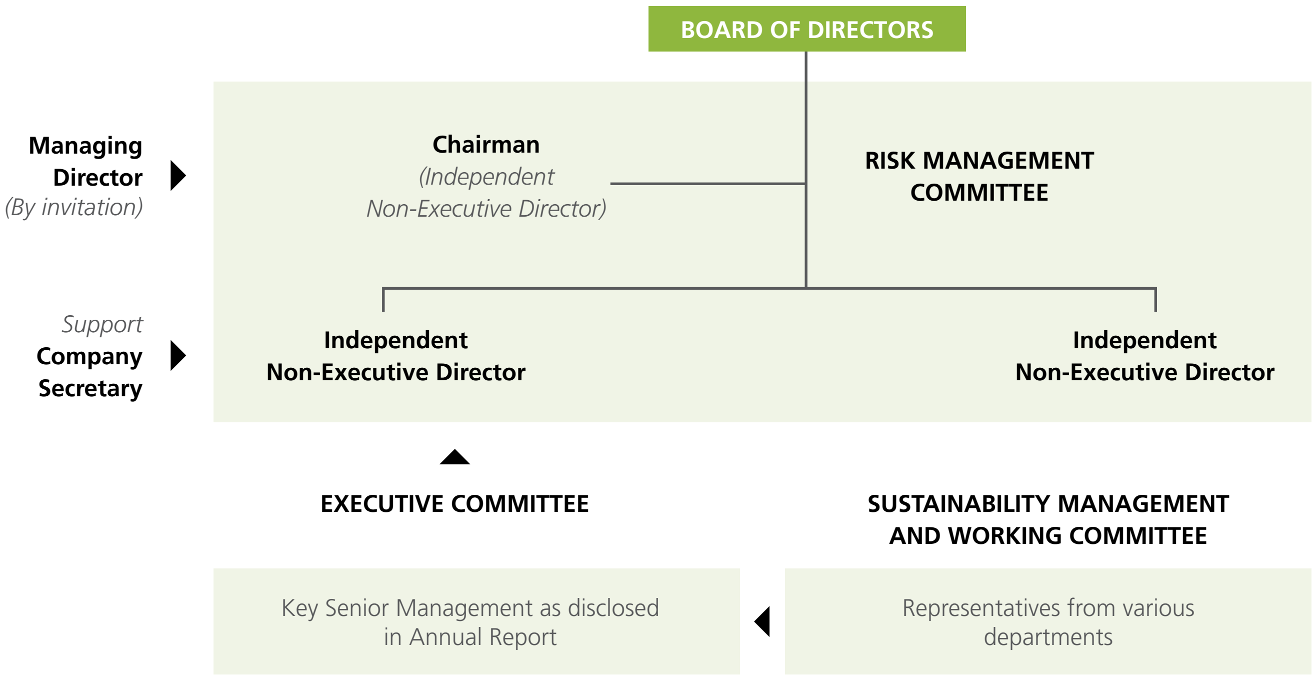
The Board undertakes an oversight role over the Group's sustainability efforts, setting the tone from the top to lead and promote sustainability growth and long-term value creation at E&O. The Board's leadership is essential towards building a corporate culture that apprehend and appreciate sustainable approach in our operations, embedding the spirit to consider sustainability business practice holistically, integrating sustainability element in the Group's strategy and decision-making process. The responsibility of the Board includes approving sustainability strategies and priorities to set a clear direction in the Group's sustainability journey. The Board is also responsible for ensuring adequate and effective communication and engagement are carried out between the Group and its stakeholders.

As part of the effort for our Board to stay abreast with the latest sustainability updates, other than attending external trainings, an inhouse briefing on Sustainability Management and Reporting was organised. The Board is also apprised of the development of sustainability matters that are relevant to the Group and discussions are held as and when necessary, on the approach to enhance the sustainability practice relevant to the operations of the respective divisions.

The RMC is entrusted by the Board with the role to advise on the overall implementation and management of sustainability practices, considering the Group's sustainability risks and opportunities. Also, to ensure compliance to rules and regulations and adoption of relevant guidelines and best practices introduced by various authorities and institute, where applicable. The development of strategies towards achieving corporate objectives is mainly driven by the Senior Management which is spearheaded by the Executive Committee ("EXCO") chaired by the Managing Director.

The Group has also established a Sustainability Management and Working Committee ("SMWC"), which comprised the representatives from various departments and functions of the Group, to focus on reporting, monitoring and implementation of sustainability initiatives and to carry out action plans in line with the sustainability targets of E&O. Being representatives and leaders of key departments and functions, the SMWC members manage their own set of sustainability initiatives, data collection and report to the EXCO on the results of sustainability performance.

An overview of the Group's current governance structure for considering and managing sustainability in the Group is presented as follows:



STAKEHOLDER ENGAGEMENT

Our stakeholders consist of groups who are impacted by and have a vested interest in our business operation. The interest and expectation of our stakeholders is constantly assessed in our decision-making process to allow us to align our business objectives, social goals and conduct in a more inclusive and effective manner. Continuous engagement with our stakeholders, including shareholders, regulators, authorities, customers, employees, and business partners, is vital for us to better understand their expectations and for them to appreciate how our actions impact them.

At E&O, each division and department undertakes the role to engage with the stakeholders that they are dealing with in the daily operations, considering the stakeholders' relationship with the Group including their influence and impact of our business decision to them. Based on the feedback from the stakeholders, we identify appropriate engagement strategies and methods to ensure our business strategy create common shared value for long-term growth.

From the onset of the COVID-19 outbreak, we have implemented measures to protect the health of our employees, customers and business partners, each division is responsible to ensure effective communication of the standard operating procedures ("SOPs") to safeguard against the spread of COVID-19.

The Group's overall stakeholder engagement activities and key outcomes are tabled to the Board through the RMC for review, ensuring the Group's stakeholder engagement activities are adequate and effective. The Group's stakeholder engagement for the financial year ended 31 March 2022 is summarised as follows.

STAKEHOLDER GROUPS	ENGAGEMENT CHANNELS OR APPROACHES	ENGAGEMENT FREQUENCY	STAKEHOLDERS' CONCERNS AND FOCUS AREA	RESPONSE TO CONCERNS AND FOCUS AREA
Customers (existing and potential)	• Marketing materials • Marketing events and roadshows • Sales galleries • Corporate announcements and 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 GROUPS	ENGAGEMENT CHANNELS OR APPROACHES	ENGAGEMENT FREQUENCY	STAKEHOLDERS' CONCERNS AND FOCUS AREA	RESPONSE TO CONCERNS AND FOCUS AREA
Regulatory authorities and local governments	• Regular consultation and meeting • 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	Ongoing	• Training and development • Work-life balance • Employee benefits and welfare	We engage with our employees to understand their interests and needs. Through our Human Resources 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 SOPs 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, programme.

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 with the Group's strategies and long-term value creation. To enable us to focus our resources on the sustainability topics that matter most to the Group, we adopt a structured approach by adopting a matrix-based assessment on two criteria, namely, the significance of economic, environmental, and social impacts and influence on stakeholders' assessments and decisions.

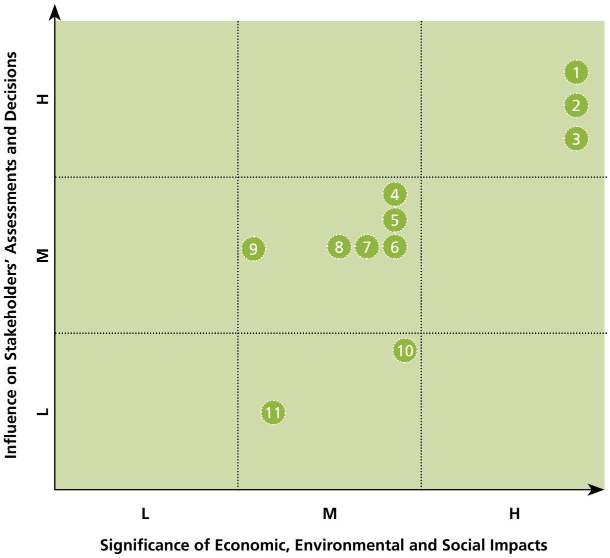
Our materiality assessment process as outlined below, enable us to ensure relevant sustainability matters of the Group are assessed in the context of our short-term and long-term corporate objectives.

1 **Identification** - We collated a preliminary list of issues through peer companies' comparative analysis and benchmark of industry best practices. 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.

A comprehensive materiality assessment which involved various key process owners and key personnel to represent the views of the Group's key stakeholders was last performed in FY2019 and a Materiality Matrix was developed. During the financial year ended 31 March 2022, the EXCO reviewed and validated the Group's Materiality Matrix, which was tabled to the RMC and subsequently the Board. There are no significant changes to our Materiality Matrix for FY2022 illustrated as follows:



LEGEND

1. Financial Sustainability
2. Compliance with Regulatory Requirements
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

ALIGNING OUR SUSTAINABILITY REPORTING

E&O is cognisant of the United Nation's 2030 Agenda for Sustainable Development and supportive of the 17 Sustainable Development Goals ("SDGs"). As the United Nations SDGs call on business 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.

In our sustainability reporting, we also make reference to the GRI Standards which are designed to be used by organisations to report on their impacts on the economy, environment, and society.

The Group's material sustainability matters are mapped against the SDGs, as well as the relevant GRI topics, as follows:

MATERIAL SUSTAINABILITY MATTERS	GRI TOPICS	SDGs
Financial Sustainability	Economic performance, Indirect Economic Impacts	8 DECENT WORK AND ECONOMIC GROWTH
Compliance with Regulatory Requirements	Environmental compliance, socioeconomic compliance	8 DECENT WORK AND ECONOMIC GROWTH 12 RESPONSIBLE CONSUMPTION AND PRODUCTION
Occupational Health and Safety	Occupational Health and Safety	3 GOOD HEALTH AND WELL-BEING 8 DECENT WORK AND ECONOMIC GROWTH
Corporate Governance	Anti-Corruption	16 PEACE, JUSTICE AND STRONG INSTITUTIONS
Product Responsibility	Customer Health and Safety Marketing and Labelling	9 INDUSTRY, INNOVATION AND INFRASTRUCTURE 11 SUSTAINABLE CITIES AND COMMUNITIES
Waste Management	Water and Effluents , Waste	3 GOOD HEALTH AND WELL-BEING 12 RESPONSIBLE CONSUMPTION AND PRODUCTION
Energy Conservation	Energy, Emissions	7 AFFORDABLE AND CLEAN ENERGY 13 CLIMATE ACTION

MATERIAL SUSTAINABILITY MATTERS	GRI TOPICS	SDGs
Water Management	Water and Effluents	3 Good Health and Well-Being; 6 Clean Water and Sanitation
Community Engagement	Local Communities	3 Good Health and Well-Being; 4 Quality Education
Talent Attraction, Retention & Development	Employment, Training and Education, Diversity and Equal Opportunity	4 Quality Education; 8 Decent Work and Economic Growth
Material Sourcing and Supply Chain Management	Procurement Practices	8 Decent Work and Economic Growth

In this Sustainability Statement, E&O Group's sustainability focus, efforts, and performance are reported in three key themes, as follows:

Ensuring Sustainable Growth
- Corporate Governance
- Financial Sustainability
- Compliance with Regulatory Requirements
- Occupational Health and Safety
- Product Responsibility

Minimising Environmental Impacts
- Energy Management and Efficiency
- Emissions Management
- Water Management
- Waste and Pollution Management
- Material Sourcing and Supply Chain Management

Contributing to Better Society
- Community Engagement
- Talent Attraction, Retention, and Development

ENSURING SUSTAINABLE GROWTH

A sustainable business model which aims to create long-term value balanced between economic, environmental, and social aspects would not be possible without first having a foundation built upon robust, sustainable financial fundamentals. To achieve business stability and growth, we always plan for the long-term, undertake prudent investment strategies, and be mindful of cost-efficiency, ensuring we generate and preserve greater values and benefits.

CORPORATE GOVERNANCE

We uphold the belief that commitment to high standards of corporate governance is essential in ensuring the sustainability of the Group, as well as to safeguard shareholders' interests and deliver long-term value.

As part of our commitment to observe high standards of corporate governance, we ensure compliance with all relevant laws and regulations, including the Companies Act 2016 and the MMLR of the Bursa. We also carefully considered the practices promulgated by the Malaysian Code on Corporate Governance ("MCCG"), adopt, and apply the principles, practices, and guidelines, where applicable. An overview of the Company's application of the principles and practices of the MCCG is set out in our Corporate Governance Overview Statement in this Annual Report and the Corporate Governance Report which is available on our corporate website.

Business Ethics

The Group has set a standard of ethical behaviour which shall be observed by our Directors, management, and employees. E&O Group's Code of Conduct and Ethics, which is published on the corporate website, outlines our focus on various aspects of ethical conduct encompass areas such as anti-corruption including anti-bribery and insider dealing, human rights including labour rights, labour standards, equal employment opportunities and non-discrimination, health and safety, environmental responsibility including conserving resources, mitigating environmental impact, minimising emissions, waste, and pollutions, and others. The Group's Code of Conduct and Ethics is being reviewed periodically to ensure the Code is updated and effective.

Amongst others, we expect our business associates to demonstrate ethical business conduct, observes rules in relation to anti-corruption, respect for human rights, acceptable labour practices, and minimising environmental impacts, especially in relation to their products and services relevant to our business.

At E&O, we value and respect the rights of every person with the belief that everyone shall be treated equally and have their basic human rights protected. We practice non-discrimination in our business and operations, including in our employment-related activities such as recruitment, assessment, remuneration, performance appraisal and promotion, and disciplinary process. Our people in E&O are expected not to discriminate against anyone in terms of race, religion, gender, age, sexual orientation, disabilities, or nationality.

We are committed to complying with all relevant laws and regulations governing labour practices. Regardless of the permanent or temporary employment status, the basic human rights as defined by the local legislation as well as other employment benefits of our employees and workers are well taken-care of. We strictly prohibit the employment of child labour or forced labour, humanise workplace culture with reasonable working hours, decent wages system and adequate welfare. Our Human Capital Department monitor closely on any update of relevant employment and labour rules and practice such as requirement on minimum wages as announced by the authorities from time to time. This process is further enhanced by our internal audit function, where audits are carried out to ensure compliance in terms of the policies and procedures relating to employment and labour practices.

The rights of all employees on freedom of association and participation in collective bargaining, as the case maybe, are respected and protected. We are open to and acknowledge the importance for the voice of our employees, either individually or collectively, to be heard, to ensure we are able to build a relationship that safeguards the mutual interests of the Group and its employees.

These standards are further incorporated in our Employees Handbook to ensure employees are informed and aware of their rights. The Group's employment policy and standards are governed by provisions of the Employment Act 1955, Industrial Relations Act 1967, Trade Union Act 1959, and other relevant laws and regulations covering labour workforce.

As we are responsible to ensure appropriate control over employment and labour practices of our operation throughout our supply chain, all contractors are required to strictly comply with employment laws and regulations, including the prohibition of child labour, forced labour, excessing working hours, and adhering to minimum wage requirements, non-compliance of which will lead to a review of business relationship and may even lead to termination.

At E&O, we encourage open communication with all our employees. Adequate communication channels via our Human Capital Department, internal grievance mechanism, whistleblowing mechanism, townhall session and etc. are established to allow our employees to address the matters of their concern to the Senior Management, either directly or indirectly, through private session or open discussion across departments and authority levels.

For the financial year under review, there were **no significant breaches of labour laws or regulations** within the Group reported.

There were **no fines or penalties related to non-compliance** with labour laws or regulations.

Anti-corruption

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, applicable to all our Directors and employees, suppliers, service providers, as well as business associates, 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, prohibiting any act of offering, giving, asking for, accepting or receiving, any form of bribe.

We adopt a risk-based approach in our management of corruption risks, supported by a thorough corruption risk assessment which analyses the various processes within our value chains and our business associates to identify key corruption risk areas with higher exposure. Corruption risks are monitored by the respective departments and reviewed by Senior Management before tabling to the RMC and thereafter, to the Board. Our most recent corruption risk assessment was completed on 25 May 2022.

We place great emphasis on integrity and ethics when selecting the people we work with, including Directors, employees, suppliers, service providers, and other business associates. Through our due diligence process and other internal control procedures, we perform checks on Directors, employees, suppliers, service providers, and other business associates before formalising business relationships. Our suppliers and business associates are also highly encouraged to have in place adequate procedures to prevent corrupt activities such as bribery or the use of facilitation payments, especially when performing work or service on behalf of the Group. High corruption risk areas, identified from our corruption risk assessment, require stronger internal controls and the Group may require relevant suppliers, service providers, or business associates to have additional policies and procedures to mitigate corruption risks.

Whistleblowing

The Whistleblowing Policy provides a formal avenue for any person to raise genuine concerns and report in good faith any misconduct, malpractice, or improper conduct, including breaches of the Group's codes on ethical standards and Anti-Corruption Policy. The reporting mechanism accords protection to the whistleblower, ensuring confidentiality of the identity to prevent events such as retaliation and adverse employment actions. The objectivity and reliability of the reporting mechanism are further strengthened by the role of Audit Committee Chairman, who is independent of Senior Management, as a channel for disclosure for matters of concerning interest of Senior Management.

Implementation and communication

All the Group's codes and policies, including the Code of Conduct and Ethics, Anti-Corruption Policy and Whistleblowing Policy are accessible by all employees via the Company's intranet and by external stakeholders through our corporate website. Updates to the code and policies to reflect the latest practices are tabled to the Board for review and approval. Our Directors and employees are required to demonstrate proper business conduct in accordance with our codes and policies, and to communicate to the stakeholders including suppliers, service providers, customers and business associates of the relevant policies expected to be adhered by stakeholders as well. All Directors and employees are required to declare and acknowledge their agreement to adhere to the Group's Code of Conduct and Ethics on an annual basis. Training and briefings were also provided to internal employees and external stakeholders to reinforce their understanding of the Group's stance on anti-corruption, as well as relevant policies and procedures.

All Directors and employees of the Group have been **communicated and briefed on the Group's Code of Conduct and Ethics and Anti-Corruption Policy** during FY2022.

There were **no political donations or contributions** made by the Group during FY2022.

During the financial year under review, there were **no major disciplinary cases related to corruption** reported within the Group. There were also **no fines or penalties imposed by the authorities** in relation to corruption.

FINANCIAL SUSTAINABILITY

In FY2022, the Group continued to focus on maintaining a strong balance sheet via cost management and strengthening our cash-flow position. Since FY2021, the Group has undertaken an initiative to strengthen its financial position through extending the tenure of borrowings and securing additional banking facilities to provide further financial flexibility to the Group as well as taking advantage of the low-interest rate environment to reduce our average project cost of capital. Moving forward, the Group's financial commitments are expected to be supported by the Group's cash balances, cash from operating activities, as well as banking facilities.

The Group has also announced a proposed Rights Issue of irredeemable convertible unsecured loan stock ("ICULS") exercise which would strengthen the balance sheet enabling the future undertaking of the Group especially the reclamation of Andaman Island Phase 2 in Tanjung Tokong, Penang.

For the property development segment, we closely monitored the market to ensure our product address the needs of the markets and our potential customers, considering the specific local market conditions. In this regard, it is more than ever important for us to also bring together our business stakeholders, including customers and financiers, to structure mutually beneficial deals and financing packages.

Following a gradual opening up of economies in Malaysia as well as overseas, the Group is expected to launch a few projects to a market that had been largely quiet, due to the various movement control measures imposed by governments since 2020. Our upcoming launches aim to appeal to young buyers, especially those who prioritise the importance of having quality living space in our current era of remote working. Delicately designed marketing and advertising initiatives have also been devised to reach out to our potential customers, as well as our future generation of buyers.

As for investment properties, we continued to maintain close engagements with tenants and partners to boost the foot traffic as more and more people are going out again post pandemic with the relaxation of travel restrictions in Malaysia. As we move away from flexible rental payment scheme and temporary rental reduction arrangements for tenants, we have directed more efforts into marketing, promotions, and events.

During the year, our flagship E&O Hotel focused on cost-efficiency and cost-saving, as well as maintaining visibility in the market and preparing ourselves for a comeback of the hospitality sector. We have also resumed our operations at E&O Residence in January 2022.

Detailed discussion of the Group's economic performance for FY2022 is disclosed in the Management Discussion & Analysis in this Annual Report.

COMPLIANCE WITH REGULATORY REQUIREMENTS

E&O is committed to complying with all laws, regulations, and applicable standards concerning:

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

There were **no instances of non-compliance** that resulted in significant fines or penalty in FY2022.

We respect the rules and regulation enforced by the government and relevant authorities, ensuring compliance allows our operations to be carried out smoothly and without disruption. In this regard, standard processes are developed to ensure highest level of compliance to the rules and regulations governing our operations. In tandem with our efforts to comply with the regulatory requirements, we practise close consultation with the relevant authorities and expertise in the industry to make sure we are in the know of any latest development and updates in existing and new regulatory requirements.

For the Andaman Island project, it is imperative that we comply with the comprehensive environment requirements stipulated by the project's Detailed Environmental Impact Assessment ("DEIA") study as well as those imposed by the relevant authorities. Specific committees and working groups have been formed to oversee and deliberate on matters pertaining to the reclamation and development of the Andaman Island project.

In ensuring the protection of the environment and sustainable development, our Andaman Island project is subject to a range of approval conditions covering project concept and design. These requirements are imposed by the Department of Environment ("DOE") and included considerations addressing the comprehensive environmental requirements arising from the Andaman Island's DEIA study. In the development of such a massive project, the Group is committed to working together with the relevant authorities to ensure the development benefits the environment and society in general, while mitigating and minimising the possible impacts in a practical manner.

Key topics of the 51 approval conditions imposed by the DOE can be summarised as follows:

- Environmental management programme ("EMP") – scrutinising contractor's construction methods, coastal control, waste management, marine safety, and emergency risk control;
- Sourcing of sand and rock;
- Transportation of materials;
- Environmental audit;
- Project abandonment plan; and
- Reporting and administration procedures.

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 9001:2015, ISO 45001:2018 and ISO 14001:2015 as management tools. We select our suppliers and contractors carefully to ensure they are able to support our efforts towards complying with the requirements imposed.

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 immediate rectification. As we continue with other phases of Andaman Island's reclamation works, the Group will continue to carry out the compliance and relevant monitoring processes.

OCCUPATIONAL HEALTH AND SAFETY

Being in the property development business, the nature of our business exposes our employees and contractors to occupational health and safety ("OHS") risks greater than many other industries. We are vigilant in safeguarding the well-being, health and safety of our 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 strict policies and controls to manage OHS risks and to prevent violation of OHS rules that can result in fines or stop-work orders, impeding the progress of our developments.

As we take cognisance that OHS is a key risk to human capital, the Group has established a Safety Policy, which has been endorsed by top management and communicated to all relevant employees through various platforms, to instil the importance of safety and to promote safe behaviour at the workplace. Guided by the principles of the Safety Policy, in addition to compliance with safety laws and regulations, the respective project managers are required to ensure applicable safety practices are undertaken at the respective worksites, in accordance with ISO 45001: 2018 Occupational Health & Safety Management Systems.

Generally, the project management team is responsible to oversee OHS-related risks and implement relevant controls covering the scope of OHS risk assessments, emergency response, evacuation plans, as well as documentation of safety incidents and reporting of safety performance by contractors. The process includes bi-weekly reporting of OHS data by contractors, monthly reporting of project progress and site OHS performance to E&O's project management team.

All recordable accidents and incidents will be investigated and the findings will be deliberated and submitted to E&O's top management. If the investigation outcome indicates any weaknesses or ineffectiveness in OHS controls, action plans will be developed and monitored for implementation to prevent recurrence of similar incidents or accidents.

ISO 45001:2018 certification and safety performance are among some of the key social aspects considered in our selection and assessment of contractors. Existing contractors are assessed on an annual basis to ensure they are able to continue to provide quality services in line with relevant environmental and social standards. Contractors who have not met the expected safety standards and performance, if minor, will be given a timeframe to immediately remedy any gaps, while major failure to meet expectations may result in termination of contracts.

Site audits which include OHS scope may also be conducted by the Group's compliance team or independent auditors to provide assurance to E&O in relation to the adequacy and effectiveness of safety and health management processes at sites.

At E&O Group, our process for managing OHS, which includes monitoring contractor's OHS performance at our sites, is subject to ongoing performance improvement in line with ISO 45001:2018 to cater for the changing needs and complexity of our project management activities.

Safety and Health Framework at Andaman Island

Some key elements of the safety and health framework which we require our Andaman Island contractors to establish are as follows:

- an emergency response plan ("ERP") which specifies the procedures for handling all types of emergencies that may occur during the project implementation of Andaman Island;
- appointment of a Safety and Health Officers ("SHO") who is responsible for monitoring and inspecting 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 risks, as well as ensuring documentation relating to safety training, injuries, accidents, and hazards are complete and properly stored;
- weekly Health, Safety, and Environment Committee meetings and compliance site inspection;
- Proactive engagement by the contractor 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; and
- contractors shall have regular OHS training programmes for workers to instil safety awareness and promote safe behaviour at worksites, including, but not limited to:
    - 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
    - Construction Industry Development Board ("CIDB") Green Card Course before workers are allowed to enter construction sites

OHS trainings are provided to relevant employees of the Group regularly to ensure effective management of OHS risk within the Group's operations as well as to monitor contractor's effectiveness over OHS management.

The OHS-related training (including physical training and online training) provided to the Group's employees for the financial year under review is summarised as follows:

Safety and health training topic	Categories of employees attended training
CIDB Green Card	All site officers and project management team
Orientation programme (including general safety training)	All newly joined employees
Safety Policy	All employees
Marine Emergency Response Fire Fighting Emergency Awareness Working at Height	Members of Project Management Team
COVID-19 precaution and SOP	All employees

We are pleased to report that there were no serious injuries and incidents or fatalities within E&O Group or attributable to our sites managed by contractors for the financial year under review. While there were instances of minor injuries requiring first aid, for which relevant remedial actions had been undertaken as our workers have been provided with the relevant training, there were no lost-time injury incidents within the Group during the financial year.

A summary of the Group's safety performance is presented as follows:

	FY2020	FY2021	FY2022
The Group			
serious injury	0	0	0
fatalities	0	0	0
lost-time incident rate	0	0	0
lost-time incident frequency rate	0	0	0
Contractors			
serious injury	0	0	0
fatalities	0	0	0
lost-time incident rate	0	0	0
lost-time incident frequency rate	0	0	0

The Group's overall OHS performance is reported to the Board on an annual basis.

Managing Safety and Health relating to COVID-19

In FY2022, we continue to implement COVID-19 control measures at our corporate office, sales galleries, properties, hotel and worksites to prevent the spread of COVID-19. Our COVID-19 control procedures were developed guided by:

- 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 the Ministry of Works ("KKR") and CIDB;
- COVID-19 preventive measures at construction sites issued by KKR and CIDB; and
- Guidelines for Centralised Labour Quarters and Construction Workers Accommodation during MCO issued by KKR and CIDB.

In line with the recommendations from Ministry of Health of Malaysia ("MOH"), amongst other, our initiatives to combat COVID-19 at our properties includes:

a) verification of vaccination and risk status via MySejahtera and temperature screening for every individual before entrance into our properties;
b) monitoring of check-in via MySejahtera at the entrance of our properties;
c) provision of face masks and COVID-19 self-test kits to employees;
d) regular sanitisation and disinfection of our properties;
e) established COVID-19 Health Protocol and SOPs for operations during different phases of MCO;
f) timely notification of latest guidelines and announcements released by MOH or relevant authorities to all our employees; and
g) provision of relevant trainings on COVID-19 related topics to our employees.

We also undertook relevant measures to communicate with our stakeholders, such as our customers for E&O Hotel and users of our investment properties, on the COVID-19 control procedures to give assurance that their health and safety are safeguarded while using of our properties and services.

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. To us, building a premium brand also means greater responsibility to deliver sustainable products and services that strike a balance between financial viability and harmonious relationship with environment and contribute to social well-being. At E&O, we are committed to delivering products of high quality and sustainable – a pledge which forms part of our design philosophy guiding product concept, design, and choice of materials. A well-designed development enables our users to appreciate the symbiosis between humans and nature, preserve the ecosystem for sustainable future.

At E&O, our development projects are incorporated with strong elements of connectivity and accessibility to encourage safe and comfortable mobility in the vicinity. Our projects are designed to provide accessibility for all people, including the disability, with convenient access to public transport or other infrastructure. Riding the wave of technology innovation, we are able to adopt human-centric and ergonomic designs in our building, including provision of ample common space for human interactions, open space for natural lighting and ventilation, green spaces to bring users closer to nature.

Through our development, we hope to inspire our users to lead an eco-friendly life that is resource-efficient, and together, we play our role to protect our planet. Our sustainable building features including infrastructure and facilities that support low carbon operations and transportation, natural cooling and ventilation, energy efficiency, water efficiency, utilisation of sustainable building materials, waste management systems, segregation, and recycling program and etc.

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. To commit to this, we have set ourselves a target to achieve at least 75% QLASSIC score for all existing and new development projects. As at 31 March 2022, our existing project – Conlay; and our two new projects – The Peak and The Meg, have been registered for QLASSIC with a minimum score of 80 marks.

In pursuit of our vision to create placemaking addresses of enduring value, it is imperative for us to develop sustainable buildings which qualified as "Green Building" through the structure and application of process that are environmentally responsible and resource-efficient throughout the building's life cycle. Towards our commitment to deliver sustainable buildings in our development, we have set targets for all the existing and new development project to be submitted for GreenRE or GBI assessment, details as disclosed in Our Key Sustainable Performance in this Statement.

<u>Customer and stakeholder involvement</u>

We recognise and value the feedback and views of our customers as well as other stakeholders. Our Customer Careline is managed by a dedicated team to manage and resolve issues and queries that may arise. As part of the customer relationship management process, enquiries or complaints from customers and the responses from our customer care team are documented for monitoring for future improvement. In addition, key common issues raised by customers are also reported to the Senior Management to ensure our decision-making process taken into account those concerns and views from customers.

As for other stakeholders who wish to reach us, the contact information of our investor relation officer is available on our corporate website. Alternatively, the public can also contact us via our "Get In Touch" page on our corporate website, which provide a convenient and user-friendly interface for the public to connect to us.

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

CONLAY SERVICED RESIDENCES

Artist's Impression

Energy Efficiency

- Low-emissivity (Low-E) glass to reduce heat travelling into the building and therefore directly reduce cooling load requirements
- Overall Residential Envelope Transmittance Value ("RETV") is <25W/m2 – the current design achieves an RETV value of 19.41W/m2
- 5-stars rating air-conditioning and ceiling fans
- Daylight factor in carpark to reduce usage of artificial lighting
- All elevated carparks are naturally ventilated
- Provision of energy-efficient lifts with regenerative drive for higher efficiency
- Use of T8/LED fittings with high frequency ballasts for common spaces – estimated 66% improvement on yearly energy consumption compared to MS1525:2019
- Other energy-efficient products such as oven

Waste Recycling

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

Connectivity

- Good access to public transport – MASS rapid transit ("MRT")/ light rail transit ("LRT") Conlay Station

Water Efficiency

- Water efficiency fittings which are Water Efficiency Product Labelling Scheme (WEPLS) or Water Efficiency Labelling Scheme (WELS) certified
- Sub-meter is installed for major uses such as swimming pool, irrigation, and facilities for the purpose of detecting the location of leakage, if any
- Rainwater harvesting tank for landscape irrigation thus reducing consumption of potable water

Sustainable Products or Materials

- Green cement - replacement of 30% Ordinary Portland Cement ("OPC") with green aggregates
- Use of environmentally friendly products certified by local certification body for ceiling, skim coat, and waterproofing
- Green paint and adhesive of low Volatile Organic Compounds ("VOC")

Environmental Management Practice

- Air quality monitoring
- Water quality monitoring
- Schedule waste disposal management
- Construction waste management plan to guide waste management activities by contractor
- Noise monitoring
- Appointment of contractor with good track record in adopting sustainable environmental practices during construction
- Building User Guide
- Fit Out Guide

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
- Development located in urban area with existing infrastructure and amenities within 1km

THE PEAK

Energy Efficiency

- Overall Residential Envelope Transmittance Value ("RETV") is <25W/m2 – the current design achieves an RETV value of 22.66W/m2
- Recommended use of 5-star energy rating air-conditioning systems
- Recommended use of energy-efficient lighting system to minimise energy consumption while achieving proper lighting levels
- Energy-efficient lifts systems

Water Efficiency

- Water-efficient fittings rated under WEPLS or WELS
- Sub-meter is installed for major uses such as swimming pool, irrigation, and facilities for the purpose of detecting the location of leakage, if any
- Rainwater harvesting tank designed at LG2 for landscape irrigation thus reducing consumption of potable water

Environmental Management Practice

- Air quality monitoring
- Water quality monitoring
- Schedule waste disposal management
- Construction waste management plan to guide waste management activities by contractor
- Noise monitoring
- Appointment of contractor with good track record in adopting sustainable environmental practices during construction
- Building User Guide

Sustainable Materials

- Recommended 20% Green cement to be used to replace OPC
- Use of environmentally friendly products certified by local certification body for ceiling, skim coat, and waterproofing

Connectivity

- Good access to Aman Beringin Bus Stop with less than 800m walking distance

THE MEG

Artist's Impression

Energy Efficiency

- Overall Thermal Transmittance Value is <50W/m2 (complied with MS1525)
- Roof U-value is <0.6W/m2K (complied with MS1525)

Water Efficiency

- Rainwater harvesting tank designed at high level of Level 3A for landscape irrigation for ground floor, Level 2, and Level 3A, thus reducing consumption of potable water
- Use of water-efficient fittings estimated to save more than 50% of potable water

Waste Management

- Designated area for collection of recyclable waste for building occupants
- Compost bins will be provided and located at ground floor to recycle landscape and organic waste to be made into fertiliser. An estimated 500 litres of organics fertiliser per month will be generated for 50% of landscape fertilising needs

Environmental Management Practice

- Air quality monitoring
- Water quality monitoring
- Scheduled waste disposal management
- Construction waste management plan to guide waste management activities by contractor
- Noise monitoring

Connectivity

- Private shuttle service will be provided to the Swettenham Pier Cruise Terminal (public transport interchange station) which connects to 16 different bus routes and multiple ferry and cruise routes
- Covered waiting area for shuttle services will be located less than 1km from residential area
- Connected and dedicated bicycle lanes will be provided within the island with easy access to Tanjung Tokong/ Tanjung Bungah via Andaman Bridge and Gurney Drive/ Georgetown via Gurney Bridge

Sustainable Materials

- Reusing building materials and products to reduce demand for virgin materials and reduce generation of waste (approximately 8.2% of total project materials, by cost)
- Using building materials and products that incorporate recycled materials. For example, reinforcement steel, BRC, aluminium works (approximately 37.0% of total value of the project materials)
- Using products extracted, harvested, recovered, and manufactured in Malaysia (approximately 78.7% of total value of the project materials)
- >75% of wood-based materials used in the construction process are certified by the Malaysian Timber Certification Council

Amenities

- Playground, park, religious centre, restaurant, grocery store will be available within 750m from residential area

ANDAMAN ISLAND INFRASTRUCTURE AND LANDSCAPE


Artist's Impression

Our vision for Andaman Island 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.

Responsible Development

While we aim to build a new, vibrant, and sustainable place in Penang and to create positive impacts through our developments, some impacts on the environment or local community may be unavoidable during development and construction. In this regard, working together with the relevant authorities such as the DOE, we put effort to minimise the negative environmental and social impacts in our development. As part of our plan to offset or compensate for the potential negative environmental impacts, we had planted mangrove trees in the areas designated by the government before the commencement of reclamation works to replace the plants that will be removed for our development. More details of our past efforts in relation to the Andaman Island development are available on the website at https://www.stp2.my.

Connectivity, Cycle Network and Pedestrian Connections

The masterplan of Andaman Island allows for high levels of anticipated traffic flow by allocating space to major arterial roads, however good connectivity across these and within the neighbourhoods has been the goal of the network design. The off-road routes through park spaces and along the quayside, as well as an extensive network associated with the streets enable people to travel around the neighbourhood conveniently.

Andaman Island is designed to support leisure cyclists as well as commuters. Adequate space will be allocated to encourage cyclist of all abilities to use the routes. Cycle hubs and parking will be located strategically around the masterplan based on proximity to cycle paths, retails provision and urban square. Safety barriers and transition spaces from vehicle roads are incorporated to protect the safety of the cyclists and pedestrian on Andaman Island. The street network is made further permeable by additional pedestrian pathways between or through the development plots. Pedestrian-only footbridges and road bridges connect the island as whole as well as to Penang Island.

The well-planned connectivity on Andaman Island encourages cycling and walking activities not only promotes healthier lifestyles for people, it also reduces reliance on carbon-based fuel transport. To alleviate the road traffic to achieve traffic flow efficiency, water taxi formed part of our public transport system to allow quick and efficient way to travel to some of the key destinations of Penang.

Our infrastructure design also incorporated international standards for universal design and access, aiming to offer a similar experience and accessibility to people with disability across the township. For instance, the township has provision of the pedestrian walkway at width of approximately 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 traffic lights are designed with audio signals and the foot way is flush with the carriageway to enable wheelchair users to cross unimpeded.

Landscape, nature, and biodiversity

The landscape concept has been built around a framework that is of international best practice for environmental design and engenders a real sense of place, community, and identity. The aim is to create a welcoming green environment where an integrated public realm and open space strategy works hard to create a beautiful backdrop for island life.

In our efforts to integrate nature into our project, we allocated at least 10% of the total development area of Andaman Island as green spaces. A network of lush planted streets, squares, gardens and space not only introduce attractive green landscape on Andaman Island, but also serve provides important shade and shelter for both pedestrians and vehicles, absorb pollution, reduce noise, create nesting habitants, prevent erosions, enrich substrates and create micro-climates as well as reduce heat island effect. 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, soft stem bullrushes, etc.) and biodiversity (migratory birds, fishes, etc.).

Our planned landscape for the entire township will be installed with in-ground tap point for irrigation activities. The irrigation system is connected to rainwater harvesting facilities which are expected to meet a portion of the landscape irrigation needs of the Andaman Island development. This will reduce the reliance on potable water and water tanker vehicle for watering within the island, in turn reducing fuel consumption and thus greenhouse gas ("GHG") emission.

There will be a greenery park designed with undulating topographic and mounding landscape comprising of full turfing, trees, shrubs, walkways, benches, playground equipment, etc. A landscape nursery plant centre will be built to house the horticulture activities required for the growing and maintaining landscape plants and related species of plans designed and planned for the entire township.

MINIMISING ENVIRONMENTAL IMPACTS

At E&O, we embraced the harmonious relationship between nature, humanity and our operations and/or built environment. Through the adoption of sustainable practices, we are committed to minimising the environmental impacts of our businesses 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. We are committed to optimising resource use, reducing the generation of waste, extending the life span of materials by recycling or reusing, practice responsible waste disposal management, as well as optimising energy and water use and reducing GHG emissions.

PENALTY

During the financial year under review, there were **no significant fines or penalties** imposed on the Group related to **non-compliance with environmental laws and regulations.**

The Group has established an Environmental Policy for Tanjung Pinang Development Sdn Bhd ("TPD"), the entity responsible for reclamation and development of STP1 and Andaman Island (STP2A, STP2B, and STP2C), details as shown in the table below:

Tanjung Pinang Development's Environmental Policy

TPD is committed to minimising the environmental impact of its operations through the adoption of sustainable practices and continual improvement in environmental performance. This is driven by our goal of 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 for our clients.

The management and staff of TPD shall commit to satisfying 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 (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 environmentally friendly that result in low impact on the environment; and
(e) To promote awareness to all employees to adopt good work etiquette by practising 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, ISO 45001, 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 environment 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; and
   v. Fishermen's issues.
(c) Working with Employees - All employees will be actively encouraged 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, ISO 45001 and ISO 14001 accreditations will be maintained.

ENERGY MANAGEMENT AND EFFICIENCY

Our energy consumption is generally contributed by the property development activities and operations of our investment properties, sales galleries, and corporate offices.

Property Investment, Hospitality & Others

Properties operated or managed by the Group include our corporate offices, sales galleries (i.e. E&O Gallery and Avira Sales Gallery), Straits Quay Retail Marina, and E&O Hotel. The main energy source is purchased electricity from national electricity provider, Tenaga Nasional Berhad.

The following table summarises the energy consumption, including energy sources, of the segment identified above:

Energy consumption	FY2020 (kWh)	FY2021 (kWh)	FY2022 (kWh)
Electricity purchased	15,844,359	10,726,139	11,686,132
Total energy consumption	15,844,359	10,726,139	11,686,132

For the purpose of monitoring and managing energy consumption, we adopt a decentralised approach where the respective team responsible for the management of the properties will identify appropriate initiatives to reduce energy consumption and optimise energy efficiency. Data collection and analysis will be performed based on a standardised approach across the Group to ensure consistency in reporting and analysis. Generally, purchased electricity is calculated using electricity bills while estimation of purchased fuels is based on invoices.

Amongst others, we monitor energy efficiency performance via energy consumption (kWh) and energy intensity, i.e. energy consumption per square meter (kWh/m^2).

For the financial year under review, on a Group basis, we recorded an increase of an estimated 9% in total energy consumption due to resumption of business activities from the relaxation of movement control imposed by the federal and state governments.

The energy intensities of the respective business is summarised as follows:

Energy intensity	FY2020 (kWh/ m^2)	FY2021 (kWh/ m^2)	FY2022 (kWh/ m^2)
Corporate offices	4.7	5.6	5.1
Sales galleries	24.8	25.5	28.4
Straits Quay Retail Marina	128.4	104.0	94.6
E&O Hotel	134.7	74.3	97.7

At our flagship E&O Hotel, the building is installed with energy-saving lighting which could preserve the ambience and architectural characteristics of the building while achieving energy efficiency.

In our offices and sales gallery, the Group actively promotes responsible use of energy and resources, encouraging employees to make use of natural ventilation, lighting, energy-efficient cooling appliances and promote energy-saving behaviour such as turning off appliances and lights when not in use.

As we look forward to increased business activities at our properties and business in the coming years, we will continue to explore approaches to enhance energy intensity at our operations.

Property Development

Consumption of energy from our property development segment, mainly contributed by the developments on Andaman Island are quantified from the amount of diesel and petrol purchased to run the machinery, equipment, and vehicles for our projects by our contractors. During the financial year under review, we recorded a rise in energy consumption in our property development segment due to the increase of our construction activities including infrastructure works such as, middle bridge, internal roads, as well as the construction of The Meg Sales Gallery on Andaman Island.

EMISSIONS MANAGEMENT

Global warming caused by carbon emission resulting from human activities has become one of the most pressing issues that requires actions and efforts across government, businesses, communities as well as each individual. As a property developer, we take part in the global collective action to alleviate climate change by reducing energy use and carbon emission from our operations.

To measure and analyse our carbon footprint, we evaluate the GHG emissions arising directly from our energy consumption. The Group does not directly generate energy and hence Scope 1 emission from energy consumption is considered insignificant. For the financial year under review, we report on our Scope 2 emissions derived directly from electricity consumption across the Group's businesses included in the scope of this Statement, i.e. our corporate offices, our sales galleries (i.e. E&O Gallery and Avira Sales Gallery), Straits Quay Retail Marina, and E&O Hotel.

GHG Emissions	FY2020 (tCO_2e)	FY2021 (tCO_2e)	FY2022 (tCO_2e)
Indirect (Scope 2) GHG Emissions*	8,873	6,114	6,427

Note: *estimated using Emission Intensity reported in Tenaga Nasional Berhad's Integrated Annual Report, for the years FY2019, FY2020, and FY2021, respectively.

To our commitment towards combating climate change, the Group will further enhance our data collection and reporting on the emissions management. We have initiated a preliminary discussion and study on the Group's Scope 3 emission, which will include emissions arising from construction activities carried out by our contractors for a more comprehensive emissions reporting moving forward.

WATER MANAGEMENT

Generally, the Group does not operate in water-stressed areas. Nevertheless, we remain prudent in water and effluent management to conserve water consumption at the same time to optimise cost-efficiency in our utility spending.

Property Development

The municipal water purchased are mainly used for the activities at workers' quarters and site office, dust control, wash-through, and landscape plants watering. Water discharged from the project are mostly from dust control and wash-through. Wastewater from workers' quarters and site offices is treated via retention pond, septic tank, and a small sewage treatment plant and the raw sewage will be transferred out by authorised desludging company.

		FY2020 (m^3)	FY2021 (m^3)	FY2022 (m^3)
Andaman Island	Water withdrawn from			
	Municipal water source	1,523	8,061	34,851
	Sea/Ocean	Not measured	Not measured	Not measured
	Total water withdrawn	**1,523**	**8,061**	**34,851**

On Andaman Island, we have a target to reduce the use of potable water for landscape irrigation by at least 10% through establishing effective rainwater harvesting system. Rainwater harvesting pond has been designed to collect all surface water from the drainage within the island which will be used for landscape irrigation. For our new development, The Meg, total water consumption for landscape irrigation is 32,140L while the rainwater harvesting tank is designed to cater for 34,320L of rainwater.

Properties Investment, Hospitality and Others

For the properties managed by the Group, including our sales galleries, Straits Quay Retail Marina, and E&O Hotel, the water consumption is measured against the municipal water purchased.

For our corporate offices, we do not have water consumption data as they are rented premises and water bills are currently paid by the property owners. Nonetheless, as embedded in our corporate culture, our employees are mindful of water conservation practices.

The following table summarises our water use, sources, and water intensity:

		FY2020 (m^3)	FY2021 (m^3)	FY2022 (m^3)
Sales galleries	Water withdrawn from			
	Municipal water source	1,368.0	1,493.0	1,579.0
	Total water withdrawn	**1,368.0**	**1,493.0**	**1,579.0**
	Water intensity (water withdrawn per square meter)	**0.2**	**0.2**	**0.3**

		FY2020 (m^3)	FY2021 (m^3)	FY2022 (m^3)
Straits Quay Retail Marina	Water withdrawn from			
	Municipal water source	93,185.0	94,492.0	80,086.0
	Total water withdrawn	**93,185.0**	**94,492.0**	**80,086.0**
	Water intensity (water withdrawn per square meter) (m^3/m^2)	**1.7**	**1.7**	**1.5**
E&O Hotel	Water withdrawn from			
	Municipal water source	88,683.0	67,939.0	82,218.0
	Total water withdrawn	**88,683.0**	**67,939.0**	**82,218.0**
	Water intensity (water withdrawn per square meter) (m^3/m^2)	**1.4**	**1.1**	**1.3**

The Group's respective property management team analyses water usage and identifies opportunities to reduce water consumption. Fittings such as water taps and water closets are inspected periodically and cleaning processes are monitored to ensure water efficiency.

WASTE AND POLLUTION MANAGEMENT

We endeavour to consume material responsibly and reduce wastage in our operations, as well as avoiding pollutions. As part of our operations, we generate scheduled and non-scheduled waste. In line with the regulations governing scheduled waste handling, scheduled waste is stored at designated areas and only licensed scheduled waste service providers are allowed to handle the transportation and dispose of such waste.

PENALTY

During the financial year under review, there were **no significant fines or penalties imposed** on the Group for **non-compliance with scheduled waste management laws and regulations.**

At E&O, 3R Concept (Reduce, Reuse, and Recycle) is promulgated throughout the organisation to encourage waste reduction behaviour, by which employees are to practices conservative use of materials, reuse the resources that are still in good condition and proper management of recyclable materials. For unavoidable waste, we will ensure proper handling and management according to the Group's waste management protocol to avoid pollution.

There were **no significant pollution events** reported throughout the Group's operations during FY2022.

There were **no incidents of significant spills** reported in FY2022.

Property Development

At Andaman Island, our activities are strictly guided by the DEIA and EMP. During the financial year under review, we continue to explore opportunities to use dredged materials, where suitable, as fill material for reclamation. 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.

We implemented 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 Andaman Island 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.

	FY2020	FY2021	FY2022
Regulated level (mg/L)	≤ 50		
Target level (mg/L)	≤ 45		
Average level (mg/L)	11.56	16.59	14.03

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.

Projects on Andaman Island undertaken by us are governed by DEIA where we are required to manage pollution control based on EMP designated for each project. Report on the test results from marine water monitoring, river water monitoring, noise pollution monitoring, air quality monitoring, vibration monitoring and sediment quality monitoring conducted based on the frequency regulated by DEIA are to be submitted to the relevant authorities.

Environmental Regulatory Compliance Monitoring Committee and Environmental Performance Monitoring Committee are set up to monitor environmental compliance for the projects on Andaman Island. The committee meetings are led by our environmental experts and consultants to assess arising environmental issues and risks. The Committee conducts regular compliance monitoring to assess water, noise and air quality, sedimentation, and erosion, as well as monitoring for total suspended solids and turbidity. Designated Environmental Officers are appointed for both project proponent and contractor to oversee the pollution management.

There were **no significant fines or penalties** imposed on the Group in relation to **non-compliance with the waste management or pollution management for Andaman Island**, during the financial year under review.

The waste in the form of steel, timber, concrete, brick, glass as well as domestic waste are produced from the construction activities. Waste management by our site operated by our contractor is managed through a construction waste management system which requires segregation of waste. A designated team of workers is assigned to segregate construction waste, where waste will be placed at designated areas or containers depending on the waste type. To conserve materials and for cost saving purpose, concrete and timber which is in good condition is reconditioned for reuse, while steel is sold to steel recycling contractors. During the financial year under review, we recycled 143.30 metric tonnes of steel.

A summary of the types of waste generated from activities arising from the construction of infrastructure in Andaman Island is as follows:

	FY2020 (t)	FY2021 (t)	FY2022 (t)	Waste treatment method	Waste managed offsite/ onsite
Hazardous waste					
Oil and water mixture	0.07	0.12	0.68	Directed to disposal – incineration with energy recovery	Offsite – managed by licensed contractor
Disposed contaminated containers	0.01	0.05	0.06	Directed to disposal – incineration without energy recovery	Offsite – managed by licensed contractor
Contaminated rags and matters	0.05	0.00	0.09	Directed to disposal – incineration without energy recovery	Offsite – managed by licensed contractor
Contaminated soils	1.95	0.53	0.39	Directed to disposal – incineration without energy recovery	Offsite – managed by licensed contractor
Non-hazardous waste					
Steel	20.00 (and 303 pieces of steel mold)	40.00	143.30	Diverted from disposal – recycled	Offsite – sold to steel recycling contractor
Timber	5.00	15.00	67.94	Directed to disposal – landfilling and reused as landscape mulch material	Offsite and onsite – managed by construction contractor
Concrete	0.00	19.50	18.70	Diverted from disposal – preparation for reuse	Onsite – managed by construction contractor
Cement	0.00	2.00	0.00	Directed to disposal - landfilling	Offsite – managed by construction contractor
Brick	0.00	2.40	7.60	Diverted from disposal – preparation for reuse	Onsite – managed by construction contractor
Glass	0.00	0.00	0.20	Directed to disposal – landfilling	Offsite
Domestic waste	0.00	16.50	75.70	Directed to disposal – landfilling	Offsite

E&O Group will continue to carry out rigorous monitoring and management to adopt responsible waste management practices and to avoid pollution, in line with the Group Environmental Policy and Andaman Island's DEIA and EMP.

Property Investment

At Straits Quay Marina Retail, our team 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.

During the financial year under review, we continued to carry out the 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. The campaign extended our reach of our waste management effort to a public, aims to create awareness and instil recycling culture in the community we are operated in.

Hospitality

Our reduce-reuse-recycle efforts also extended 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.

As an incentive to boost recycling activities amongst the personnel in E&O Hotel, the proceeds from our recyclable waste sold to the recycling companies are contributed into the welfare fund for the hotel staff.

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

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 and labour standards. Other relevant criteria such as pricing and the contractor's order book is 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 environmentally 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.

For our property development projects, depending on the design concept, we prioritise the use of sustainable and environmentally friendly materials. We work together with our contractors and consultants on the material sourcing options and decisions. The overall raw materials used, as reported by our contractors, for the development of Andaman Island, are as follows:

Raw material used (Andaman Island)	FY2020 (t)	FY2021 (t)	FY2022 (t)
Steel	326.0	52.5	108.0
Timber	10.0	3.0	1.0
Concrete	668.0	1,171.0	5,790.0
Cement	0.0	15.8	5.3
Bricks	0.0	13.6	6.6
Glass	0.0	0.0	0.0
Marine Sand	0.0	0.0	0.0

CONTRIBUTING TO BETTER SOCIETY

As a premier lifestyle property group, E&O continuously inspired to deliver far more than just innovative concepts and quality homes, our sustainability vision in developing a healthy and liveable environment could benefit and enrich the community within and beyond our properties.

COMMUNITY ENGAGEMENT

Guided by our five key thrusts for community engagement programmes – 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 appreciates the significance of going beyond corporate philanthropy initiatives and providing strong support to a diverse stakeholder group that include students, teachers, fishermen, NGOs, children with special needs, and the elderly through various contribution approaches including donation, sponsorship, as well as encouraging employee participation through volunteerism. While our efforts in physical community engagement activities have been temporarily halted due to the restrictions implemented during the COVID-19 pandemic, we undertake various approaches towards contributing to the community, by donating and offering sponsorship to the needy people/ institute/ association.

<u>Reaching out to special communities</u>

During the financial year under review, we made community donations, contributions, and sponsorships amounting to RM64,580, for various purposes and causes such as sports, education, cultural and religious development, as well as supporting environmental awareness events.

<u>Creating a Legacy</u>

To preserve Penang's past and encourage a greater appreciation of the State's transformation through time, we opened the E&O Visitor Centre in October 2016. A range of exhibits enables visitors to trace Penang's rise as a flourishing port and celebrates the different communities that make up Penang's unique tapestry.

At the E&O Hotel, the E&O Gallery sited within the Victory Annexe retail arcade was refurbished and enhanced. Originally a space to showcase Penang's history as well as social and cultural milestones of more than a century as seen through the eyes of the E&O Hotel, the Gallery now includes a section on the homes built by E&O, inspired by the heritage and rich history of this cherished icon and the values it espouses.

Supporting Government Initiatives

Over and above the concession rights to reclaim 760 acres for Andaman Island, TPD has also reclaimed 131 acres off the Gurney Drive foreshore for the Penang State Government at its own cost. The Penang State Government has made known that a public park, Gurney Wharf, is slated to be created within the 131 acres on Gurney Drive foreshore.

We have fully handed over the Gurney Wharf reclaimed land to the Penang State Government. Our continuous supports extended with our subsidiary, TPD's appointment as the project manager for the development of Gurney Wharf to assist the Penang State Government in identifying and monitoring the consultants for the development of Gurney Wharf Project.

TPD, appreciating how special Gurney Drive is in the hearts and minds of Penangites as well as Malaysians as a whole, took the initiative to commission leading local and international architects to produce a concept masterplan for Gurney Wharf for the consideration of the state government at TPD's own cost. These award-winning consultants include Malaysia's GDP Architects who produced the overall masterplan; Grant Associates for the landscaping and Jerde International for the retail F&B component.

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

EMPLOYMENT, TALENT MANAGEMENT AND DEVELOPMENT

Employment and Diversity

As at 31 March 2022, E&O Group employs a total number of 456 employees, the majority of whom are permanent, full-time employees and there were no part-time employees. Our Group's employee breakdown, including turnover and new hire, are summarised as follows:

	FY2020		FY2021		FY2022	
	Male	Female	Male	Female	Male	Female
By employment type						
Full-time						
Permanent	346	259	277	233	245	184
Contract/ temporary	12	10	16	12	17	10
Part-time						
Permanent	-	-	-	-	-	-
Contract/ temporary	-	-	-	-	-	-
Subtotal	358	269	293	245	262	194
Total	627		538		456	
By age group						
<30	114	74	98	66	91	54
30-50	172	141	137	127	117	102
>50	72	54	58	52	54	38
subtotal	358	269	293	245	262	194
Total	627		538		456	
By ethnicity						
Bumiputra	200	97	172	91	162	76
Chinese	87	129	70	115	60	88
Indian	63	38	45	33	36	25
Non-Malaysian	3	1	1	1	1	-
Others	5	4	5	5	3	5
subtotal	358	269	293	245	262	194
Total	627		538		456	

	FY2020		FY2021		FY2022	
	Male	Female	Male	Female	Male	Female
Staff Turnover Ratio (turnover number divided by number of employees as at end of previous financial year)	5.8%	11.9%	15.4%	13.8%	13.7%	22.4%
	8.4%		14.7%		17.7%	
Staff New Hire Ratio (new hire number divided by number of employees as at end of financial year)	1.7%	5.9%	6.8%	6.9%	7.3%	9.8%
	3.5%		6.9%		8.3%	

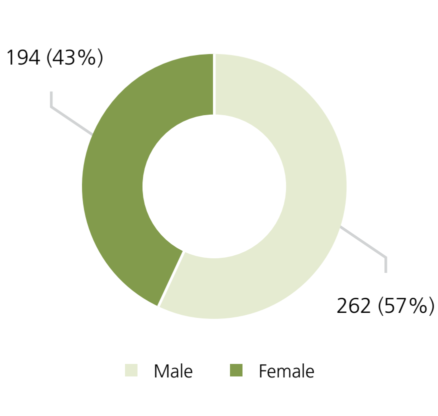
At E&O, we are mindful that a diverse and inclusive workforce is vital for business growth and sustainability. Our workforce planning process includes the consideration to nurture a dynamic work environment and culture of equal opportunity which encourages diversity of qualifications and experiences, age, gender, and ethnicity. We apply a non-discrimination principle in our employment, and do not discriminate against anyone on the basis of race, religion, gender, age, sexual orientation, disabilities, and nationality.

At E&O Hotel, approximately 72% of our staff are covered by a Collective Agreement which is renewed once every three years. E&O Hotel conducts regular engagement with the in-house Union Committee who represents the employees and has direct access to the Director of HR of the E&O Hotel to raise and discuss any issues pertaining to employees' benefits. We also facilitate adequate communication and updates pertaining to staff welfare through a physical notice board located outside our hotel canteen.

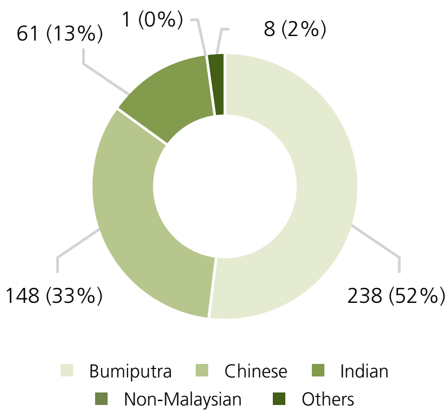
Similar to FY2021, the Group has seen higher turnover due to slower and more challenging business activities during FY2022. We have recorded an estimated overall full-time employee turnover rate of 17.7% and an overall new hire rate of 8.3%.

We continue to maintain a diverse and inclusive workforce to bring greater creativity and innovation, create vibrant workplace and allow wider perspective to be integrated in the business.

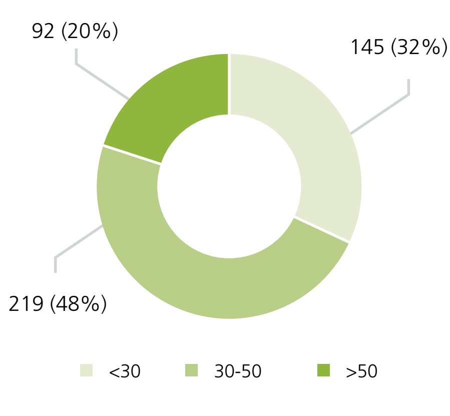
Total employees by gender (31 March 2022)



Total employees by ethnicity (31 March 2022)



Total employees by age group (31 March 2022)



Employee Engagement

At E&O, we believe that to improve the efficiency of our operations and thereby succeed as a company, collaboration and teamwork are key. Upholding E&O's ethos of 5 Work Habits, we advocate mutual information-sharing, a healthy dose of "work-and-play" activities and events.

The Group conducts annual performance appraisals for all employees to facilitate one-to-one discussion between employees and their supervisors or managers, through which both parties are able to review the working relationship with the Group and within their respective departments, as well as to evaluate the individual performance of the employee and identify relevant training needs. We also view this engagement as a forum for us to understand employees more and consider how the Group can enhance the way it functions to support employees in their work.

We believe members who embrace mutual support-shared goals, cooperation and leveraging of each other's talents will achieve a greater sense of accomplishment which essentially promotes workplace synergy. To institutionalise collaboration, the Human Capital Department introduces team synergy activities with the aim of building deeper inter-departmental team spirit. In the past two years, due to the imposition of the various MCO and slowdown in business activities as a result of the COVID-19 pandemic, the way we work has evolved tremendously to adapt to COVID-19 preventive measures. We integrate technologies into innovative solutions to promote engagement with employees, via our intranet portal and cloud-based collaboration tools, which enable us to deploy communication and data access to our staff.

Talent Development

We believe that our people are the driving force of a strong business and that a motivated workforce delivers value to our stakeholders. In the face of an uncertain market outlook, we continue to invest in enhancing the skills and expertise of all staff to ensure their relevance as we journey together ahead.

During the financial year under review, as remote working arrangements continued to be carried out, we employed the digital technology and media applications to upskill staff through online trainings, web-based self-learning and sharing of knowledge via email-blast and intranet.

The Group clocked a total of 10,870 hours of training provided for employees during FY2022, translating to an average of 23.8 hours per employee.

	FY2020	FY2021	FY2022
Group-wide total training hours (hr)	88,711	54,144	10,870
Average training hour per employee (hr)	141.5	100.6	23.8
Percentage of employees attended at least 1 training during the financial year (%)	82	71	90

	FY2022		
	Number of employees	Training hours recorded	Training hours per employee
Executive Management	44	564	12.8
Management	67	1,186	17.7
Executive	71	950	13.4
Non-executive	43	316	7.3
Rank and File	231	7,854	34.0
Total	**456**	**10,870**	**23.8**

A summary of the training topics provided for the Group's employees during FY2022 is as follows:

a) Tax
b) Safety and Compliance
c) Corporate governance and board practices
d) Value creation
e) Sustainability
f) Business Transformation Post-COVID-19
g) Safety and compliance
h) Food Hygiene Standards
i) COVID-19 SOP
j) On-the-job training
k) Orientation

GLOBAL REPORTING INITIATIVE ("GRI") CONTENT INDEX

GRI STANDARD	PROFILE DISCLOSURE		REFERENCE TITLE AND COMMENTS	PAGES
GRI 102: General Disclosures 2016	**ORGANISATIONAL PROFILE**			
	102-1	Name of the organisation	Company Profile	7
			Management Discussion & Analysis	27-33
			Sustainability Statement ("SS") – About This Statement	34
	102-2	Activities, brands, products, and services	Management Discussion & Analysis	27-33
			SS – About This Statement	34
			SS – Sustainability at E&O – Our Value Chain	35
	102-3	Location of headquarters	Corporate Information	17
			Notes to the Financial Statements	135
	102-4	Location of operations	Management Discussion & Analysis	27-33
			SS – About This Statement	34
	102-5	Ownership and legal form	Notes to the Financial Statements	135
	102-6	Markets served	Management Discussion & Analysis	27-33
	102-7	Scale of the organisation	Group Corporate Structure	14-15
			Management Discussion & Analysis	27-33
			SS – Employment, Talent Management and Development – Employment and Diversity	68-69
	102-8	Information on employees and other workers	SS – Employment, Talent Management and Development – Employment and Diversity	68-69
	102-9	Supply chain	SS – Sustainability at E&O – Our Value Chain	35
	102-10	Significant changes to the organisation and its supply chain	SS – About This Statement	34
			SS – Sustainability at E&O – Our Value Chain	35
	102-11	Precautionary Principle or approach	Statement on Risk Management and Internal Control	96-98
	102-12	External initiatives	Not applicable	-
	102-13	Membership of associations	FIABCI-MALAYSIA, MSWG, REHDA[1]	-

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

GRI STANDARD	PROFILE DISCLOSURE		REFERENCE TITLE AND COMMENTS	PAGES
GRI 102: General Disclosures 2016	**STRATEGY**			
	102-14	Statement from senior decision-maker	Chairman's Statement	25
	102-15	Key impacts, risks, and opportunities	Management Discussion & Analysis	27-33
	ETHICS AND INTEGRITY			
	102-16	Values, principles, standards, and norms of behavior	SS – Corporate Governance	45-47
			Board Charter	82, 84
			Code of Conduct and Ethics	84
	102-17	Mechanisms for advice and concerns about ethics	SS – Corporate Governance – Whistleblowing	47
			Anti-Corruption Policy	84
			Whistleblowing Policy	84
	GOVERNANCE			
	102-18	Governance structure	SS – Governance Structure	39
	102-19	Delegating authority	SS – Governance Structure	39
	102-22	Composition of the highest governance body and its committees	Directors' Profile	18-21
	102-23	Chair of the highest governance body	Directors' Profile	18-21
	102-24	Nominating and selecting the highest governance body	Corporate Governance Overview Statement	82-94
	102-28	Evaluating the highest governance body's performance	SS – Our Key Sustainability Performance	36-38
	102-31	Review of economic, environmental, and social topics	SS – Our Material Issues	42
	102-32	Highest governance body's role in sustainability reporting	SS – Governance Structure	39

GLOBAL REPORTING INITIATIVE (“GRI”) CONTENT INDEX

GRI STANDARD	PROFILE DISCLOSURE		REFERENCE TITLE AND COMMENTS	PAGES
GRI 102: General Disclosures 2016	**STAKEHOLDER ENGAGEMENT**			
	102-40	List of stakeholder groups	SS – Stakeholder Engagement	40-41
	102-41	Collective bargaining agreements	SS – Employment, Talent Management and Development – Employment and Diversity	68-69
	102-42	Identifying and selecting stakeholders	SS – Stakeholder Engagement	40-41
	102-43	Approach to stakeholder engagement	SS – Stakeholder Engagement	40-41
	102-44	Key topic and concerns raised	SS – Our Material Issues	42
	REPORTING PRACTICE			
	102-45	Entities included in the consolidated financial statements	SS – About This Statement	34
	102-46	Defining report content and topic Boundaries	SS – Our Material Issues	42
	102-47	List of material topics	SS – Our Material Issues	42
	102-48	Restatements of information	No restatement of information	-
	102-49	Changes in reporting	SS – Our Material Issues	42
	102-50	Reporting period	SS – About This Statement	34
	102-51	Date of most recent report	SS – About This Statement	34
	102-52	Reporting cycle	SS – About This Statement	34
	102-53	Contact point for questions regrading the report	SS – About This Statement	34
	102-54	Claims of reporting in accordance with the GRI Standards	SS – About This Statement	34
	102-55	GRI content index	SS – GRI Content Index	72-79
	102-56	External assurance	SS – About This Statement	34
GRI 307: Environmental Compliance 2016	307-1	Non-compliance with environmental laws and regulations	SS – Compliance with Regulatory Requirements	48-49
			SS – Minising Environmental Impacts	58-59

GRI STANDARD	PROFILE DISCLOSURE		REFERENCE TITLE AND COMMENTS	PAGES
TOPIC-SPECIFIC DISCLOSURES: MATERIAL SUSTAINABILITY MATTER				
	CORPORATE GOVERNANCE			
GRI 103: Management Approach 2016	103-1	Explanation of the material topic and its Boundary	SS – Corporate Governance	45-47
	103-2	The management approach and its components	SS – Corporate Governance	45-47
	103-3	Evaluation of the management approach	SS – Corporate Governance	45-47
GRI 205: Anti-Corruption 2016	205-1	Operations assessed for risks related to corruption	SS – Corporate Governance – Anti-corruption	46
	205-2	Communication and training about anti-corruption policies and procedures	SS – Corporate Governance – Implementation and communication	47
	205-3	Confirmed incidents of corruption and actions taken	SS – Corporate Governance – Implementation and communication	47
	FINANCIAL SUSTAINABILITY			
GRI 103: Management Approach 2016	103-1	Explanation of the material topic and its Boundary	SS – Financial Sustainability	47-48
	103-2	The management approach and its components	SS – Financial Sustainability	47-48
	103-3	Evaluation of the management approach	SS – Financial Sustainability	47-48
GRI 201: Economic Performance 2016	201-1	Direct economic value generated and distributed	SS – Financial Sustainability	47-48
GRI 203: Indirect Economic Impacts 2016	203-1	Infrastructure investments and services supported	SS – Financial Sustainability	47-48
	COMPLIANCE WITH REGULATORY REQUIREMENTS			
GRI 103: Management	103-1	Explanation of the material topic and its Boundary	SS – Compliance with Regulatory Requirements	48-49
	103-2	The management approach and its components	SS – Compliance with Regulatory Requirements	48-49
	103-3	Evaluation of the management approach	SS – Compliance with Regulatory Requirements	48-49

GLOBAL REPORTING INITIATIVE ("GRI") CONTENT INDEX

GRI STANDARD	PROFILE DISCLOSURE		REFERENCE TITLE AND COMMENTS	PAGES
	COMPLIANCE WITH REGULATORY REQUIREMENTS			
GRI 307: Environmental Compliance 2016	307-1	Non-compliance with environmental laws and regulations	SS – Compliance with Regulatory Requirements	48-49
			SS – Minising Environmental Impacts	58-59
GRI 419: Socioeconomic Compliance 2016	419-1	Non-compliance with laws and regulations in the social and economic area	SS – Compliance with Regulatory Requirements	48-49
	OCCUPATIONAL HEALTH AND SAFETY			
GRI 103: Management Approach 2016	103-1	Explanation of the material topic and its Boundary	SS – Occupational Health and Safety	49-51
	103-2	The management approach and its components	SS – Occupational Health and Safety	49-51
	103-3	Evaluation of the management approach	SS – Occupational Health and Safety	49-51
GRI 403: Occupational Health and Safety 2018	403-1	Occupational health and safety management system	SS – Occupational Health and Safety	49-51
	403-2	Hazard identification, risk assessment, and incident investigation	SS – Occupational Health and Safety	49-51
	403-3	Occupational health services	SS – Occupational Health and Safety	49-51
	403-4	Worker participation, consultation, and communication on occupational health and safety	SS – Occupational Health and Safety	49-51
	403-5	Worker training on occupational health and safety	SS – Occupational Health and Safety	49-51
	403-7	Prevention and mitigation of occupational health and safety impacts directly linked by business relationships	SS – Occupational Health and Safety	49-51
	403-9	Work-related injuries	SS – Occupational Health and Safety	49-51

GRI STANDARD	PROFILE DISCLOSURE		REFERENCE TITLE AND COMMENTS	PAGES
	PRODUCT RESPONSIBILITY			
GRI 103: Management Approach 2016	103-1	Explanation of the material topic and its Boundary	SS – Product Responsibility	52-57
	103-2	The management approach and its components	SS – Product Responsibility	52-57
	103-3	Evaluation of the management approach	SS – Product Responsibility	52-57
SASB: Product and Service Labelling	CRE8	Type and number of sustainability certification, rating, and labelling schemes for new construction, management, occupation, redevelopment	SS – Product Responsibility	52-57
GRI 416: Customer Health and Safety 2016	416-2	Incidents of non-compliance concerning the health and safety impacts of products and services	SS – Product Responsibility – Customer and stakeholder involvement	52
	ENERGY CONSERVATION			
GRI 103: Management Approach 2016	103-1	Explanation of the material topic and its Boundary	SS – Energy Management and Efficiency	59-60
	103-2	The management approach and its components	SS – Energy Management and Efficiency	59-60
	103-3	Evaluation of the management approach	SS – Energy Management and Efficiency	59-60
GRI 302: Energy 2016	302-1	Energy consumption within the organisation	SS – Energy Management and Efficiency	59-60
	302-3	Energy intensity	SS – Energy Management and Efficiency	59-60
GRI 305: Emissions 2016	305-2	Energy indirect (Scope 2) GHG emissions	SS – Emissions Management	60-61
	WATER MANAGEMENT			
GRI 103: Management Approach 2016	103-1	Explanation of the material topic and its Boundary	SS – Water Management	61-62
	103-2	The management approach and its components	SS – Water Management	61-62
	103-3	Evaluation of the management approach	SS – Water Management	61-62

GLOBAL REPORTING INITIATIVE ("GRI") CONTENT INDEX

GRI STANDARD	PROFILE DISCLOSURE		REFERENCE TITLE AND COMMENTS	PAGES
GRI 303: Water and Effluents 2018	**WATER MANAGEMENT**			
	303-3	Water withdrawal	SS – Water Management	61-62
	WASTE MANAGEMENT			
GRI 103: Management Approach 2016	103-1	Explanation of the material topic and its Boundary	SS – Waste and Pollution Management	62-65
	103-2	The management approach and its components	SS – Waste and Pollution Management	62-65
	103-3	Evaluation of the management approach	SS – Waste and Pollution Management	62-65
GRI 303: Water and Effluents 2018	303-2	Management of water discharge-related impacts	SS – Waste and Pollution Management	62-65
GRI 306: Waste 2020	306-1	Waste generation and significant waste-related impacts	SS – Waste and Pollution Management	62-65
	306-2	Management of significant waste-related impacts	SS – Waste and Pollution Management	62-65
	306-3	Waste generated	SS – Waste and Pollution Management	62-65
	306-4	Waste diverted from disposal	SS – Waste and Pollution Management	62-65
	306-5	Waste directed to disposal	SS – Waste and Pollution Management	62-65
	MATERIAL SOURCING AND SUPPLY CHAIN MANAGEMENT			
GRI 103: Management Approach 2016	103-1	Explanation of the material topic and its Boundary	SS – Material Sourcing and Supply Chain Management	65-66
	103-2	The management approach and its components	SS – Material Sourcing and Supply Chain Management	65-66
	103-3	Evaluation of the management approach	SS – Material Sourcing and Supply Chain Management	65-66
GRI 204: Procurement Practices 2016	**204-1**	Proportion of spending on local suppliers	SS – Material Sourcing and Supply Chain Management	65-66

GRI STANDARD	PROFILE DISCLOSURE		REFERENCE TITLE AND COMMENTS	PAGES
	COMMUNITY ENGAGEMENT			
GRI 103: Management Approach 2016	103-1	Explanation of the material topic and its Boundary	SS – Community Engagement	66-67
	103-2	The management approach and its components	SS – Community Engagement	66-67
	103-3	Evaluation of the management approach	SS – Community Engagement	66-67
GRI 413: Local Communities 2016	413-1	Operations with local community engagement, impact assessments, and development programs	SS – Community Engagement	66-67
	TALENT ATTRACTION, RETENTION & DEVELOPMENT			
GRI 103: Management Approach 2016	103-1	Explanation of the material topic and its Boundary	SS – Employment, Talent Management and Development	68-71
	103-2	The management approach and its components	SS – Employment, Talent Management and Development	68-71
	103-3	Evaluation of the management approach	SS – Employment, Talent Management and Development	68-71
GRI 401: Employment 2016	401-1	New employee hires and employee turnover	SS – Employment, Talent Management and Development – Employment and Diversity	68-69
GRI 404: Training and Education 2016	404-1	Average hours of training per year per employee	SS – Employment, Talent Management and Development – Talent Development	71
	404-3	Percentage of employees receiving regular performance and career development reviews	SS – Employment, Talent Management and Development – Employee Engagement	70
GRI 405: Diversity and Equal Opportunity 2016	405-1	Diversity of governance bodies and employees	SS – Employment, Talent Management and Development – Employment and Diversity	68-69

CONLAY SERVICED RESIDENCES
KUALA LUMPUR

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 (4th edition) issued by Bursa Securities. This statement provides an overview of the Company's application of the three (3) 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 2022. 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 principal responsibilities of the Board include satisfying itself that the strategic plan supports long-term value creation. Every year, the Board will review its business strategy whereby the strategic planning and annual budget planning comprises financial budget and capital expenditure proposal will be presented for approval by the Board. The Senior Management will provide updates to the Board based on their periodic review of the Group's cashflow position, business development, corporate and other operational matters.

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 Senior Management. The 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.

In line with the new Practice 1.4 of the MCCG, the Chairman of the Board is not a member of the Board Committees to enable objective and independent discussion during Board Committee meetings and to ensure there is check and balance as well as objective review by the Board.

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 Senior 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

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

Nomination, Remuneration and Scheme Committee

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

Risk Management Committee

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 and the Managing Director

The roles of the Chairman and the 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. As the highest-ranking executive of the Group, the position of the Executive Chairman in essence is to steer the Group's businesses and performance of the Group towards achieving the Group's vision and goals. The position of the Managing Director, on the other hand, is to ensure the effective implementation of the Group's business plan and policies established by the Board as well as to manage the daily conduct of the business and affairs to ensure its smooth operation.

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 the management team 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 team 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 has on 22 June 2021 and 23 February 2022 reviewed and approved the revised Board Charter, incorporating refinement of the roles of Directors as well as other enhancements taking into consideration the new practices in the MCCG. The Board Charter clearly identifies the respective roles and responsibilities of the Board, Board Committees, individual Directors and Senior 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.

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, copies have been uploaded on the Company's website at www.easternandoriental.com.

Anti-Corruption Framework and Whistle-Blowing Policy

In response to the introduction of corporate liability to Malaysian commercial organisation for corruption via the Malaysian Anti-Corruption Commission Act 2009 ("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 and 25 May 2022.

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 Board has on 22 June 2021 reviewed and approved the revised Whistle-Blowing Policy, updating the new Audit Committee Chairman of the Company. During the financial year, there was no complaint received on malpractice or wrongdoing involving employee, Senior Management or Director of E&O.

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. In this regard, the Board 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 ("ESG") considerations into decision making and the delivery of outcomes.

As the Board is ultimately accountable for ensuring that sustainability is integrated into the strategic direction of the Group, taking into consideration the new practices and guidance under the MCCG, the Board has approved the revised Directors' Assessment Policy to include a review of the performance of the Board and Senior Management in addressing the Company's material sustainability risks and opportunities. In this regard, a new assessment form has been developed for the annual evaluation of the performance of the Board in terms of sustainability.

To ensure the Company is kept abreast of the sustainability agenda, a briefing on Sustainability Management and Reporting was conducted in April 2022 on a companywide basis. Following this, the Managing Director has issued the inaugural memorandum to all employees on the ESG agenda and urged all to be supportive and be part of the journey toward a sustainable future together. The Managing Director will continue to engage the employees on the ESG agenda.

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

II. Board Composition

Board Composition and Balance

Currently, the Board has six (6) members, of whom three (3) are Executive Directors and three (3) are Independent Non-Executive Directors. In line with Practice 5.2 in the MCCG, half of the Board comprises Independent Directors. 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.

On 22 June 2022, the Board approved the redesignation of an Independent Director as Senior Independent Director to serve as a sounding board to the Chairman and in leading the performance evaluation of the Chairman. The role of the Senior Independent Director has been incorporated in the revised Board Charter.

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.

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

Nomination, Remuneration and Scheme Committee ("NRSC")

The NRSC comprises three (3) members, all of whom are Independent Non-Executive Directors. Details of the members and their attendance of the NRSC Meeting held during the financial year under review are set out as follows:

DIRECTORS	Attendance of NRSC Meeting	%
Mr Khoo Siong Kee *(Chairman, Independent Non-Executive Director)*	3/3	100
Mr Lim Kien Lai @ Lim Kean Lai *(Member, Independent Non-Executive Director)*	3/3	100
Ms Tee Bee Kim *(Member, Independent Non-Executive Director)*	3/3	100

The full Terms of Reference of NRSC is available on the Company's website at www.easternandoriental.com.

The NRSC is primarily responsible for nominating new Directors, assessing annually the effectiveness of the Board, Board Committees and the contribution of Managing Director and each individual Director, recommending to the Board the remuneration of Managing Director, Executive Directors, Non-Executive Directors and Senior Management 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 function of the NRSC is also to review the succession plan and training programmes of the Board and Senior Management to support the business continuity of the Group. Succession planning includes appointing, assessing, training, reviewing the compensation, retention or replacement of Board members, Managing Director and Senior Management where necessary.

The main activities of the NRSC during the financial year ended 31 March 2022 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;
- discussed and recommended the remuneration terms for the Executive Chairman;
- reviewed and recommended the appointment of an Executive Director of the Company;
- discussed and recommended the remuneration terms for the Executive Director; and
- discussed and recommended the gratuity payment to the retired Executive Deputy Chairman.

Tenure of Independent Directors

The Board is mindful of the recommendation of the MCCG 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 and Senior Management Selection Criteria

The NRSC is responsible for determining the selection criteria such as appropriate character, skills, and experience for the Board as a whole and its individual members, including Senior Management with the objective of having a Board and Senior Management with diverse composition, backgrounds and experience in business. The Company adopts the recommendation under Guidance 5.5 of the MCCG where a Company is discouraged from appointing an active politician (as defined in the MCCG) as a member of the Board.

In evaluating the suitability of individual Board members and Senior Management, the NRSC has also considered the strategic direction of the Company and takes into account several factors, including skills, knowledge, expertise, experience, personal and professional ethics, sound business judgment, time commitment to effectively discharge his or her role, background, character, integrity and competence. The Board is mindful of the importance of gender, age and ethnic diversity in the composition of the Board and Senior Management. In this respect, the Board has adopted a Board and Senior Management Diversity Policy which sets out the approach for achieving diversity on the Board of Directors and Senior Management.

The Board recognised the merits of gender diversity on strengthening the performance of the Board and/or Board Committees. For the financial year ended 31 March 2022, there was one (1) woman serving as member 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.

In April 2022, the Board has established the Fit and Proper Policy to ensure that any person to be appointed or re-elected as a Director shall possess the necessary quality and character as well as integrity, competency and commitment to enable the discharge of the responsibilities required of the position in the most effective manner. The Fit and Proper Policy is published on the Company's website at www.easternandoriental.com.

Annual Evaluation of Board, Board Committees and Individual Directors

The NRSC is responsible for conducting an annual performance evaluation of the Board, Board Committees, Managing Director 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 2022 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. In line with the new practice under the MCCG, a new assessment form has been developed for the review of the performance of the Board in addressing the Company's material sustainability risks and opportunities.

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 (including the assessment of the Managing Director) for the financial year ended 31 March 2022 and has subsequently submitted its findings to the Board.

The findings indicated that the Directors, Board and Board Committees have discharged their duties and responsibilities effectively. 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 Senior 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

Board meetings for each year are scheduled before the end of the preceding year to allow the Directors to plan ahead. The Board meets at least five (5) 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 Senior 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	%
Datuk Tee Eng Ho *(Executive Chairman)*	6/6	100
Mr Kok Tuck Cheong *(Managing Director)*	6/6	100
Mr Tee Eng Seng – *appointed with effect from 15 October 2021* *(Executive Director)*	2/2	100
Mr Khoo Siong Kee – *appointed with effect from 12 May 2021* *(Independent Non-Executive Director)*	5/5	100
Mr Lim Kien Lai @ Lim Kean Lai – *appointed with effect from 12 May 2021* *(Independent Non-Executive Director)*	5/5	100
Ms Tee Bee Kim – *appointed with effect from 12 May 2021* *(Independent Non-Executive Director)*	5/5	100
Dato' Azizan bin Abd Rahman – *resigned with effect from 12 May 2021* *(Chairman, Independent Non-Executive Director)*	1/1	100
Dato' Seri Tham Ka Hon – *retired with effect from 25 August 2021* *(Executive Deputy Chairman)*	3/4	75
Mdm Kok Meng Chow – *resigned with effect from 12 May 2021* *(Finance Director)*	1/1	100
Tan Sri Dato' Seri Mohd Bakke bin Salleh – *resigned with effect from 10 May 2021* *(Non-Independent Non-Executive Director)*	1/1	100
Encik Kamil Ahmad Merican – *resigned with effect from 12 May 2021* *(Non-Independent Non-Executive Director)*	1/1	100
Datuk Vijeyaratnam a/l V. Thamotharam Pillay – *resigned with effect from 12 May 2021* *(Independent Non-Executive Director)*	1/1	100
Datuk Christopher Martin Boyd – *resigned with effect from 12 May 2021* *(Independent Non-Executive Director)*	1/1	100
Ms Tan Kar Leng @ Chen Kar Leng – *resigned with effect from 12 May 2021* *(Independent Non-Executive Director)*	1/1	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 the Senior 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 and Induction

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. In addition, the Company organises an induction programme and orientation for new Directors.

During the financial year under review, induction programmes were conducted for the following Directors:

i. Mr Khoo Siong Kee
ii. Mr Lim Kien Lai @ Lim Kean Lai
iii. Ms Tee Bee Kim
iv. Mr Tee Eng Seng

The newly appointed Directors were given a briefing on the structure of the Board, roles and responsibilities, schedule of meetings for the year, board policies and procedures, business and governance matters requiring the new Directors' attention. A "Board Pack" consisting of documents such as Board Charter, Code of Conduct and Ethics, Terms of Reference of relevant Board Committees, and relevant Board Policies and Procedures was provided for their reference.

The Board has reviewed the training needs of the Directors and one (1) in-house training session for Directors and Senior Management was conducted during the financial year ended 31 March 2022.

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

DIRECTORS	SEMINARS/WORKSHOPS/COURSES
Datuk Tee Eng Ho	• ESG Investing: More Than Just "Doing Good" • 2022 Budget Seminar • Briefing on Directors & Officers Liability Insurance
Mr Kok Tuck Cheong	• ESG Investing: More Than Just "Doing Good"
Mr Tee Eng Seng	• 2022 Budget Seminar • Briefing on Directors & Officers Liability Insurance
Mr Khoo Siong Kee	• ESG Investing: More Than Just "Doing Good" • National Tax Conference 2021 • Case Study-Based MFRS Webinar: MFRS 15 Revenue from Contracts with Customers MPERS Sections 23 & 34 • 2022 Budget Seminar • MIA Webinar Series: A Comprehensive Review of Latest Developments in MFRS • Audit Oversight Board conversation with Audit Committees • Case Study-Based MFRS Webinar: Agriculture, Horticulture and Aquaculture Case Studies in MFRS and MPERS Financial Reporting • Briefing on Directors & Officers Liability Insurance

DIRECTORS	SEMINARS/WORKSHOPS/COURSES
Mr Lim Kien Lai @ Lim Kean Lai	• ESG Investing: More Than Just "Doing Good" • The Healthy Board: Achieving Optimum Health at Board Level • Audit Oversight Board conversation with Audit Committees • Briefing on Directors & Officers Liability Insurance
Ms Tee Bee Kim	• ESG Investing: More Than Just "Doing Good" • The Healthy Board: Achieving Optimum Health at Board Level • Audit Oversight Board conversation with Audit Committees • Briefing on Directors & Officers Liability Insurance

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.

During the financial year, the NRSC has recommended 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 Directors' Fees and Meeting Allowance for the Non-Executive Directors, for the financial year ended 31 March 2022 is as follows:

Position	Directors' Fees (RM)	Meeting Allowance (RM)
Senior Independent Director	90,000 per annum	500 per meeting
Non-Executive Directors (excluding Senior Independent Director)	70,000 per annum	500 per meeting

The detailed disclosure on named basis for the remuneration of individual Directors/Senior Management 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 revised Terms of Reference, provides that a former key audit partner to observe a cooling-off period of at least three (3) 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.

The AC comprises three (3) members, all of whom are Independent Non-Executive Directors as follows:

DIRECTORS
Mr Khoo Siong Kee *(Chairman, Independent Non-Executive Director)*
Mr Lim Kien Lai @ Lim Kean Lai *(Member, Independent Non-Executive Director)*
Ms Tee Bee Kim *(Member, Independent Non-Executive Director)*

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 Senior 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. In line with the Code, an evaluation on the performance of the External Auditors has been conducted during the financial year.

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").

The RMC comprises three (3) members, all of whom are Independent Non-Executive Directors as follows:

DIRECTORS
Mr Khoo Siong Kee *(Chairman, Independent Non-Executive Director)*
Mr Lim Kien Lai @ Lim Kean Lai *(Member, Independent Non-Executive Director)*
Ms Tee Bee Kim *(Member, Independent Non-Executive Director)*

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 the Senior Management has taken the necessary steps to mitigate such risks and recommends actions, where necessary.

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.

On 22 June 2021, the Board has reviewed and approved the revised CDPP, to better define the policy aim, disclosure requirements and procedures.

Insider Trading

As governed by the CDPP, the relevant Directors, Senior Management and employees who may be regarded as insider are not to trade on the basis of material information which is not known to the investing public and to tip off or inform another person of such material information. No insider trading was reported during the financial year under review.

Leverage on Information Technology for Effective Dissemination of Information

The Group recognises the importance to maintain regular and proactive communication with its shareholders and stakeholders. The Corporate Investment & Planning Department is tasked to provide the avenue for two-way communication between the Group and its shareholders, investors and the media.

The corporate website at www.easternandoriental.com 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 on the said website.

The Group also conducts regular dialogues with financial analysts. The analysts' briefings are usually held after the release of the financial results to provide the opportunity for any clarification and/or feedback. During the year, the group has conducted two (2) analysts' briefings after the release of the financial results.

After AGM, a press conference will be held to provide opportunities for the media to engage with the Board, to interview and raise any questions of their concern regarding the business of E&O. The presentation material and Questions and Answers are available at the corporate website.

II. Conduct of Annual General Meetings

In line with the Government's initiative and the Securities Commission Guidance Note, the Ninety-Fourth Annual General Meeting ("94th 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.

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, the Directors and Senior Management have attended the 94th AGM remotely. Dato' Seri Tham Ka Hon has given notice that he was not seeking for re-election as a Director at the 94th AGM of the Company held on 25 August 2021. Accordingly, he retired as a Director at the conclusion of the 94th AGM of the Company. The attendance of the Board of Directors gave the opportunity for shareholders to effectively engage with the Directors as well as raise questions directly to those responsible. The members of the Senior Management have also attended the 94th AGM virtually to facilitate and support the engagement session between the Board and shareholders during the AGM.

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.

CONLAY SERVICED RESIDENCES
KUALA LUMPUR

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 2022 ("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, Senior 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, who bring a mix of relevant business and management knowledge and experience, assisting the Board in carrying out, among others, the responsibility of overseeing the Group's risk management framework and policies.

(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 the Senior Management before tabling to the Risk Management Committee.

(iii) The Risk Management Committee meets on a half yearly 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. The Risk Management Committee may invite any person from the management team across the Group to be in attendance at any meetings 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 team 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 team'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 Senior 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 Senior Management, which comprises the overall attitude, awareness and actions of Directors and Senior 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 Senior Management;
- Periodic review and update of the Group's cashflow position, business development, corporate and other operational matters by the Senior 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.

(vi) Information Technology (IT)
- Established IT policies and procedures;
- Data protection through regular system checks; and
- Employees awareness programmes on cyber risks.

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 Senior Management and various Board Committees as well as reliance on written confirmations by the management team.

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 2022.

AUDIT COMMITTEE REPORT

COMPOSITION OF THE AUDIT COMMITTEE

Currently, the members of the Audit Committee are as follows:

Directors
Mr. Khoo Siong Kee *Independent Non-executive Director (Chairman)*
Mr. Lim Kien Lai @ Lim Kean Lai *Independent Non-executive Director (Member)*
Ms. Tee Bee Kim *Independent Non-executive Director (Member)*

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 and the Chairman of the Audit Committee is not the Chairman of the Board. The Chairman, Mr. Khoo Siong Kee 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 2022 the Nomination, Remuneration and Scheme Committee was satisfied that the Audit Committee and each of its members had carried out their duties in accordance with the terms of reference and the result of the assessment was reported to the Board.

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 2022. The details of attendance of the Audit Committee Members are as follows:

NAME OF COMMITTEE MEMBERS	TOTAL MEETINGS ATTENDED	%
1. Mr. Khoo Siong Kee	5/5	100
2. Mr. Lim Kien Lai @ Lim Kean Lai	5/5	100
3. Ms. Tee Bee Kim	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 2022:

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.

(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 the presence of the Management.

(iv) Reviewed the independence of the External Auditor.

Internal Audit

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

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

(ii) Reviewed the general mandate and procedures for recurrent related party transactions to ascertain 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 2022 are as follows:

(i) formulated annual risk-based audit plan taking into account the Group's key risks and feedback from Senior Management and 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 2022, the internal audit reviews were conducted to assess the adequacy and effectiveness of the Group's internal control over the following business processes:

(i) Anti-corruption programme
(ii) Corporate planning and treasury management

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 2022 amounted to RM78,960.46.

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 2022 RM'000	Deviations* RM'000	Balance to be utilised as at 31 March 2022 RM'000
Loan repayment, development cost, infrastructure costs on STP2A, working capital	750,000	475,100	4,307	279,207
Reclamation cost of STP 2B & 2C, working capital	200,000	27,000	0	173,000
Repayment of intercompany amount	170,000	170,000	0	0
Payment of land premium	180,000	175,693	(4,307)	0
Total	**1,300,000**	**847,793**	**0**	**452,207**

Note: *All the payment of land premium have been fully paid. The balance of RM4.307 million will be utilised for infrastructure costs on STP2A.

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)**
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)**

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 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)**
Number of LTIP Share 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)**
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)**

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 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)**
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 2022, 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%.

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 2022 are set out below:

	Company (RM)	Group (RM)
Audit Fees	83,000	757,000
Non-Audit Fees	15,000	35,000
Total	**98,000**	**792,000**

4. MATERIAL CONTRACTS

Other than those disclosed in Note 33 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 2022 or entered into since the end of the previous financial year ended 31 March 2021.

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

On 25 August 2021, 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 2022 are as follows:

CATEGORIES OF TRANSACTIONS	TRANSACTING PARTY	RELATED PARTY	VALUE OF TRANSACTIONS RM'000
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	Kerjaya Prospek (M) Sdn Bhd & Gamuda Engineering Sdn Bhd Joint Venture, Kerjaya Prospek (M) Sdn Bhd and Future Rock Sdn Bhd	Datuk Tee Eng Ho and Mr Tee Eng Seng[1]	538,851

Notes:

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

AVIRA GARDEN TERRACES
MEDINI ISKANDAR
JOHOR

FINANCIAL STATEMENTS 2022

DIRECTORS' REPORT

The Directors have pleasure in presenting their report together with the audited financial statements of the Group and of the Company for the financial year ended 31 March 2022.

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
Profit for the financial year	67,819	77,020
Attributable to:		
Owners of the parent	63,760	77,020
Non-controlling interests	4,059	–
	67,819	77,020

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 reversal of impairment loss on right-of-use assets, fair value gain on other investments at fair value through profit or loss, fair value gain on investment properties and unrealised loss on foreign exchange of the Group and net reversal of impairment loss on interest in subsidiaries of the Company as disclosed in Notes 6 and 8 to the financial statements respectively.

DIVIDEND

No dividend has been paid or declared by the Company since the end of the previous financial year.

The Directors do not recommend the payment of any dividend in respect of the financial year ended 31 March 2022.

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:

Datuk Tee Eng Ho*	
Kok Tuck Cheong*	
Khoo Siong Kee	*(Appointed on 12 May 2021)*
Lim Kien Lai @ Lim Kean Lai	*(Appointed on 12 May 2021)*
Tan Bee Kim	*(Appointed on 12 May 2021)*
Tee Eng Seng	*(Appointed on 15 October 2021)*
Dato' Seri Tham Ka Hon^	*(Retired on 25 August 2021)*
Tan Sri Dato' Seri Mohd Bakke bin Salleh	*(Resigned on 10 May 2021)*
Dato' Azizan bin Abd Rahman^	*(Resigned on 12 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)*

* 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.

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:

Kok Meng Chow	
Tan Hwee Hian	
Yeonzon Yeow Tzui Tzuan	
Loi Kok Mun	
Renata Agnes Pellegrino	
Aziz bin Bakar	
Mohd Hizzan bin Abdul Hamid	*(Appointed on 1 October 2021)*
Saari bin Din	*(Appointed on 31 December 2021)*
Chai Kim-Lyn	*(Resigned on 30 June 2021)*
Lum Kwok Weng @ Lum Kok Weng	*(Resigned on 1 September 2021)*
Syahid bin Mohd Zain	*(Resigned on 30 September 2021)*
Dato' Mohd Bazid bin Abd Kahar	*(Resigned on 31 December 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 33 to the financial statements.

DIRECTORS' BENEFITS (CONT'D)

The Directors' benefits are as follows:

	GROUP RM'000	COMPANY RM'000
Fees	283	283
Salaries and other emoluments	3,868	1,362
Defined contribution plans	572	204
Estimated monetary value of benefits-in-kind	47	42
	4,770	1,891
Insurance effected to indemnify Directors*	29	29
	4,799	1,920

* 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 RM20,000,000.

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

	I---------------------- NUMBER OF ORDINARY SHARES ---------------------I			
	1 APRIL 2021/ DATE OF APPOINTMENT	ACQUIRED	SOLD	31 MARCH 2022
Direct interests:				
Kok Tuck Cheong	–	800,000	–	800,000
Khoo Siong Kee	125,000	–	–	125,000
Lim Kien Lai @ Lim Kean Lai	10,000	–	–	10,000
Indirect interests:				
Datuk Tee Eng Ho	505,259,926	207,610,123	–	712,870,049
Tee Eng Seng	712,585,555	–	–	712,585,555

Datuk Tee Eng Ho and Tee Eng Seng by virtue of their interest in ordinary shares in the Company are 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.

ISSUE OF SHARES

During the financial year, the Company increased its issued and paid-up ordinary share capital from RM1,521,802,000 to RM1,535,185,000 by way of issuance of 19,796,958 new ordinary shares for the purpose of acquisition of the remaining non-controlling interests in a subsidiary at an issue price of RM0.676 per ordinary share.

The new ordinary shares issued during the financial year rank pari passu in all respects with the existing ordinary shares of the Company.

TREASURY SHARES

As at 31 March 2022, the Company held as treasury shares a total of 25,592,596 of its 1,476,738,479 issued ordinary shares. Such treasury shares are held at a carrying amount of RM28,160,000 and further relevant details are disclosed in Note 30 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.

OTHER STATUTORY INFORMATION (CONT'D)

(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 41 to the financial statements.

SIGNIFICANT EVENT

Details of significant event are disclosed in Note 42 to the financial statements.

SUBSEQUENT EVENT

Details of subsequent 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	346	83
Other auditors	411	–
	757	83

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 2022.

Signed on behalf of the Board in accordance with a resolution of the Directors dated 24 June 2022.

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 122 to 245 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 2022 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 24 June 2022.

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 122 to 245 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 24 June 2022

KOK MENG CHOW
MIA no. 6185

Before me,

SITI NURBAYA BINTI MOHD BISHARUDDIN
NO. W738
Commissioner of Oaths

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 2022 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 122 to 245.

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 2022, 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 and cost of sales

(Refer to Notes 2.20(1), 3.2(a), 4 and 5 to the financial statements)

A significant proportion of the Group's revenues and profits are derived from property development contracts which span more than one accounting period. For the financial year ended 31 March 2022, property development revenue of RM81,036,000 and cost of sales of RM29,593,000 representing 58% of the Group's total revenue and 48% of the Group's total cost of sales are recognised over time. For property development contracts where revenue is recognised over time, the Group uses the input method which is based on the property development costs incurred to date as a proportion of the estimated total property development costs to be incurred for the respective development projects in accounting for the progress towards complete satisfaction of the Group's performance obligation.

We identified revenue and cost of sales from property development activities as areas requiring audit focus as significant management's judgement and estimates are involved in estimating the total property development costs which include the common infrastructure costs (which is used to determine the progress towards complete satisfaction of the Group's performance obligation and gross profit margin of the property development activities undertaken by the Group).

Key audit matters (cont'd)

(a) Revenue and cost of sales (cont'd)

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

- We obtained an understanding of the internal controls over the accuracy and timing of revenue recognised in the financial statements, including controls performed by management in estimating the total development costs, profit margin and progress towards complete satisfaction of the Group's performance obligation of the property development activities;

- We read the sale and purchase agreements entered into with the customers to obtain an understanding of the specific terms and conditions;

- We evaluated the assumptions applied in estimating the total property development costs including the provisions and allocations of common infrastructure costs for the property development projects by examining documentary evidence such as letters of award issued to contractors to support the total budgeted costs. We also considered the historical accuracy of management's forecasts for similar property development projects in evaluating the estimated total property development costs to be incurred;

- We evaluated the determination of the progress towards complete satisfaction of the Group's performance obligation by examining supporting evidence such as contractors' progress claims and architect certificates; and

- We observed the progress of the property development phases by performing site visit and examined physical progress reports. We also discussed the status of on-going property development phases with management.

(b) Net realisable value of property development costs classifies as inventories

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

The Group has significant property development costs amounted to RM416,385,000 representing 12% of the Group's total assets as at 31 March 2022 in relation to the residential and commercial properties in the United Kingdom ("UK") which are currently undergoing redevelopment.

We consider 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:

- We involved our component auditors in UK in performing, amongst others, the following to evaluate the net realisable value of these properties where the Group engaged independent valuers to estimate the net realisable value:

  – 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 property development costs.

(c) *Valuation of investment properties*

(Refer to Notes 2.10, 2.28, 3.2(b), 6 and 17 to the financial statements)

The Group adopts fair value model for its investment properties. As at 31 March 2022, the carrying amount of the Group's investment properties was RM435,254,000 representing 13% of the Group's total assets, and the Group recognised a fair value gain on investment properties of RM80,779,000 for the current financial year ended 31 March 2022.

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.

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.

Auditors' responsibilities for the audit of the financial statements

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

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

- Identify and assess the risks of material misstatement of the financial statements of the Group and of the Company, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control;

- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Group's and of the Company's internal control;

- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the Directors;

- 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
03374/06/2024 J
Chartered Accountant

Kuala Lumpur, Malaysia
24 June 2022

STATEMENTS OF COMPREHENSIVE INCOME
FOR THE FINANCIAL YEAR ENDED 31 MARCH 2022

	NOTE	GROUP 2022 RM'000	GROUP 2021 RM'000	COMPANY 2022 RM'000	COMPANY 2021 RM'000
Revenue	4	**140,496**	304,725	**29,730**	96,451
Cost of sales	5	**(61,682)**	(181,953)	**–**	–
Gross profit		**78,814**	122,772	**29,730**	96,451
Other income	6	**147,198**	75,397	**70,582**	12,047
Administrative expenses		**(57,148)**	(36,010)	**(20,643)**	(9,440)
Selling and marketing expenses		**(4,205)**	(3,386)	**–**	–
Other expenses		**(51,217)**	(166,874)	**(510)**	(68,882)
Operating profit/(loss)		**113,442**	(8,101)	**79,159**	30,176
Finance costs	7	**(26,128)**	(33,791)	**(1,896)**	(3,771)
Share of results of joint ventures		**(4,778)**	(6,146)	**–**	–
Profit/(loss) before tax	8	**82,536**	(48,038)	**77,263**	26,405
Income tax expense	11	**(14,717)**	(21,187)	**(243)**	(254)
Profit/(loss) for the financial year		**67,819**	(69,225)	**77,020**	26,151
Other comprehensive income/(loss) to be reclassified to profit or loss in subsequent periods (net of tax):					
Foreign currency translation		**5,578**	(12,629)	**–**	–
Recycled foreign currency translation to profit or loss		**1,385**	–	**–**	–
		6,963	(12,629)	**–**	–
Total comprehensive income/(loss) for the financial year		**74,782**	(81,854)	**77,020**	26,151

	NOTE	GROUP 2022 RM'000	GROUP 2021 RM'000	COMPANY 2022 RM'000	COMPANY 2021 RM'000
Profit/(loss) attributable to:					
Owners of the parent		**63,760**	(71,741)	**77,020**	26,151
Non-controlling interests	19(c)	**4,059**	2,516	**–**	–
		67,819	(69,225)	**77,020**	26,151
Total comprehensive income/(loss) for the financial year attributable to:					
Owners of the parent		**70,723**	(84,370)	**77,020**	26,151
Non-controlling interests	19(c)	**4,059**	2,516	**–**	–
		74,782	(81,854)	**77,020**	26,151
Earnings/(loss) per ordinary share attributable to owners of the parent (sen):					
Basic	12	**4.43**	(5.01)		
Diluted	12	**4.43**	(5.01)		

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

CONSOLIDATED STATEMENT OF FINANCIAL POSITION

AS AT 31 MARCH 2022

	NOTE	2022 RM'000	2021 RM'000
ASSETS			
Non-current assets			
Property, plant and equipment	14	**231,711**	241,371
Right-of-use assets	15	**28,684**	4,546
Inventories	16	**1,812,500**	1,721,776
Investment properties	17	**435,254**	358,239
Intangible assets	18	**35**	62
Investment in joint ventures	20	**120,386**	121,784
Other investments	21	**–**	8,966
Deferred tax assets	22	**27,433**	23,971
Trade and other receivables	24	**2,176**	2,078
		2,658,179	2,482,793
Current assets			
Inventories	16	**458,404**	433,597
Trade and other receivables	24	**60,693**	194,310
Prepayments		**6,113**	9,381
Tax recoverable		**3,387**	3,232
Contract assets	4(b)	**2,321**	964
Contract cost assets	23	**26,945**	21,517
Cash and bank balances	25	**137,991**	469,298
		695,854	1,132,299
Total assets		**3,354,033**	3,615,092

	NOTE	2022 RM'000	2021 RM'000
EQUITY AND LIABILITIES			
Current liabilities			
Loans and borrowings	26	**76,414**	143,372
Provisions	27	**–**	2,300
Trade and other payables	28	**93,622**	287,597
Contract liabilities	4(b)	**158,895**	200,558
Lease liabilities	15	**6,575**	15,417
Provision for retirement benefits	32(a)	**26**	15
Income tax payable		**835**	3,123
		336,367	652,382
Net current assets		**359,487**	479,917
Non-current liabilities			
Loans and borrowings	26	**1,106,957**	1,123,277
Provisions	27	**1,124**	1,185
Trade and other payables	28	**20,712**	10,571
Contract liabilities	4(b)	**18,548**	18,103
Lease liabilities	15	**37,306**	52,853
Provision for retirement benefits	32(a)	**504**	466
Deferred tax liabilities	22	**41,731**	39,839
		1,226,882	1,246,294
Total liabilities		**1,563,249**	1,898,676
Net assets		**1,790,784**	1,716,416
Equity attributable to owners of the parent			
Share capital	29	**1,535,185**	1,521,802
Treasury shares	30	**(28,160)**	(28,160)
Reserves	31	**246,583**	175,137
		1,753,608	1,668,779
Non-controlling interests	19(c)	**37,176**	47,637
Total equity		**1,790,784**	1,716,416
Total equity and liabilities		**3,354,033**	3,615,092

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

COMPANY STATEMENT OF FINANCIAL POSITION
AS AT 31 MARCH 2022

	NOTE	2022 RM'000	2021 RM'000
ASSETS			
Non-current assets			
Property, plant and equipment	14	**1,071**	1,375
Right-of-use assets	15	**3,684**	4,546
Intangible assets	18	**–**	–
Interest in subsidiaries	19	**1,551,550**	1,452,501
Other receivables	24	**292**	277
Deferred tax assets	22	**–**	–
		1,556,597	1,458,699
Current assets			
Other receivables	24	**106,998**	104,045
Prepayments		**159**	182
Tax recoverable		**–**	52
Cash and bank balances	25	**26,516**	114,956
		133,673	219,235
Total assets		**1,690,270**	1,677,934

	NOTE	2022 RM'000	2021 RM'000
EQUITY AND LIABILITIES			
Current liabilities			
Loans and borrowings	26	**10,000**	32,510
Trade and other payables	28	**21,404**	66,209
Lease liabilities	15	**842**	755
Income tax payable		**4**	–
		32,250	99,474
Net current assets		**101,423**	119,761
Non-current liabilities			
Loans and borrowings	26	**15,000**	25,000
Provisions	27	**857**	857
Lease liabilities	15	**3,157**	4,000
		19,014	29,857
Total liabilities		**51,264**	129,331
Net assets		**1,639,006**	1,548,603
Equity attributable to owners of the parent			
Share capital	29	**1,535,185**	1,521,802
Treasury shares	30	**(28,160)**	(28,160)
Reserves	31	**131,981**	54,961
Total equity		**1,639,006**	1,548,603
Total equity and liabilities		**1,690,270**	1,677,934

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 2022

		ATTRIBUTABLE TO OWNERS OF THE PARENT							
			NON-DISTRIBUTABLE			DISTRIBUTABLE			
	NOTE	SHARE CAPITAL RM'000	TREASURY SHARES RM'000	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
At 1 April 2021		1,521,802	(28,160)	(17,055)	106	192,086	1,668,779	47,637	1,716,416
Profit for the financial year		–	–	–	–	63,760	63,760	4,059	67,819
Other comprehensive income		–	–	6,963	–	–	6,963	–	6,963
Total comprehensive income for the financial year		–	–	6,963	–	63,760	70,723	4,059	74,782
Transaction with owners									
Acquisition of remaining equity interest in a subsidiary representing total transaction with owners	29	13,383	–	–	–	723	14,106	(14,520)	(414)
At 31 March 2022		**1,535,185**	**(28,160)**	**(10,092)**	**106**	**256,569**	**1,753,608**	**37,176**	**1,790,784**

		ATTRIBUTABLE TO OWNERS OF THE PARENT							
			NON-DISTRIBUTABLE			DISTRIBUTABLE			
	NOTE	SHARE CAPITAL RM'000	TREASURY SHARES RM'000	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
At 1 April 2020		1,521,802	(28,160)	(4,426)	1,026	277,220	1,767,462	45,121	1,812,583
(Loss)/profit for the financial year		–	–	–	–	(71,741)	(71,741)	2,516	(69,225)
Other comprehensive loss		–	–	(12,629)	–	–	(12,629)	–	(12,629)
Total comprehensive loss for the financial year		–	–	(12,629)	–	(71,741)	(84,370)	2,516	(81,854)
Transactions with owners									
Winding up of subsidiaries		–	–	–	(920)	920	–	–	–
Dividend on ordinary shares	13	–	–	–	–	(14,313)	(14,313)	–	(14,313)
Total transactions with owners		–	–	–	(920)	(13,393)	(14,313)	–	(14,313)
At 31 March 2021		1,521,802	(28,160)	(17,055)	106	192,086	1,668,779	47,637	1,716,416

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

COMPANY STATEMENT OF CHANGES IN EQUITY
FOR THE FINANCIAL YEAR ENDED 31 MARCH 2022

	NOTE	SHARE CAPITAL RM'000	NON-DISTRIBUTABLE TREASURY SHARES RM'000	DISTRIBUTABLE RETAINED PROFITS RM'000	TOTAL EQUITY RM'000
At 1 April 2021		1,521,802	(28,160)	54,961	1,548,603
Profit for the financial year, representing total comprehensive income for the financial year		–	–	77,020	77,020
Transaction with owners					
Acquisition of remaining equity interest in a subsidiary	29	13,383	–	–	13,383
At 31 March 2022		**1,535,185**	**(28,160)**	**131,981**	**1,639,006**

	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

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 2022

	2022 RM'000	2021 RM'000
OPERATING ACTIVITIES		
Profit/(loss) before tax	**82,536**	(48,038)
Adjustments for:		
Allowances for expected credit losses on:		
- trade receivables	**660**	1,039
Amortisation of intangible assets	**13**	18
Depreciation of property, plant and equipment	**17,726**	16,761
Depreciation of right-of-use assets	**862**	5,657
Investment properties under construction written off	**21**	–
Bad debts written off	**133**	4
Net fair value (gain)/loss on investment properties	**(80,779)**	37,377
Unwinding of discounts - net	**(1,319)**	159
Fair value gain on other investments at fair value through profit or loss	**(8,518)**	(5,477)
Interest expense	**25,928**	32,782
Other inventories written off	**–**	156
Property, plant and equipment written off	**301**	168
(Reversal of impairment loss)/impairment loss on right-of-use assets	**(45,845)**	31,913
(Write back of property development cost)/property development costs written down	**(702)**	64,520
Reversal of expected credit losses on trade receivables	**(19)**	(4)
Gain on disposal of property, plant and equipment	**(534)**	(16)
Unrealised loss/(gain) on foreign exchange	**23,180**	(43,801)
(Reversal of impairment loss)/impairment loss on property, plant and equipment	**(5)**	31
Interest income	**(4,224)**	(7,273)
Share of results of joint ventures	**4,778**	6,146
Reversal of provision for estimated repair costs	**–**	(2,790)
Provision for retirement benefits	**68**	79
Operating profit before changes in working capital	**14,261**	89,411
Changes in working capital:		
Inventories	**(113,767)**	(116,940)
Receivables	**110,398**	(24,858)
Payables	**(227,696)**	94,503
Contract cost assets	**19,625**	3,429
Cash flows (used in)/from operations	**(197,179)**	45,545
Interest received	**5,548**	6,668
Interest paid	**(48,685)**	(46,859)
Income taxes refunded	**10**	–
Income taxes paid	**(18,918)**	(24,977)
Retirement benefits paid	**(19)**	(33)
Net cash flows used in operating activities	**(259,243)**	(19,656)

CONSOLIDATED STATEMENT OF CASH FLOWS

FOR THE FINANCIAL YEAR ENDED 31 MARCH 2022 (CONT'D)

	2022 RM'000	2021 RM'000
INVESTING ACTIVITIES		
Purchase of property, plant and equipment	**(8,670)**	(2,505)
Purchase of intangible assets	**–**	(62)
Purchase of investment properties/investment properties under construction		
- addition and subsequent expenditures	**(1,735)**	(12,817)
Proceeds from disposal of property, plant and equipment	**745**	17
Proceeds from disposal of other investments	**17,484**	–
Dividend received from joint ventures	**–**	15,300
Net cash flows from/(used in) investing activities	**7,824**	(67)
FINANCING ACTIVITIES		
Drawdown of borrowings	**483,693**	428,294
Repayment of borrowings	**(541,465)**	(187,002)
Repayment of obligations under finance lease	**(774)**	(506)
Repayment of lease liabilities	**(7,019)**	(1,019)
Dividend paid	**–**	(14,313)
(Placement)/withdrawal of deposits with licensed banks	**(2,026)**	5,492
Net cash flows (used in)/from financing activities	**(67,591)**	230,946
Net (decrease)/increase in cash and cash equivalents	**(319,010)**	211,223
Effect of exchange rate changes	**5,578**	(12,629)
Cash and cash equivalents at the beginning of financial year	**435,281**	236,687
Cash and cash equivalents at the end of financial year (Note 25)	**121,849**	435,281

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 2022

	2022 RM'000	2021 RM'000
OPERATING ACTIVITIES		
Profit before tax	**77,263**	26,405
Adjustments for:		
Unwinding of discounts - net	**(15)**	35
Allowance for expected credit losses on other receivables	**–**	2,971
Depreciation of property, plant and equipment	**439**	369
Depreciation of right-of-use assets	**862**	870
Net (reversal of impairment loss)/impairment loss on interest in subsidiaries	**(64,157)**	57,128
Interest expense	**1,896**	3,736
Unrealised loss/(gain) on foreign exchange	**6**	(13)
Dividend income	**(23,726)**	(90,236)
Interest in a subsidiary written off	**485**	–
Reversal of expected credit losses on other receivables	**(3,708)**	–
Interest income	**(2,198)**	(994)
Gain on disposal of property, plant and equipment	**(12)**	–
Property, plant and equipment written off	**2**	9
Operating (loss)/profit before changes in working capital	**(12,863)**	280
Changes in working capital:		
Receivables	**(10)**	25
Payables	**1,092**	(5,421)
Cash flows used in operations	**(11,781)**	(5,116)
Interest paid	**(1,705)**	(4,998)
Income taxes paid	**(187)**	(1,377)
Net cash flows used in operating activities	**(13,673)**	(11,491)
INVESTING ACTIVITIES		
Purchase of property, plant and equipment	**(168)**	(51)
Proceeds from disposal of property, plant and equipment	**43**	–
(Advances to)/repayment of advances from subsidiaries	**(67,403)**	68,991
Dividends received	**23,726**	90,236
Interest received	**2,561**	631
Net cash flows (used in)/from investing activities	**(41,241)**	159,807

COMPANY STATEMENT OF CASH FLOWS

FOR THE FINANCIAL YEAR ENDED 31 MARCH 2022 (CONT'D)

	2022 RM'000	2021 RM'000
FINANCING ACTIVITIES		
Repayment of borrowings	**(15,000)**	(150,000)
Repayment of lease liabilities	**(1,016)**	(973)
Dividends paid	**–**	(14,313)
Net cash flows used in financing activities	**(16,016)**	(165,286)
Net decrease in cash and cash equivalents	**(70,930)**	(16,970)
Cash and cash equivalents at the beginning of financial year	**96,946**	113,916
Cash and cash equivalents at the end of financial year (Note 25)	**26,016**	96,946

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

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 24 June 2022.

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 2021 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 2021, 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 2021.

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

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

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

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
• Annual Improvements to MFRSs 2018 - 2020	1 January 2022
• Amendments to MFRS 3: *Reference 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 and Disclosure of Accounting Policies*	1 January 2023
• MFRS 17: *Insurance Contracts*	1 January 2023
• Amendments to MFRS 17: *Insurance Contracts*	1 January 2023
• Amendments to MFRS 17: *Initial Application of MFRS 17 and MFRS 9 - Comparative Information*	1 January 2023
• Amendments to MFRS 108: *Disclosure of Accounting Estimates*	1 January 2023
• Amendments to MFRS 112: *Deferred Tax related to Assets and Liabilities arising from a Single Transaction*	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.

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.

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

2.4 Basis of consolidation (cont'd)

Business combinations (cont'd)

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.

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.

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

2.8 Property, plant and equipment (cont'd)

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.

2.10 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.

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

2.11 Intangible assets (cont'd)

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.

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.

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

2.13 Financial instruments (cont'd)

Financial assets (cont'd)

Initial recognition and measurement (cont'd)

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.

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

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

2.13 Financial instruments (cont'd)

Financial liabilities (cont'd)

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, 26 and 28 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.

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. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

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	6 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.

(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 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.

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

2.20 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:

(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.

(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 sales and services tax.

(3) Management fees

Management fees are recognised when services are rendered.

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

2.20 Revenue (cont'd)

The following describes the performance obligation in contracts with customers (cont'd):

(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.

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.

2.21 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.

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

2.21 Taxes (cont'd)

(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.

(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.

2.22 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.

2.23 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.

2.24 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)

2.24 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.

2.25 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 40, including the factors used to identify the reportable segments and the measurement basis of segment information.

2.26 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.

2.27 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.

2.28 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)

2.28 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 (cont'd):

(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 6 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 37(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)

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 (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.

2022

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 reversal of impairment losses in the interest in subsidiaries amounting to RM64,157,000 (2021: net impairment loss RM57,128,000) as disclosed in Note 19.

(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.

(h) 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**	
	2022 RM'000	**2021 RM'000**	**2022 RM'000**	**2021 RM'000**
Revenue from contracts with customers (Note (a))	**118,856**	287,666	**6,004**	6,215
Rental income (Note 17)	**21,640**	17,059	**–**	–
Dividend income	**–**	–	**23,726**	90,236
	140,496	304,725	**29,730**	96,451

4. REVENUE (CONT'D)

(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	
	2022 RM'000	**2021 RM'000**	**2022 RM'000**	**2021 RM'000**
Properties:				
- Sale of properties under development	**81,036**	93,672	**–**	–
- Sale of completed properties	**7,926**	78,348	**–**	–
- Sale of land	**–**	98,282	**–**	–
Hotel and restaurant operations	**27,930**	15,257	**–**	–
Management services fees	**1,964**	2,107	**6,004**	6,215
Total revenue from contracts with customers	**118,856**	287,666	**6,004**	6,215
Timing of revenue recognition				
At a point in time	**37,820**	193,994	**6,004**	6,215
Over time	**81,036**	93,672	**–**	–
	118,856	287,666	**6,004**	6,215

(b) Contract balances

	GROUP	
	2022 RM'000	**2021 RM'000**
Trade receivables, net:		
- current (Note 24)	**22,378**	80,262
Contract assets	**2,321**	964
Contract liabilities		
- current	**(158,895)**	(200,558)
- non-current	**(18,548)**	(18,103)

The Group has recognised expected credit losses on trade receivables amounting to RM1,706,000 (2021: RM4,677,000).

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 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.

(c) Remaining performance obligations

The transaction price allocated to the remaining performance obligation (unsatisfied or partially unsatisfied) are, as follows:

	GROUP	
	2022	**2021**
	RM'000	**RM'000**
Within one year	**161,861**	78,160
More than one year	**295,235**	244,503
	457,096	322,663

5. COST OF SALES

	GROUP	
	2022	**2021**
	RM'000	**RM'000**
Properties:		
- property development costs (Note 23(c))	**29,593**	59,064
- cost of completed properties (Note (a))	**987**	48,386
- cost of land sold	**–**	45,176
Rental related costs (Note 17)	**10,403**	6,158
Cost of hotel and restaurant operations	**17,878**	21,091
Cost of sales with respect to management services rendered	**2,821**	2,078
	61,682	181,953

(a) Cost of completed properties

Analysed into:		
- contract cost assets (Note 23(c))	**72**	2,597
- completed properties (Note 16(c))	**915**	45,789
	987	48,386

6. OTHER INCOME

	GROUP		COMPANY	
	2022 RM'000	**2021 RM'000**	**2022 RM'000**	**2021 RM'000**
Interest income from:				
- subsidiaries	**–**	–	**1,795**	704
- deposits with licensed banks	**3,641**	6,888	**403**	290
- advances to joint ventures	**575**	111	**–**	–
- others	**8**	274	**–**	–
Reversal of expected credit losses on:				
- trade receivables (Note 24(a))	**19**	4	**–**	–
- other receivables (Note 24(d))	**–**	–	**3,708**	–
Reversal of impairment loss on interest in subsidiaries	**–**	–	**64,172**	8,758
Reversal of impairment loss on right-of-use assets (Note 15)	**45,845**	–	**–**	–
Gain on disposal of property, plant and equipment	**534**	16	**12**	–
Hotel and restaurant related services	**712**	667	**–**	–
Rental income of premises	**134**	250	**–**	–
Management service fees	**160**	43	**–**	–
Realised gain on foreign exchange	**1**	5,158	**–**	2,040
Unrealised gain on foreign exchange	**–**	43,801	**–**	13
Unwinding of discounts	**1,519**	850	**15**	–
Fair value gain on other investments at fair value through profit or loss	**8,518**	5,477	**–**	–
Fair value gain on investment properties (Note 17)	**80,779**	7,172	**–**	–
Forfeitures	**74**	901	**–**	–
Reversal of provision for estimated repair costs (Note 27)	**–**	2,790	**–**	–
Write back of property development costs (Note 16(b))	**3,153**	–	**–**	–
Reversal of impairment loss on property, plant and equipment (Note 14)	**5**	–	**–**	–
Miscellaneous	**1,521**	995	**477**	242
	147,198	75,397	**70,582**	12,047

7. FINANCE COSTS

	GROUP 2022 RM'000	GROUP 2021 RM'000	COMPANY 2022 RM'000	COMPANY 2021 RM'000
Interest expense on:				
- bank overdrafts	**252**	1,575	**195**	1,520
- term loans	**13,481**	17,891	**1,164**	1,708
- revolving credits	**3,669**	7,426	**48**	213
- obligations under finance leases	**75**	62	**–**	–
- Sukuk Murabahah	**30,868**	19,042	**–**	–
- lease liabilities (Note 15)	**3,475**	4,410	**260**	268
- non-controlling interests	**223**	83	**–**	–
- subsidiaries	**–**	–	**229**	27
Unwinding of discounts	**200**	1,009	**–**	35
Total interest expense	**52,243**	51,498	**1,896**	3,771
Less: Interest expense capitalised in:				
Land held for property development (Note 16(a)(ii))	**(24,609)**	(15,317)	**–**	–
Property development costs (Note 16(b))	**(1,506)**	(2,390)	**–**	–
	26,128	33,791	**1,896**	3,771

8. PROFIT/(LOSS) BEFORE TAX

In addition to the other items disclosed elsewhere in the financial statements, the following items have been included in arriving at profit/(loss) before tax:

	GROUP 2022 RM'000	GROUP 2021 RM'000	COMPANY 2022 RM'000	COMPANY 2021 RM'000
Auditors' remuneration:				
- statutory audits (EY)	**346**	433	**83**	85
- statutory audits (other than EY)	**411**	365	**–**	–
- other services (EY)	**35**	34	**15**	15
Amortisation of:				
- intangible assets (Note 18)	**13**	18	**–**	–
Allowances for expected credit losses on:				
- trade receivables (Note 24(a))	**660**	1,039	**–**	–
- other receivables (Note 24(d))	**–**	–	**–**	2,971
Bad debts written off	**133**	4	**–**	–
Depreciation of property, plant and equipment (Note 14)	**17,726**	16,761	**439**	369
Depreciation of right-of-use assets (Note 15)	**862**	5,657	**862**	870

8. PROFIT/(LOSS) BEFORE TAX (CONT'D)

In addition to the other items disclosed elsewhere in the financial statements, the following items have been included in arriving at profit/(loss) before tax (cont'd):

	GROUP		COMPANY	
	2022 RM'000	**2021 RM'000**	**2022 RM'000**	**2021 RM'000**
Employee benefits expense (Note 9)	**45,199**	28,943	**15,932**	4,544
Fair value loss on investment properties (Note 17)	**–**	44,549	**–**	–
Non-Executive Directors' remuneration (Note 10)	**311**	1,204	**283**	1,075
Impairment loss on:				
- property, plant and equipment (Note 14)	**–**	31	**–**	–
- right-of-use assets (Note 15)	**–**	31,913	**–**	–
- interest in subsidiaries	**–**	–	**15**	65,886
Property development costs written down (Note 16(b))	**2,451**	64,520	**–**	–
Other inventories written off	**–**	156	**–**	–
Property, plant and equipment written off	**301**	168	**2**	9
Rental of land and buildings	**354**	651	**327**	388
Rental of equipment	**254**	318	**78**	104
Investment properties under construction written off (Note 17)	**21**	–	**–**	–
Interest in a subsidiary written off	**–**	–	**485**	–
Unrealised loss on foreign exchange	**23,180**	–	**6**	–

9. EMPLOYEE BENEFITS EXPENSE

	GROUP		COMPANY	
	2022 RM'000	**2021 RM'000**	**2022 RM'000**	**2021 RM'000**
Wages and salaries	**32,347**	23,234	**9,041**	3,326
Social security contributions	**343**	359	**46**	56
Contributions to defined contribution plans	**4,210**	2,850	**1,112**	406
Increase in liability of defined benefit plans (Note 32(a))	**68**	79	**–**	–
Other benefits	**8,231**	2,421	**5,733**	756
	45,199	28,943	**15,932**	4,544

The Directors' remuneration of the Group and of the Company are disclosed in Note 10.

10. DIRECTORS' REMUNERATION

	GROUP		COMPANY	
	2022 RM'000	**2021 RM'000**	**2022 RM'000**	**2021 RM'000**
Executive Directors' remuneration:				
- other emoluments	**4,440**	3,765	**1,566**	1,013
Non-Executive Directors' remuneration:				
- fees (Note 8)	**311**	1,204	**283**	1,075
Total Directors' remuneration	**4,751**	4,969	**1,849**	2,088
Estimated monetary value of benefits-in-kind	**47**	203	**42**	162
Total Directors' remuneration including benefits-in-kind	**4,798**	5,172	**1,891**	2,250

The details of remuneration of the Directors of the Company during the financial year are as follows:

	GROUP		COMPANY	
	2022 RM'000	**2021 RM'000**	**2022 RM'000**	**2021 RM'000**
Executive:				
Salaries and other emoluments	**3,868**	3,299	**1,362**	884
Defined contribution plans	**572**	466	**204**	129
Estimated monetary value of benefits-in-kind	**42**	162	**42**	162
	4,482	3,927	**1,608**	1,175
Non-Executive:				
Fees	**283**	1,176	**283**	1,075
Estimated monetary value of benefits-in-kind	**5**	41	**–**	–
	288	1,217	**283**	1,075
Total Directors' remuneration including benefits-in-kind	**4,770**	5,144	**1,891**	2,250

10. DIRECTORS' REMUNERATION (CONT'D)

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	
	2022 RM'000	2021 RM'000
Executive Directors:		
RM1 - RM 50,000	**1**	–
RM450,001 - RM500,000	**1**	–
RM600,001 - RM650,000	**–**	1
RM800,001 - RM850,000	**1**	–
RM1,100,001 - RM1,150,000	**1**	–
RM1,200,001 - RM1,250,000	**–**	1
RM1,950,001 - RM2,000,000	**1**	–
RM2,100,001 - RM2,150,000	**–**	1
Non-Executive Directors:		
RM1 - RM50,000	**6**	–
RM50,001 - RM100,000	**3**	2
RM100,001 - RM150,000	**–**	1
RM150,001 - RM200,000	**–**	3
RM400,001 - RM450,000	**–**	1

11. INCOME TAX EXPENSE

	GROUP		COMPANY	
	2022 RM'000	2021 RM'000	2022 RM'000	2021 RM'000
Statements of comprehensive income:				
Current income tax:				
Malaysian income tax	**16,106**	28,385	**124**	160
Underprovision in prior financial years	**181**	184	**119**	73
	16,287	28,569	**243**	233
Deferred income tax (Note 22):				
Relating to origination and reversal of temporary differences	**1,379**	(4,689)	**–**	21
Overprovision in prior financial years	**(2,949)**	(2,693)	**–**	–
	(1,570)	(7,382)	**–**	21
	14,717	21,187	**243**	254

Domestic income tax is calculated at the Malaysian statutory tax rate of 24% (2021: 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 profit/(loss) multiplied by the applicable corporate tax rate for the financial years ended 31 March 2022 and 2021 are as follows:

	2022 RM'000	2021 RM'000
Group		
Profit/(loss) before tax	**82,536**	(48,038)
Taxation at Malaysian statutory tax rate of 24% (2021: 24%)	**19,809**	(11,529)
Effect of different tax rates in foreign jurisdiction	**(2,403)**	3,779
Effect of expenses not deductible for tax purposes	**26,261**	39,858
Effect of income not subject to tax	**(36,509)**	(16,503)
Effect of share of results of joint ventures	**1,147**	1,475
Effect on real property gains tax rate applied on the fair value changes of the investment properties	**200**	–
Effect of utilisation of previously unrecognised deferred tax assets	**(14,523)**	(2,659)
Deferred tax assets not recognised during the financial year	**23,503**	9,275
Underprovision of income tax in prior financial years	**181**	184
Overprovision of deferred tax in prior financial years	**(2,949)**	(2,693)
	14,717	21,187

	2022 RM'000	2021 RM'000
Company		
Profit before tax	**77,263**	26,405
Taxation at Malaysian statutory tax rate of 24% (2021: 24%)	**18,543**	6,337
Effect of expenses not deductible for tax purposes	**3,154**	18,504
Effect of income not subject to tax	**(21,117)**	(24,283)
Effect of utilisation of previously unrecognised deferred tax assets	**(890)**	(377)
Deferred tax assets not recognised during the financial year	**434**	–
Underprovision of income tax in prior financial years	**119**	73
	243	254

12. EARNINGS/(LOSS) PER ORDINARY SHARE

Basic earnings/(loss) per ordinary share is calculated by dividing the profit/(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	
	2022 RM'000	**2021 RM'000**
Profit/(loss) attributable to owners of the parent	**63,760**	(71,741)
	2022 '000	**2021 '000**
Weighted average number of ordinary shares in issue	**1,439,598**	1,431,349
	2022 Sen	**2021 Sen**
Basic earnings/(loss) per share	**4.43**	(5.01)

The Group has no potential ordinary shares in issue as at reporting date and therefore the diluted earnings/(loss) per share is same as basic earnings/(loss) per share.

13. DIVIDENDS

	GROUP/COMPANY	
	2022 RM'000	**2021 RM'000**
Recognised during the financial year		
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

The Directors do not recommend the payment of any dividend in respect of the financial year ended 31 March 2022.

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 2022							
Cost							
At 1 April 2021	**322,323**	**11,866**	**70,415**	**842**	**6,213**	**495**	**412,154**
Additions	**5**	**89**	**3,518**	**–**	**128**	**4,930**	**8,670**
Disposals	**–**	**–**	**(26)**	**–**	**(2,676)**	**–**	**(2,702)**
Written off	**–**	**–**	**(5,067)**	**–**	**(10)**	**(237)**	**(5,314)**
Reclassification	**–**	**–**	**594**	**–**	**–**	**(594)**	**–**
Transfer from intangible assets (Note 18)	**–**	**–**	**14**	**–**	**–**	**–**	**14**
Exchange differences	**–**	**–**	**(127)**	**–**	**(2)**	**–**	**(129)**
At 31 March 2022	**322,328**	**11,955**	**69,321**	**842**	**3,653**	**4,594**	**412,693**
Accumulated depreciation and impairment losses							
At 1 April 2021	**123,104**	**9,334**	**32,852**	**652**	**4,841**	**–**	**170,783**
Depreciation charge for the financial year (Note 8)	**9,323**	**725**	**6,991**	**82**	**605**	**–**	**17,726**
Reversal of impairment loss for the financial year (Note 6)	**–**	**–**	**(5)**	**–**	**–**	**–**	**(5)**
Disposals	**–**	**–**	**(20)**	**–**	**(2,471)**	**–**	**(2,491)**
Written off	**–**	**–**	**(5,012)**	**–**	**(1)**	**–**	**(5,013)**
Exchange differences	**–**	**–**	**(18)**	**–**	**–**	**–**	**(18)**
At 31 March 2022	**132,427**	**10,059**	**34,788**	**734**	**2,974**	**–**	**180,982**
Analysed as:							
Accumulated depreciation	**132,427**	**10,043**	**34,279**	**734**	**2,974**	**–**	**180,457**
Accumulated impairment losses	**–**	**16**	**509**	**–**	**–**	**–**	**525**
	132,427	**10,059**	**34,788**	**734**	**2,974**	**–**	**180,982**
Net carrying amount	**189,901**	**1,896**	**34,533**	**108**	**679**	**4,594**	**231,711**

14. PROPERTY, PLANT AND EQUIPMENT (CONT'D)

* Land and buildings of the Group

GROUP (CONT'D)	FREEHOLD LAND RM'000	FREEHOLD BUILDING RM'000	LONG TERM LEASEHOLD LAND RM'000	TOTAL RM'000
At 31 March 2022				
Cost				
At 1 April 2021	**24,900**	**297,060**	**363**	**322,323**
Additions	**–**	**5**	**–**	**5**
At 31 March 2022	**24,900**	**297,065**	**363**	**322,328**
Accumulated depreciation				
At 1 April 2021	**–**	**122,907**	**197**	**123,104**
Depreciation charge for the financial year	**–**	**9,318**	**5**	**9,323**
At 31 March 2022	**–**	**132,225**	**202**	**132,427**
Net carrying amount	**24,900**	**164,840**	**161**	**189,901**

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

GROUP (CONT'D)	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
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

* **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

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 2022			
Cost			
At 1 April 2021	**4,035**	**429**	**4,464**
Additions	**168**	**–**	**168**
Disposals	**(3)**	**(423)**	**(426)**
Written off	**(5)**	**–**	**(5)**
At 31 March 2022	**4,195**	**6**	**4,201**
Accumulated depreciation			
At 1 April 2021	**2,742**	**347**	**3,089**
Depreciation charge for the financial year (Note 8)	**390**	**49**	**439**
Disposals	**(3)**	**(392)**	**(395)**
Written off	**(3)**	**–**	**(3)**
At 31 March 2022	**3,126**	**4**	**3,130**
Net carrying amount	**1,069**	**2**	**1,071**
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

(a) The net carrying amounts of land and buildings of the Group pledged for borrowings as disclosed in Note 26, at the end of the financial year are as follows:

	GROUP	
	2022	**2021**
	RM'000	**RM'000**
Freehold land and buildings	**187,504**	196,712
Long term leasehold land	**161**	166
	187,665	196,878

(b) The net carrying amounts of property, plant and equipment held under hire purchase arrangement are as follows:

	GROUP	
	2022	**2021**
	RM'000	**RM'000**
Motor vehicles	**133**	1,010

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 6 (2021: 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.

Set out below are the carrying amount of right-of-use assets recognised and the movements during the financial year:

	GROUP		COMPANY	
	2022	**2021**	**2022**	**2021**
	RM'000	**RM'000**	**RM'000**	**RM'000**
As at 1 April	**4,546**	39,599	**4,546**	2,899
Impairment loss during the financial year (Note 8)	**–**	(31,913)	**–**	–
Reversal of impairment loss during the financial year (Note 6)	**45,845**	–	**–**	–
Addition	**–**	2,517	**–**	2,517
Depreciation during the financial year (Note 8)	**(862)**	(5,657)	**(862)**	(870)
Lease modification	**(20,845)**	–	**–**	–
As at 31 March	**28,684**	4,546	**3,684**	4,546

15. RIGHT-OF-USE ASSET AND LEASE LIABILITIES (CONT'D)

The Group recognised a reversal of impairment loss of RM45,845,000 (2021: impairment loss of RM31,913,000) in the consolidated statement of comprehensive income based on the recoverable amount of a subsidiary's leased property in the hospitality segment. The Group reversed the impairment loss as this subsidiary has resumed the serviced apartment business at the leased property as disclosed in Note 41.

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	
	2022 RM'000	**2021 RM'000**	**2022 RM'000**	**2021 RM'000**
As at 1 April	**68,270**	62,404	**4,755**	2,985
Interest expense on lease liabilities (Note 7)	**3,475**	4,410	**260**	268
Addition	**–**	2,517	**–**	2,517
Payments during the financial year	**(7,019)**	(1,019)	**(1,016)**	(973)
Rent concession	**–**	(42)	**–**	(42)
Lease modification	**(20,845)**	–	**–**	–
As at 31 March	**43,881**	68,270	**3,999**	4,755
Analysed as:				
- Current	**6,575**	15,417	**842**	755
- Non-current	**37,306**	52,853	**3,157**	4,000
	43,881	68,270	**3,999**	4,755

The following are the amounts recognised in profit or loss:

	GROUP		COMPANY	
	2022 RM'000	**2021 RM'000**	**2022 RM'000**	**2021 RM'000**
Depreciation of right-of-use assets (Note 8)	**862**	5,657	**862**	870
Interest expense on lease liabilities (Note 7)	**3,475**	4,410	**260**	268
Impairment loss during the financial year (Note 8)	**–**	31,913	**–**	–
Reversal of impairment loss during the financial year (Note 6)	**(45,845)**	–	**–**	–
Expenses relating to short term lease (included in administrative expenses) (Note 8)	**354**	651	**327**	388
Expenses relating to leases of low-value assets (included in administrative expenses) (Note 8)	**254**	318	**78**	104
	(40,900)	42,949	**1,527**	1,630

The Group's and the Company's total cash outflows for leases were as follows:

	GROUP 2022 RM'000	GROUP 2021 RM'000	COMPANY 2022 RM'000	COMPANY 2021 RM'000
Total cash outflows for leases:				
- payment for lease liabilities	**7,019**	1,019	**1,016**	973
- payment for lease expenses	**608**	969	**405**	492
	7,627	1,988	**1,421**	1,465

The Group and the Company also had non-cash addition to right-of-use assets and lease liabilities of RM2,517,000 in the previous financial year.

16. INVENTORIES

	NOTE	GROUP 2022 RM'000	GROUP 2021 RM'000
Non-current			
Land held for property development	(a)	**1,812,500**	1,721,776
Current			
Property development costs	(b)	**456,234**	427,096
Completed properties	(c)	**1,172**	5,325
Food, beverages and tobacco	(d)	**263**	299
General supplies	(d)	**735**	877
		458,404	433,597
		2,270,904	2,155,373

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 2022				
At 1 April 2021	**369,758**	**1,124,021**	**227,997**	**1,721,776**
Additions	**–**	**113,204**	**7,321**	**120,525**
Reclassification	**868,073**	**(850,538)**	**(17,535)**	**–**
Transfer to property development costs (Note 16(b))	**–**	**(12,363)**	**(17,438)**	**(29,801)**
At 31 March 2022	**1,237,831**	**374,324**	**200,345**	**1,812,500**
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

Notes:

(i) Land held for property development of the Group with carrying amount of RM1,392,293,000 (2021: RM1,332,026,000) 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 RM24,609,000 (2021: RM15,317,000).

(b) Property development costs

	GROUP 2022 RM'000	2021 RM'000
At the beginning of financial year	**427,096**	502,367
Costs incurred during the financial year	**23,688**	35,535
Transfer from land held for development (Note 16 (a))	**29,801**	–
Transfer to contract cost assets (Note 23(a))	**(25,053)**	(46,286)
Written down during the financial year (Note 8)	**(2,451)**	(64,520)
Write back during the financial year (Note 6)	**3,153**	–
At the end of financial year	**456,234**	427,096

Development properties of the Group with carrying amount of RM416,385,000 (2021: RM427,096,000) 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 RM1,506,000 (2021: RM2,390,000).

As at financial year end, included in property development costs are residential and commercial properties in United Kingdom amounted to RM416,385,000 (2021: RM427,096,000) measured at net realisable value. The Group recognised a net write back of property development costs of RM702,000 (2021: write down of RM64,520,000) based on valuation performed by professional independent valuers.

(c) Completed properties

	GROUP 2022 RM'000	2021 RM'000
At cost:		
Completed properties	**1,172**	5,325

During the financial year, the amount of inventories recognised as an expense in cost of sales of the Group was RM915,000 (2021: RM45,789,000) as disclosed in Note 5(a).

(d) Other inventories

	GROUP 2022 RM'000	2021 RM'000
At cost:		
Food, beverages and tobacco	**263**	299
General supplies	**735**	877

During the financial year, the amount of inventories recognised as an expense in cost of sales of the Group was RM3,497,000 (2021: RM2,195,000).

17. INVESTMENT PROPERTIES

	GROUP 2022 RM'000	GROUP 2021 RM'000
Investment properties under construction	**–**	21
Investment properties	**435,254**	358,218
	435,254	358,239

Investment properties

	GROUP 2022 RM'000	GROUP 2021 RM'000
At fair value		
At the beginning of financial year	**358,218**	375,086
Subsequent expenditures	**1,735**	12,796
Fair value gain recognised in profit or loss (Note 6)	**80,779**	7,172
Fair value loss recognised in profit or loss (Note 8)	**–**	(44,549)
Exchange differences	**(5,478)**	7,713
At the end of financial year	**435,254**	358,218

Investment properties under construction

	GROUP 2022 RM'000	GROUP 2021 RM'000
At cost		
At the beginning of financial year	**21**	–
Addition	**–**	21
Written off (Note 8)	**(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	
	2022	**2021**
	RM'000	**RM'000**
Rental income derived from investment properties (Note 4)	**21,640**	17,059
Direct operating expenses (including repair and maintenance) of income generating properties (Note 5)	**(10,403)**	(6,158)
Profit arising from investment properties carried at fair value	**11,237**	10,901

Investment properties of the Group amounting to RM397,254,000 (2021: RM321,218,000) have been pledged as security for the credit facilities granted to the Company and certain subsidiaries, as disclosed in Note 26.

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 except as disclosed above.

Fair value hierarchy disclosures for investment properties are in Note 37(a).

Description of valuation techniques used and key inputs to valuation of investment properties:

VALUATION TECHNIQUES	SIGNIFICANT UNOBSERVABLE INPUTS	RANGE
At 31 March 2022		
Investment method	Estimated rental value per square foot per month	RM2.00 - RM9.50
	Estimated rental value per parking bay per month	RM250 - RM300
	Estimated outgoing per square foot per month	RM0.80 - RM2.35
	Market yield rate	5.5 % - 9.0%
	Void rate	7.5% - 40.0%
Market comparable approach	Difference in location, time factor, size, land usage, shape, and tenure	-25.0% to 10.0%
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%

For investment properties, significant changes in any of the above inputs in isolation would result in significant changes in the fair value.

17. INVESTMENT PROPERTIES (CONT'D)

Description of valuation techniques used and key inputs to valuation of investment properties (cont'd):

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.

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 2022 RM'000	COMPUTER SOFTWARE 2021 RM'000
Group		
Cost		
At the beginning of financial year	**1,666**	1,604
Additions	**–**	62
Transfer to property, plant and equipment (Note 14)	**(14)**	–
Written off	**(42)**	–
At the end of financial year	**1,610**	1,666
Accumulated amortisation		
At the beginning of financial year	**1,604**	1,586
Amortisation charge for the financial year (Note 8)	**13**	18
Written off	**(42)**	–
At the end of financial year	**1,575**	1,604
Net carrying amount	**35**	62

	COMPUTER SOFTWARE RM'000
Company	
Cost	
At 1 April 2020/1 April 2021/31 March 2022	**14**
Accumulated amortisation	
At 1 April 2020/1 April 2021/31 March 2022	**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 2022 RM'000	2021 RM'000
Unquoted shares at cost	**1,726,327**	1,691,435
Less: Accumulated impairment losses	**(174,777)**	(238,934)
	1,551,550	1,452,501

The Company increased its investment in certain subsidiaries by RM35,377,000 (2021: RM1,900,000) through the capitalisation of amounts due from these subsidiaries.

The Company has also written off RM485,000 (2021: Nil) of its investment in a subsidiary as the subsidiary was liquidated during the financial year.

The Company's subsidiaries had also redeemed preference shares and repaid capital contribution amounting RM18,878,000 and RM20,320,000 respectively in the previous financial year.

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 reversal of impairment loss of RM64,157,000 (2021: net impairment loss of RM57,128,000) as disclosed in Notes 6 and 8 based on the recoverable amounts of the investments.

In previous 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.

Details of the subsidiaries are as follows:

NAME OF SUBSIDIARIES	COUNTRY OF INCORPORATION	PRINCIPAL ACTIVITIES	PROPORTION OF OWNERSHIP INTEREST 2022 %	PROPORTION OF OWNERSHIP INTEREST 2021 %	NON-CONTROLLING INTERESTS 2022 %	NON-CONTROLLING INTERESTS 2021 %	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	**–**	–	288,800,000
Matrix Promenade Sdn. Bhd. **	Malaysia	Investment holding	**100**	100	**–**	–	287,049,000
KCB Geotechnics Sdn. Bhd. ** ∞ α	Malaysia	Property investment	**–**	100	**–**	–	–
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

19. INTEREST IN SUBSIDIARIES (CONT'D)

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

NAME OF SUBSIDIARIES	COUNTRY OF INCORPORATION	PRINCIPAL ACTIVITIES	PROPORTION OF OWNERSHIP INTEREST 2022 %	2021 %	NON-CONTROLLING INTERESTS 2022 %	2021 %	SHARE CAPITAL RM
III) SUBSIDIARY OF MATRIX PROMENADE SDN. BHD.							
E & O Trading Sdn. Bhd.	Malaysia	Property investment	**100**	100	**–**	–	297,092,002
IV) SUBSIDIARY OF EASTERN & ORIENTAL PROPERTIES (GUERNSEY) LIMITED							
Oriental Light (Guernsey) Limited **	Guernsey	Property investment	**100**	100	**–**	–	£1
***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	**–**	–	1,250,160
Eminent Pedestal Sdn. Bhd.	Malaysia	Project management services	**100**	100	**–**	–	2,996,000
Edisi Utama Sdn. Bhd. ** ∞	Malaysia	Property development	**100**	100	**–**	–	4,817,000
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	**–**	–	292,088,000
E & O Sales & Marketing Sdn. Bhd.	Malaysia	Rendering of sales and marketing services for property development projects	**100**	100	**–**	–	19,627,000
E & O Properties (Singapore) Pte. Ltd. ** ∞ α	Singapore	Rendering of sales and marketing services for property development projects	**–**	100	**–**	–	–

NAME OF SUBSIDIARIES	COUNTRY OF INCORPORATION	PRINCIPAL ACTIVITIES	PROPORTION OF OWNERSHIP INTEREST 2022 %	2021 %	NON-CONTROLLING INTERESTS 2022 %	2021 %	SHARE CAPITAL RM
Emerald Designs Sdn. Bhd. ** ∞	Malaysia	Property development	**100**	100	**–**	–	118,216,000
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	**–**	–	143,392
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
E & O Resource Management Sdn. Bhd. ** ∞	Malaysia	Provision of management services	**100**	100	**–**	–	3,302
Tinggi Murni Sdn. Bhd. ** ∞	Malaysia	Investment holding	**100**	100	**–**	–	99,402
a) Subsidiary of Ambangan Puri Sdn. Bhd.							
Seventy Damansara Sdn. Bhd. ** ∞ ^	Malaysia	Property investment and property development	**100**	100	**–**	–	3,250,000
b) Subsidiary of E & O Properties Sdn. Bhd.							
Kayangan Budaya Sdn. Bhd.	Malaysia	Property development	**87.5**	87.5	**12.5**	12.5	95,731,770
c) Subsidiaries of Kamunting Management Services Sdn. Bhd.							
Bridgecrest Resources Sdn. Bhd.	Malaysia	Investment holding	**100**	100	**–**	–	14,234,000
E&O-PDC Holdings Sdn. Bhd.	Malaysia	Investment holding	**60.0**	60.0	**40.0**	40.0	35,000

19. INTEREST IN SUBSIDIARIES (CONT'D)

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

NAME OF SUBSIDIARIES	COUNTRY OF INCORPORATION	PRINCIPAL ACTIVITIES	PROPORTION OF OWNERSHIP INTEREST 2022 %	2021 %	NON-CONTROLLING INTERESTS 2022 %	2021 %	SHARE CAPITAL RM
V) SUBSIDIARIES OF E&OPROP (CONT'D)							
c) Subsidiaries of Kamunting Management Services Sdn. Bhd. (cont'd)							
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	**100**	90.0	**–**	10.0	7,306,900
ii) Subsidiary of Permaijana Ribu (M) Sdn. Bhd.							
Tanjung Pinang Development Sdn. Bhd.	Malaysia	Land reclamation and development	**88.0**	81.0	**12.0**	19.0	5,000,000
iii) Subsidiaries of Tanjung Pinang Development Sdn. Bhd.							
Persada Mentari Sdn. Bhd. #	Malaysia	Property development	**70.4**	64.8	**29.6**	35.2	5,000,000
Junjung Angkasa Sdn. Bhd. ∞ *	Malaysia	Property development	**88.0**	81.0	**12.0**	19.0	1
d) Subsidiaries of KCB Holdings Sdn. Bhd.							
WCW Technologies Sdn. Bhd.	Malaysia	Property investment	**100**	100	**–**	–	70,027,000
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	**–**	–	96,002

NAME OF SUBSIDIARIES	COUNTRY OF INCORPORATION	PRINCIPAL ACTIVITIES	PROPORTION OF OWNERSHIP INTEREST 2022 %	2021 %	NON-CONTROLLING INTERESTS 2022 %	2021 %	SHARE CAPITAL RM
KSM Property Development Sdn. Bhd.	Malaysia	Project management and rendering of sales and marketing services for property development projects	**100**	100	**–**	–	4,112,002
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
ii) Subsidiary of Indasu Housing Development Sdn. Bhd.							
Monplus Housing Development Sdn. Bhd. ** ∞	Malaysia	Housing development	**100**	100	**–**	–	250,000
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
* Under voluntarily strike off
# Interests in these subsidiaries with carrying amounts of RM216,182,001 (2021: RM215,902,000) have been pledged as security for borrowings as disclosed in Note 26.

19. INTEREST IN SUBSIDIARIES (CONT'D)

(a) Acquisition of equity interest in a subsidiary

On 29 November 2021, Bridgecrest Resources Sdn. Bhd. ("BRSB"), an indirect wholly-owned subsidiary of the Company has completed its acquisition of 500,000 ordinary shares of Permaijana Ribu Sdn. Bhd. ("PRSB"), a subsidiary of BRSB, which representing the remaining 10.0% equity interest of PRSB not owned by BRSB for an acquisition price of RM13,797,000. Accordingly, PRSB became an indirectly wholly-owned subsidiary of the Company.

(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 2022 %	2021 %
Persada Mentari Sdn. Bhd. ("PMSB")	Malaysia	**29.6**	35.2
Permaijana Ribu Sdn. Bhd. ("PRSB")	Malaysia	**–***	10.0
Tanjung Pinang Development Sdn. Bhd. ("TPD")	Malaysia	**12.0**	19.0

* The proportion of ownership interest was held by non-controlling interest up to 29 November 2021. The details of the acquisition of the remaining equity interest are as disclosed in Note 19(a).

	GROUP 2022 RM'000	2021 RM'000
Accumulated balances of material non-controlling interests:		
PMSB	**1,093**	1,414
PRSB	**–**	470
TPD	**36,190**	45,840
Other individually immaterial non-controlling interests	**(107)**	(87)
	37,176	47,637
Total comprehensive (loss)/income allocated to material non-controlling interests:		
PMSB	**(199)**	(141)
PRSB	**(1)**	(1)
TPD	**4,279**	2,674
Other individually immaterial non-controlling interests	**(20)**	(16)
	4,059	2,516

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 2022:

	PMSB RM'000	PRSB* RM'000	TPD RM'000	TOTAL RM'000
Revenue	17,921	–	80,739	98,660
Cost of sales	(13,602)	–	(19,088)	(32,690)
Other income	196	–	8,694	8,890
Other expenses	(3,879)	(8)	(1,471)	(5,358)
Finance costs	(1,381)	–	(15,360)	(16,741)
(Loss)/profit before tax	(745)	(8)	53,514	52,761
Taxation	232	–	(15,243)	(15,011)
(Loss)/profit for the financial year, representing total comprehensive (loss)/income for the financial year	(513)	(8)	38,271	37,750
Attributable to:				
Non-controlling interests	(152)	(1)	4,593	4,440
Adjustments and eliminations	(47)	–	(314)	(361)
Other individually immaterial non-controlling interests				(20)
Total non-controlling interests				4,059

* The proportion of ownership interest was held by non-controlling interest up to 29 November 2021. The details of the acquisition of the remaining equity interest are as disclosed in Note 19(a).

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 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

Summarised statement of financial position as at 31 March 2022:

	PMSB RM'000	PRSB* RM'000	TPD RM'000	TOTAL RM'000
Non-current assets	**9,093**	**7,000**	**1,177,879**	**1,193,972**
Other current assets	**151,665**	**–**	**349,196**	**500,861**
Cash and bank balances	**14,624**	**1**	**33,842**	**48,467**
Total current assets	**166,289**	**1**	**383,038**	**549,328**
Total assets	**175,382**	**7,001**	**1,560,917**	**1,743,300**
Trade and other payables and provision	**170,177**	**2,317**	**91,428**	**263,922**
Other current liabilities	**–**	**–**	**195,896**	**195,896**
Total current liabilities	**170,177**	**2,317**	**287,324**	**459,818**
Non-current liabilities	**1,511**	**–**	**854,908**	**856,419**
Total liabilities	**171,688**	**2,317**	**1,142,232**	**1,316,237**
Total equity	**3,694**	**4,684**	**418,685**	**427,063**
Attributable to:				
Non-controlling interests	**1,093**	**468**	**50,242**	**51,803**
Acquisition of remaining equity interest	**–**	**(468)**	**(14,052)**	**(14,520)**
Other individually immaterial non-controlling interests				**(107)**
Total non-controlling interests				**37,176**

* The proportion of ownership interest was held by non-controlling interest up to 29 November 2021. The details of the acquisition of the remaining equity interest are as disclosed in Note 19(a).

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 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 cash flow information for financial year ended 31 March 2022:

	PMSB RM'000	PRSB* RM'000	TPD RM'000
Operating	**(18,377)**	**–**	**(235,934)**
Investing	**(4,262)**	**–**	**(406)**
Financing	**25,176**	**–**	**254,339**
Net increase in cash and cash equivalents during the financial year	**2,537**	**–**	**17,999**

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)

* The proportion of ownership interest was held by non-controlling interest up to 29 November 2021. The details of the acquisition of the remaining equity interest are as disclosed in Note 19(a).

20. INVESTMENT IN JOINT VENTURES

	GROUP	
	2022 RM'000	2021 RM'000
Unquoted shares at cost	**135,288**	131,820
Share of post-acquisition reserves	**(14,902)**	(10,036)
	120,386	121,784

20. INVESTMENT IN JOINT VENTURES (CONT'D)

Details of the joint ventures are as follows:

NAME OF JOINT VENTURES	COUNTRY OF INCORPORATION	PRINCIPAL ACTIVITY	PROPORTION OF OWNERSHIP INTEREST	
			2022 %	2021 %
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") - dormant	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 E & O Resource Management Sdn. Bhd. ("EORM") 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 EORM.

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 2022						
Non-current assets	**3,911**	**6,082**	**–**	**53,715**	**–**	**63,708**
Other current assets	**110,259**	**202,535**	**–**	**149,829**	**277**	**462,900**
Cash and bank balances	**4,784**	**8,767**	**2,227**	**7,191**	**7,731**	**30,700**
Total current assets	**115,043**	**211,302**	**2,227**	**157,020**	**8,008**	**493,600**
Total assets	**118,954**	**217,384**	**2,227**	**210,735**	**8,008**	**557,308**
Trade and other payables and provisions	**2,339**	**54,772**	**7**	**35,610**	**11**	**92,739**
Other current liabilities	**277**	**83,229**	**9**	**24**	**–**	**83,539**
Total current liabilities	**2,616**	**138,001**	**16**	**35,634**	**11**	**176,278**
Non-current liabilities	**111,907**	**94,732**	**–**	**9,391**	**–**	**216,030**
Total liabilities	**114,523**	**232,733**	**16**	**45,025**	**11**	**392,308**
Net assets/(liabilities)	**4,431**	**(15,349)**	**2,211**	**165,710**	**7,997**	**165,000**

20. INVESTMENT IN JOINT VENTURES (CONT'D)

The following table summarises the information of the Group's material joint ventures, adjusted for any differences in accounting policies (cont'd).

(i) Summarised statement of financial position (cont'd)

	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

(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 2022						
Revenue	**636**	**24,932**	**–**	**20,983**	**–**	**46,551**
Depreciation and amortisation	**(678)**	**(1,613)**	**–**	**(1,378)**	**–**	**(3,669)**
Interest income	**87**	**16**	**20**	**177**	**81**	**381**
(Loss)/profit before tax	**(2,332)**	**3,462**	**102**	**(4,660)**	**76**	**(3,352)**
Taxation	**–**	**(1,041)**	**(26)**	**45**	**(27)**	**(1,049)**
(Loss)/profit after tax	**(2,332)**	**2,421**	**76**	**(4,615)**	**49**	**(4,401)**
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)

20. INVESTMENT IN JOINT VENTURES (CONT'D)

(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 2022						
Net (liabilities)/assets at 1 April 2021	**(37)**	**(22,165)**	**2,150**	**169,705**	**7,342**	**156,995**
(Loss)/profit for the financial year	**(2,332)**	**2,421**	**76**	**(4,615)**	**49**	**(4,401)**
Adjustment on fair value	**–**	**4,395**	**(15)**	**620**	**606**	**5,606**
Issuance of redeemable preference shares	**6,800**	**–**	**–**	**–**	**–**	**6,800**
Net assets/(liabilities) at the end of financial year	**4,431**	**(15,349)**	**2,211**	**165,710**	**7,997**	**165,000**
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	**2,260**	**(7,828)**	**976**	**82,855**	**4,078**	**82,341**
Realisation of fair value	**–**	**(2,575)**	**–**	**–**	**–**	**(2,575)**
Unrealised profit	**(22)**	**65**	**6**	**(461)**	**(972)**	**(1,384)**
Fair value adjustment	**–**	**42,004**	**–**	**–**	**–**	**42,004**
Net assets at 31 March 2022	**2,238**	**31,666**	**982**	**82,394**	**3,106**	**120,386**
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

21. OTHER INVESTMENTS

	GROUP			
	2022		2021	
	CARRYING AMOUNT RM'000	MARKET VALUE RM'000	CARRYING AMOUNT RM'000	MARKET VALUE RM'000
Non-current				
At fair value through profit or loss:				
- Quoted shares in Malaysia	–	–	8,966	8,966

The investment in quoted shares in Malaysia carried at fair value through profit or loss had been pledged to various financial institutions in the previous financial year for credit facilities granted to the Group and the Company as disclosed in Note 26.

22. DEFERRED TAX (LIABILITIES)/ASSETS

	GROUP		COMPANY	
	2022 RM'000	2021 RM'000	2022 RM'000	2021 RM'000
At the beginning of financial year	**(15,868)**	(23,250)	–	21
Recognised in profit or loss (Note 11)	**1,570**	7,382	–	(21)
At the end of financial year	**(14,298)**	(15,868)	–	–
Presented after appropriate offsetting as follows:				
Deferred tax assets	**27,433**	23,971	–	–
Deferred tax liabilities	**(41,731)**	(39,839)	–	–
	(14,298)	(15,868)	–	–

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.

22. DEFERRED TAX (LIABILITIES)/ASSETS (CONT'D)

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

Deferred tax assets of the Group

	INVENTORIES RM'000	PROPERTY, PLANT AND EQUIPMENT RM'000	PROVISIONS RM'000	OTHERS RM'000	TOTAL RM'000
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
At 1 April 2021	**14,955**	**397**	**8,619**	**–**	**23,971**
Recognised in profit or loss	**7,180**	**–**	**(3,718)**	**–**	**3,462**
At 31 March 2022	**22,135**	**397**	**4,901**	**–**	**27,433**

Deferred tax liabilities of the Group

	INVESTMENT PROPERTIES RM'000	INVENTORIES RM'000	OTHERS RM'000	TOTAL RM'000
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)
At 1 April 2021	**(3,829)**	**(36,010)**	**–**	**(39,839)**
Recognised in profit or loss	**(200)**	**(1,120)**	**(572)**	**(1,892)**
At 31 March 2022	**(4,029)**	**(37,130)**	**(572)**	**(41,731)**

Deferred tax asset of the Company

	OTHERS RM'000
At 1 April 2020	21
Recognised in profit or loss	(21)
At 31 March 2021	–
At 1 April 2021/31 March 2022	**–**

Deferred tax assets have not been recognised in respect of the following items:

	GROUP		COMPANY	
	2022 RM'000	**2021 RM'000**	**2022 RM'000**	**2021 RM'000**
Unused tax losses	**142,862**	120,467	**–**	–
Unabsorbed capital allowances	**54,956**	40,284	**–**	–
Unabsorbed investment tax allowances	**135,748**	135,748	**–**	–
Provisions	**1,900**	3,799	**1,900**	3,799
Others	**13,094**	10,844	**–**	–
	348,560	311,142	**1,900**	3,799
Deferred tax benefit at 24% (2021: 24%), if recognised	**83,654**	74,674	**456**	912

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 10-year limitation on the carry forward of those losses under the Finance Act 2021 and guidelines issued by the tax authority, effective 1 January 2022. 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 2022 RM'000	GROUP 2021 RM'000
Costs to fulfil a contract	(a)	**26,171**	21,161
Costs to obtain contracts with customers	(b)	**774**	356
		26,945	21,517

	GROUP 2022 RM'000	GROUP 2021 RM'000
(a) Costs to fulfil a contract		
At beginning of the financial year	**21,161**	23,460
Transfer from property development costs (Note 16(b))	**25,053**	46,286
Additions	**9,438**	9,777
Recognised during the financial year	**(29,481)**	(58,362)
At end of the financial year	**26,171**	21,161
(b) Costs to obtain contracts with customers		
At beginning of the financial year	**356**	1,486
Additions	**602**	2,169
Recognised during the financial year	**(184)**	(3,299)
At end of the financial year	**774**	356
(c) Total cost recognised during the financial year		
Costs to fulfil a contract	**29,481**	58,362
Costs to obtain contracts with customers	**184**	3,299
	29,665	61,661
Analysed into:		
- property development costs (Note 5)	**29,593**	59,064
- completed properties (Note 5(a))	**72**	2,597
	29,665	61,661

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 2022 RM'000	GROUP 2021 RM'000	COMPANY 2022 RM'000	COMPANY 2021 RM'000
Current					
Trade receivables					
Third parties		**6,171**	38,539	**–**	–
Retention sum receivable		**17,913**	46,400	**–**	–
		24,084	84,939	**–**	–
Less: Allowance for expected credit losses:					
- Third parties		**(1,706)**	(4,677)	**–**	–
Trade receivables, net	(a)	**22,378**	80,262	**–**	–
Other receivables					
Other receivables	(d)	**8,792**	29,682	**1,988**	1,973
Amounts due from subsidiaries	(b)	**–**	–	**105,029**	105,817
Amounts due from joint ventures	(c)	**27,350**	82,559	**–**	–
Deposits		**2,416**	2,050	**71**	53
		38,558	114,291	**107,088**	107,843
Less: Allowance for expected credit losses:					
- Other receivables		**(243)**	(243)	**(90)**	(90)
- Amounts due from subsidiaries		**–**	–	**–**	(3,708)
		(243)	(243)	**(90)**	(3,798)
Other receivables, net	(d)	**38,315**	114,048	**106,998**	104,045
		60,693	194,310	**106,998**	104,045
Non-current					
Other receivable					
Deposits representing total non-current other receivable		**2,176**	2,078	**292**	277
Total trade and other receivables		**62,869**	196,388	**107,290**	104,322
Less: VAT receivable		**(56)**	(1,787)	**–**	–
Add: Cash and bank balances (Note 25)		**137,991**	469,298	**26,516**	114,956
Total financial assets measured at amortised cost		**200,804**	663,899	**133,806**	219,278

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 (2021: four months) while the term in respect of property development activities is approximately 21 (2021: 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 (2021: 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	
	2022 RM'000	**2021 RM'000**
Neither past due nor impaired	**20,186**	52,076
1 to 30 days past due not impaired	**257**	3,226
31 to 60 days past due not impaired	**176**	23,765
61 to 90 days past due not impaired	**140**	280
91 to 120 days past due not impaired	**124**	134
More than 121 days past due not impaired	**1,495**	781
Past due but not impaired	**2,192**	28,186
Impaired	**1,706**	4,677
	24,084	84,939

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 RM2,192,000 (2021: RM28,186,000) 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	
	2022	2021
	RM'000	**RM'000**
Trade receivables - nominal amount	**2,608**	6,729
Less: Allowance for expected credit losses	**(1,706)**	(4,677)
	902	2,052
Movement in allowance accounts:		
At the beginning of financial year	**4,677**	3,642
Charge for the financial year (Note 8)	**660**	1,039
Reversal for the financial year (Note 6)	**(19)**	(4)
Written off during the financial year	**(3,612)**	–
At the end of financial year	**1,706**	4,677

(b) Amounts due from subsidiaries

The amounts due from subsidiaries in the previous financial year were unsecured, non-interest bearing and were repayable upon demand, except for an amount of RM79,186,000 which bore interest at rates ranging from 5.40% to 6.15% 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 RM24,150,000 (2021: RM5,100,000) in the current financial year which bore interest at rates ranging from 5.00% to 5.40% (2021: 5.00%) per annum.

24. TRADE AND OTHER RECEIVABLES (CONT'D)

(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	
	2022 RM'000	2021 RM'000	2022 RM'000	2021 RM'000
Other receivables - nominal amount	**243**	243	**98,585**	26,821
Less: Allowance for expected credit losses	**(243)**	(243)	**(90)**	(3,798)
	–	–	**98,495**	23,023
Movement in allowance accounts:				
At the beginning of financial year	**243**	243	**3,798**	827
Charge for the financial year (Note 8)	**–**	–	**–**	2,971
Reversal for the financial year (Note 6)	**–**	–	**(3,708)**	–
At the end of financial year	**243**	243	**90**	3,798

25. CASH AND BANK BALANCES

	GROUP		COMPANY	
	2022 RM'000	2021 RM'000	2022 RM'000	2021 RM'000
Cash at banks and on hand	**104,179**	435,183	**26,349**	114,791
Short-term deposits	**33,812**	34,115	**167**	165
Cash and bank balances	**137,991**	469,298	**26,516**	114,956

(a) Included in cash at banks and on hand of the Group are amounts of RM26,726,000 (2021: RM37,612,000) held pursuant to Section 7A of the Housing Development (Control and Licensing) Act, 1966 and therefore restricted from use in other operations.

(b) Short-term deposits of the Group amounting to RM12,859,000 (2021: RM10,390,000) 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 RM3,283,000 and RM500,000 (2021: RM3,726,000 and RM500,000) respectively are assigned and charged as security for a term loan facility as disclosed in Note 26.

(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	
	2022	**2021**	**2022**	**2021**
Weighted average effective interest rates (%)				
- Fixed rates	**1.55%**	1.60%	**1.70%**	1.72%
- Floating rates	**–**	1.73%	**–**	–
Average maturities (days)	**1 - 30**	1 - 30	**1 - 30**	1 - 30

For the purpose of statements of cash flows, cash and cash equivalents comprise the following:

	GROUP		COMPANY	
	2022 RM'000	**2021 RM'000**	**2022 RM'000**	**2021 RM'000**
Cash and bank balances	**137,991**	469,298	**26,516**	114,956
Less: Restricted cash and bank balances	**(16,142)**	(14,116)	**(500)**	(500)
Less: Bank overdrafts (Note 26)	**–**	(19,901)	**–**	(17,510)
Total cash and cash equivalents	**121,849**	435,281	**26,016**	96,946

26. LOANS AND BORROWINGS

	MATURITY	GROUP 2022 RM'000	GROUP 2021 RM'000	COMPANY 2022 RM'000	COMPANY 2021 RM'000
Current					
Secured:					
Bank overdrafts	On demand	**–**	19,901	**–**	17,510
Revolving credits	On demand	**40,000**	99,613	**–**	5,000
Term loans	2023	**36,368**	23,442	**10,000**	10,000
Obligations under finance leases (Note 34(d))	2023	**46**	416	**–**	–
		76,414	143,372	**10,000**	32,510
Non-current					
Secured:					
Revolving credits	2024	**50,000**	129,353	**–**	–
Term loans	2024 - 2035	**221,068**	449,025	**15,000**	25,000
Obligations under finance leases (Note 34(d))	2024 - 2025	**82**	486	**–**	–
Sukuk Murabahah	2024 - 2027	**835,807**	544,413	**–**	–
		1,106,957	1,123,277	**15,000**	25,000
Total loans and borrowings					
Secured:					
Bank overdrafts (Note 25)		**–**	19,901	**–**	17,510
Revolving credits		**90,000**	228,966	**–**	5,000
Term loans		**257,436**	472,467	**25,000**	35,000
Obligations under finance leases (Note 34(d))		**128**	902	**–**	–
Sukuk Murabahah		**835,807**	544,413	**–**	–
		1,183,371	1,266,649	**25,000**	57,510

As at the reporting date, the weighted average effective interest rates for loans and borrowings, were as follows:

	GROUP		COMPANY	
	2022	**2021**	**2022**	**2021**
Bank overdrafts - Floating rates	**–**	6.53%	**–**	6.81%
Revolving credits - Floating rates	**3.62%**	4.66%	**–**	4.22%
Term loans - Floating rates	**3.37%**	4.24%	**4.06%**	4.88%
Sukuk Murabahah - Floating rates	**4.03%**	4.00%	**–**	–

The finance leases bore interest at rates of 2.08% (2021: 2.08% to 2.55%) per annum during the financial year.

The remaining maturities of loans and borrowings as at 31 March 2022 and 31 March 2021 were as follows:

	GROUP		COMPANY	
	2022 RM'000	**2021 RM'000**	**2022 RM'000**	**2021 RM'000**
On demand or within one year	**76,414**	143,372	**10,000**	32,510
More than 1 year and less than 2 years	**240,477**	129,665	**15,000**	10,000
More than 2 years and less than 5 years	**774,895**	829,724	**–**	15,000
5 years or more	**91,585**	163,888	**–**	–
	1,183,371	1,266,649	**25,000**	57,510

(a) Bank overdrafts

The bank overdrafts were 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 35 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.

26. LOANS AND BORROWINGS (CONT'D)

(d) 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;

(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 35 and charges on certain inventories, unquoted shares and cash and bank balances of the Group as disclosed in the relevant notes.

27. PROVISIONS

	RESTORATION COSTS OF PROPERTY, PLANT AND EQUIPMENT RM'000 (a)	OTHERS RM'000 (b)	TOTAL RM'000
Group			
At 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 April 2021	**1,185**	**2,300**	**3,485**
Utilisation during the financial year	**(61)**	**(2,300)**	**(2,361)**
At 31 March 2022	**1,124**	**–**	**1,124**
At 31 March 2022			
Non-current:			
Later than 1 year but not later than 5 years	**1,124**	**–**	**1,124**
At 31 March 2021			
Current	–	2,300	2,300
Non-current:			
Later than 1 year but not later than 2 years	1,185	–	1,185
	1,185	2,300	3,485
Company			
At 1 April 2020	39	–	39
Addition during the financial year	818	–	818
At 31 March 2021/1 April 2021/31 March 2022	**857**	**–**	**857**
At 31 March 2022			
Non-current:			
Later than 1 year but not later than 5 years	**857**	**–**	**857**
At 31 March 2021			
Non-current:			
Later than 1 year but not later than 2 years	857	–	857

27. PROVISIONS (CONT'D)

(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.

28. TRADE AND OTHER PAYABLES

	NOTE	GROUP 2022 RM'000	GROUP 2021 RM'000	COMPANY 2022 RM'000	COMPANY 2021 RM'000
Current					
Trade payables	(a)				
Third parties		**29,197**	25,640	**–**	–
Retention sum payable		**11,000**	23,405	**–**	–
		40,197	49,045	**–**	–
Other payables					
Amounts due to subsidiaries	(b)	**–**	–	**18,581**	64,415
Amount due to non-controlling interests	(c)	**19,744**	15,728	**–**	–
Other payables	(d)	**7,027**	6,153	**41**	203
Accruals	(e)	**19,633**	212,567	**2,782**	1,591
Deposits received		**7,021**	4,104	**–**	–
		53,425	238,552	**21,404**	66,209
		93,622	287,597	**21,404**	66,209
Non-current					
Trade payables					
Retention sum payable		**18,762**	7,251	**–**	–
Other payables					
Other payables		**360**	–	**–**	–
Deposits received		**1,590**	3,320	**–**	–
		1,950	3,320	**–**	–
		20,712	10,571	**–**	–

	GROUP		COMPANY	
	2022	2021	**2022**	2021
	RM'000	RM'000	**RM'000**	RM'000
Total trade and other payables	**114,334**	298,168	**21,404**	66,209
Less: SST payable	**(735)**	(283)	**–**	–
Less: Other payable (current)	**(928)**	(928)	**–**	–
Add: Lease liabilities (Note 15)	**43,881**	68,270	**3,999**	4,755
Add: Loans and borrowings (Note 26)	**1,183,371**	1,266,649	**25,000**	57,510
Total financial liabilities carried at amortised cost	**1,339,923**	1,631,876	**50,403**	128,474

(a) Trade payables

Trade payables are non-interest bearing and the normal credit terms granted to the Group range from 14 to 120 (2021: 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 RM6,600,000 (2021: RM2,800,000) which bore interest at rate of 6.00% (2021: 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 (2021: 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 2022, the remaining liability is RM928,000 (2021: RM928,000).

(e) Accruals

Included in accruals in the previous financial year was 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.

29. SHARE CAPITAL

	GROUP/COMPANY			
	NUMBER OF ORDINARY SHARES		AMOUNT	
	2022 '000	2021 '000	2022 RM'000	2021 RM'000
Issued and fully paid:				
At the beginning of financial year	**1,456,942**	1,456,942	**1,521,802**	1,521,802
Ordinary shares issued during the financial year	**19,797**	–	**13,383**	–
At the end of financial year	**1,476,739**	1,456,942	**1,535,185**	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 1,476,738,479 (2021: 1,456,941,521) issued and fully paid-up ordinary shares, 25,592,596 (2021: 25,592,596) ordinary shares are held as treasury shares by the Company. As at 31 March 2022, the number of issued and fully paid-up ordinary shares (not held as treasury shares) is 1,451,145,883 (2021: 1,431,348,925) ordinary shares.

During the financial year, the Company increased its issued and paid-up ordinary share capital from RM1,521,802,000 to RM1,535,185,000 by way of issuance of 19,796,958 new ordinary shares for the purpose of acquisition of the remaining non-controlling interests in a subsidiary at an issue price of RM0.676 per ordinary share.

The new ordinary shares issued during the financial year rank pari passu in all respects with the existing ordinary shares of the Company.

30. TREASURY SHARES

	GROUP/COMPANY			
	NUMBER OF TREASURY SHARES		AMOUNT	
	2022 '000	2021 '000	2022 RM'000	2021 RM'000
At the beginning/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.

As at 31 March 2022, the Company held as treasury shares a total of 25,592,596 (2021: 25,592,596) of its 1,476,738,479 (2021: 1,456,941,521) issued ordinary shares. Such treasury shares are held at a carrying amount of RM28,160,000 (2021: RM28,160,000).

31. RESERVES

	NOTE	GROUP 2022 RM'000	GROUP 2021 RM'000	COMPANY 2022 RM'000	COMPANY 2021 RM'000
Distributable:					
Retained profits	(a)	**256,569**	192,086	**131,981**	54,961
Non-distributable:					
Foreign currency translation reserve	(b)	**(10,092)**	(17,055)	**–**	–
Other reserve	(c)	**106**	106	**–**	–
		(9,986)	(16,949)	**–**	–
		246,583	175,137	**131,981**	54,961

(a) Retained profits

The Company may distribute dividends out of its entire retained profits as of 31 March 2022 and 31 March 2021 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.

32. 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.

32. EMPLOYEE BENEFITS (CONT'D)

(a) Retirement benefit obligations (cont'd)

Movements in the net liability were as follows:

	2022 RM'000	2021 RM'000
Group		
At the beginning of financial year	**481**	435
Recognised in profit or loss (Note 9)	**68**	79
Paid during the financial year	**(19)**	(33)
At the end of financial year	**530**	481

The amounts recognised in the statement of financial position were determined as follows:

	2022 RM'000	2021 RM'000
Group		
Present value of defined benefit obligations, representing net liability	**530**	481
Analysed as:		
- current liabilities	**26**	15
- non-current liabilities	**504**	466
	530	481

The amounts recognised in the profit or loss were determined as follows:

	2022 RM'000	2021 RM'000
Group		
Current service cost	**52**	67
Interest cost on benefit obligation	**16**	12
Net benefit expense	**68**	79

The principal assumptions used in determining the retirement benefit obligations for the Group's Scheme are shown below:

	2022 %	2021 %
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 (2021: 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% (2021: 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% (2021: 6.0%) was used due to longer term of the Scheme.

A quantification sensitivity analysis for significant assumption as at 31 March 2022 and 31 March 2021 are as shown below:

	GROUP			
ASSUMPTIONS	**DISCOUNT RATE**		**FUTURE SALARY**	
SENSITIVITY LEVEL	**1.00% INCREASE**	**1.00% DECREASE**	**1.00% INCREASE**	**1.00% DECREASE**
	DECREASE/(INCREASE) IN PROFIT AFTER TAX		**(INCREASE)/DECREASE IN PROFIT AFTER TAX**	
	RM'000	**RM'000**	**RM'000**	**RM'000**
2022				
Impact on defined benefit obligation	**65**	**(80)**	**(89)**	**73**
	(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)

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.

32. EMPLOYEE BENEFITS (CONT'D)

(a) Retirement benefit obligations (cont'd)

The expected payments of the defined benefit plan in future years are as follows:

	2022 RM'000	2021 RM'000
Within the next 12 months	**25**	15
Between 2 and 5 years	**108**	119
Beyond 5 years	**397**	347
Total expected payments	**530**	481

The average duration of the defined benefit plan obligation at the end of the reporting period is 12 years (2021: 13 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 Share Incentive Plan ("PSU Award") and the Restricted Share 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.

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.

33. 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 2022 RM'000	2021 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)
- a joint venture	**(1,554)**	(797)
Project management and administrative services fees received and receivable from joint ventures *	**(920)**	(262)
Interest receivable from joint ventures *	**(575)**	(111)
Selling and marketing fees receivable from joint ventures *	**(310)**	(643)
Dividend received from joint ventures	–	(15,300)
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
Procurement of contractual work from:		
- Kerjaya Prospek Group Berhad in which a Director of the Company also holds directorship in the Kerjaya Prospek Group Berhad	**125,304**	55,054

	COMPANY INCOME	
	2022	**2021**
	RM'000	**RM'000**
Subsidiaries:		
Dividend income	**(23,726)**	(90,236)
Interest income received and receivable	**(1,795)**	(704)
Management fee received and receivable	**(6,004)**	(6,215)

Related companies in these financial statements refer to companies within the Eastern & Oriental Berhad Group.

The sales to and purchases from related parties are made on terms equivalent to those that prevail in arm's length transactions.

Information regarding outstanding balances arising from related party transactions as at 31 March 2022 and 2021 are disclosed in Notes 24 and 28.

* Represent gross income/receivable before elimination of unrealised profit.

(b) Compensation of key management personnel

	GROUP		COMPANY	
	2022	**2021**	**2022**	**2021**
	RM'000	**RM'000**	**RM'000**	**RM'000**
Short term employee benefits	**3,868**	5,797	**1,362**	1,988
Defined contribution plan	**572**	766	**204**	261
	4,440	6,563	**1,566**	2,249

Included in the total remuneration of key management personnel is:

	GROUP		COMPANY	
	2022	**2021**	**2022**	**2021**
	RM'000	**RM'000**	**RM'000**	**RM'000**
Executive Directors' remuneration (Note 10)	**4,440**	3,765	**1,566**	1,013

34. COMMITMENTS

(a) Capital commitments

Capital commitments as at 31 March 2022 and 2021 are as follows:

	GROUP 2022 RM'000	GROUP 2021 RM'000
Capital expenditure		
Approved and contracted for:		
- Land reclamation	**547,926**	274,205
- Property, plant and equipment	**–**	810
Approved but not contracted for:		
- Property, plant and equipment	**451**	1,832

(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	
	2022 RM'000	2021 RM'000	2022 RM'000	2021 RM'000
Future minimum rentals payable:				
Not later than 1 year	**31**	66	**13**	28
Later than 1 year and not later than 5 years	**3**	27	**1**	14
	34	93	**14**	42

(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	
	2022 RM'000	**2021 RM'000**
Future minimum rentals receivable:		
Not later than 1 year	**11,341**	14,747
Later than 1 year and not later than 5 years	**5,788**	9,337
	17,129	24,084

(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	
	2022 RM'000	**2021 RM'000**
Future minimum lease payments:		
Not later than 1 year	**51**	466
Later than 1 year and not later than 2 years	**51**	277
Later than 2 years and not later than 5 years	**33**	256
Total future minimum lease payments	**135**	999
Less: Future finance charges	**(7)**	(97)
Present value of finance lease liabilities (Note 26)	**128**	902
Less: Amount due within 12 months (Note 26)	**(46)**	(416)
Amount due after 12 months (Note 26)	**82**	486

35. FINANCIAL GUARANTEES

	COMPANY	
	2022 RM'000	2021 RM'000
Corporate guarantees given to financial institutions for credit facilities granted to subsidiaries:		
- financial institutions	**1,148,751**	1,081,615

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.

36. 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	(DECREASE)/INCREASE IN PROFIT/(LOSS) BEFORE TAX	
		2022 RM'000	2021 RM'000
Group			
Floating rate borrowings	25	**(1,146)**	1,872
	(25)	**1,146**	(1,872)

	INCREASE/ (DECREASE) IN BASIS POINTS	(DECREASE)/INCREASE IN PROFIT BEFORE TAX	
		2022 RM'000	2021 RM'000
Company			
Floating rate borrowings	25	**(62)**	(144)
	(25)	**62**	144

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").

36. FINANCIAL INSTRUMENTS (CONT'D)

(c) Foreign currency risk (cont'd)

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 2022	
Cash and bank balances	**13,180**
Trade and other receivables	**6,020**
Trade and other payables	**(6,168)**
Loans and borrowings	**(76,370)**
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)

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.

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 (DECREASE)/INCREASE IN PROFIT/(LOSS) BEFORE TAX	
		2022 RM'000	2021 RM'000
GBP/RM	- strengthened 5%	**(3,167)**	2,382
	- weakened 5%	**3,167**	(2,382)

(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.

	ON DEMAND OR WITHIN ONE YEAR RM'000	ONE TO FIVE YEARS RM'000	OVER FIVE YEARS RM'000	TOTAL RM'000
2022				
Group				
Financial liabilities:				
Trade and other payables	**91,959**	**22,917**	**–**	**114,876**
Loans and borrowings	**76,823**	**1,132,022**	**120,965**	**1,329,810**
Lease liabilities	**8,082**	**33,022**	**7,721**	**48,825**
Total undiscounted financial liabilities	**176,864**	**1,187,961**	**128,686**	**1,493,511**
Company				
Financial liabilities:				
Trade and other payables	**21,404**	**–**	**–**	**21,404**
Loans and borrowings	**10,176**	**15,872**	**–**	**26,048**
Lease liabilities	**1,056**	**3,477**	**–**	**4,533**
Total undiscounted financial liabilities	**32,636**	**19,349**	**–**	**51,985**

36. FINANCIAL INSTRUMENTS (CONT'D)

(d) Liquidity risk (cont'd)

Analysis of financial instruments by remaining contractual maturities (cont'd)

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 (cont'd).

	ON DEMAND OR WITHIN ONE YEAR RM'000	ONE TO FIVE YEARS RM'000	OVER FIVE YEARS RM'000	TOTAL RM'000
2021				
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
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

(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.

<u>Exposure to credit risk</u>

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:

	2022		2021	
	RM'000	**% OF TOTAL**	**RM'000**	**% OF TOTAL**
Properties	**20,972**	**93.7%**	80,094	99.8%
Hospitality	**1,396**	**6.3%**	156	0.2%
Investments and others	**10**	**0.0%**	12	0.0%
	22,378	**100.0%**	80,262	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 of previous financial year, the exposure to listed equity securities at fair value was RM8,966,000. An increase/(decrease) of 5% on the quoted prices of these listed equities securities, could have an impact of approximately RM448,300 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.

37. 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	
	2022 RM'000	**2021 RM'000**
Investment properties (Note 17)	**435,254**	358,218

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	
	2022 RM'000	**2021 RM'000**
Other investments (Note 21)	**–**	8,966

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.

(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
2022				
Financial liabilities:				
Loans and borrowings:				
- Obligations under finance lease	**82**	**76**	**–**	**–**
2021				
Financial liabilities:				
Loans and borrowings:				
- Obligations under finance lease	486	446	–	–

(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	26
Trade and other payables	28

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.

38. CHANGES IN LIABILITIES ARISING FROM FINANCING ACTIVITIES

2022

	AT 1 APRIL 2021 RM'000	DRAWDOWN RM'000	REPAYMENT RM'000	EXCHANGE DIFFERENCES RM'000	RECLASSI-FICATIONS RM'000	OTHER CHANGES RM'000	AT 31 MARCH 2022 RM'000
Group							
Short term borrowings:							
Revolving credits	99,613	40,000	(100,000)	–	–	387	40,000
Term loans	23,442	–	(23,575)	–	36,368	133	36,368
Obligations under finance leases	416	–	(416)	–	46	–	46
	123,471	40,000	(123,991)	–	36,414	520	76,414
Long term borrowings:							
Revolving credits	129,353	150,000	(230,000)	–	–	647	50,000
Term loans	449,025	–	(187,890)	(4,219)	(36,368)	520	221,068
Obligations under finance leases	486	–	(358)	–	(46)	–	82
Sukuk Murabahah	544,413	293,693	–	–	–	(2,299)	835,807
	1,123,277	443,693	(418,248)	(4,219)	(36,414)	(1,132)	1,106,957
	1,246,748	483,693	(542,239)	(4,219)	–	(612)	1,183,371

	AT 1 APRIL 2021 RM'000	DRAWDOWN RM'000	REPAYMENT RM'000	RECLASSI-FICATIONS RM'000	OTHER CHANGES RM'000	AT 31 MARCH 2022 RM'000
Company						
Short term borrowings:						
Revolving credits	5,000	–	(5,000)	–	–	–
Term loans	10,000	–	(10,000)	10,000	–	10,000
	15,000	–	(15,000)	10,000	–	10,000
Long term borrowings:						
Term loans, representing total long term borrowings	25,000	–	–	(10,000)	–	15,000
	40,000	–	(15,000)	–	–	25,000

2021

	AT 1 APRIL 2020 RM'000	DRAWDOWN RM'000	REPAYMENT RM'000	EXCHANGE DIFFERENCES RM'000	RECLASSI-FICATIONS RM'000	OTHER CHANGES RM'000	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
RCMTNs							–
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	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. 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.

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 2022 and 2021.

		GROUP		COMPANY	
	NOTE	2022 RM'000	2021 RM'000	2022 RM'000	2021 RM'000
Loans and borrowings	26	**1,183,371**	1,266,649	**25,000**	57,510
Less: Cash and bank balances	25	**(137,991)**	(469,298)	**(26,516)**	(114,956)
Net debt/(cash)		**1,045,380**	797,351	**(1,516)**	(57,446)
Equity attributable to the owners of the parent, representing total capital		**1,753,608**	1,668,779	**1,639,006**	1,548,603
Net gearing ratio		**60%**	48%	**–**	–

40. 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 - sales, development and investment in residential and commercial properties

(ii) Hospitality - management and operations of hotels, serviced apartments 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**	
	2022 RM'000	**2021 RM'000**	**2022 RM'000**	**2021 RM'000**
Malaysia	**134,918**	249,217	**2,746,707**	2,966,282
United Kingdom	**5,578**	55,508	**607,326**	648,809
Others	**–**	–	**–**	1
	140,496	304,725	**3,354,033**	3,615,092

40. 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			PER CONSOLIDATED FINANCIAL STATEMENTS	
	2022 RM'000	2021 RM'000	2022 RM'000	2021 RM'000	2022 RM'000	2021 RM'000	2022 RM'000	2021 RM'000	NOTE	2022 RM'000	2021 RM'000
Revenue											
External sales	**110,602**	287,361	**27,930**	15,257	**1,964**	2,107	**–**	–		**140,496**	304,725
Inter-segment sales	**1,870**	662	**–**	–	**173,694**	79,610	**(175,564)**	(80,272)	A	**–**	–
Total revenue	**112,472**	288,023	**27,930**	15,257	**175,658**	81,717	**(175,564)**	(80,272)		**140,496**	304,725
Results											
Interest income	**2,404**	5,806	**–**	129	**3,166**	1,620	**(1,346)**	(282)	A	**4,224**	7,273
Gain/(loss) from fair value adjustment of investment properties	**80,779**	(37,377)	**–**	–	**–**	–	**–**	–		**80,779**	(37,377)
Depreciation and amortisation	**(2,257)**	(1,417)	**(14,470)**	(19,166)	**(2,249)**	(1,853)	**375**	–	B	**(18,601)**	(22,436)
Share of results of joint ventures	**(4,778)**	(6,146)	**–**	–	**–**	–	**–**	–		**(4,778)**	(6,146)
Other material non-cash (expenses)/income	**(2,235)**	(64,394)	**45,928**	(32,081)	**(11,035)**	47,704	**(79)**	–	C	**32,579**	(48,771)
Segment results	**106,621**	(5,434)	**24,480**	(75,065)	**129,070**	104,615	**(177,635)**	(72,154)	D	**82,536**	(48,038)
Assets											
Investment in joint ventures	**120,386**	121,784	**–**	–	**–**	–	**–**	–		**120,386**	121,784
Additions to non-current assets	**129,745**	277,218	**1,081**	367	**104**	1,261	**–**	–	E	**130,930**	278,846
Segment assets	**2,913,141**	3,054,562	**257,659**	239,218	**1,782,042**	1,700,504	**(1,598,809)**	(1,379,192)	F	**3,354,033**	3,615,092
Liabilities											
Segment liabilities	**1,043,057**	1,201,589	**9,735**	12,815	**58,476**	67,760	**451,981**	616,512	G	**1,563,249**	1,898,676

40. 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	2022 RM'000	2021 RM'000
Amortisation of intangible assets	8	**(13)**	(18)
Depreciation of property, plant and equipment	8	**(17,726)**	(16,761)
Depreciation of right-of-use assets	8	**(862)**	(5,657)
		(18,601)	(22,436)

C Other material non-cash (expenses)/income consist of the following items as presented in the respective notes to the financial statements:

	NOTE	2022 RM'000	2021 RM'000
Net expected credit losses on financial assets:			
- trade receivables	6,8	**(641)**	(1,035)
Bad debts written off	8	**(133)**	(4)
Gain on disposal of property, plant and equipment	6	**534**	16
Net unrealised (loss)/gain on foreign exchange	6,8	**(23,180)**	43,801
Unwinding of discounts - net	6,7	**1,319**	(159)
Property, plant and equipment written off	8	**(301)**	(168)
Other inventories written off	8	**–**	(156)
Fair value gain on other investments	6	**8,518**	5,477
Write back of property development cost/ (property development costs written down)	6,8	**702**	(64,520)
Reversal of impairment loss/(impairment loss) on:			
- property, plant and equipment	6,8	**5**	(31)
- right-of-use assets	6,8	**45,845**	(31,913)
Investment properties under construction written off	8	**(21)**	–
Provision for retirement benefits	9	**(68)**	(79)
		32,579	(48,771)

D The following items are (deducted from)/added to segment profit to arrive at "Profit/(loss) before tax" presented in the consolidated statement of comprehensive income:

	2022 RM'000	2021 RM'000
Inter-segment (income)/expense	**(15,073)**	3,399
Inter-segment dividends	**(161,320)**	(76,580)
Inter-segment interests	**(1,242)**	1,027
	(177,635)	(72,154)

E Additions to non-current assets consist of:

	NOTE	2022 RM'000	2021 RM'000
Property, plant and equipment	14	**8,670**	3,367
Intangible assets	18	**–**	62
Investment properties	17	**1,735**	12,817
Land held for property development	16	**120,525**	262,600
		130,930	278,846

F The following items are added to/(deducted from) segment assets to arrive at total assets reported in the consolidated statement of financial position:

	NOTE	2022 RM'000	2021 RM'000
Deferred tax assets	22	**27,433**	23,971
Tax recoverable		**3,387**	3,232
Investment in joint ventures	20	**120,386**	121,784
Inter-segment assets		**(1,750,015)**	(1,528,179)
		(1,598,809)	(1,379,192)

G The following items are added to/(deducted from) segment liabilities to arrive at total liabilities reported in the consolidated statement of financial position:

	NOTE	2022 RM'000	2021 RM'000
Deferred tax liabilities	22	**41,731**	39,839
Income tax payable		**835**	3,123
Loans and borrowings	26	**1,183,371**	1,266,649
Lease liabilities	15	**43,881**	68,270
Inter-segment liabilities		**(817,837)**	(761,369)
		451,981	616,512

41. 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 Arbitration 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 alleged wrongful termination of the Subject Lease by the Company and was 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 had been terminated as at the date of this report, as a settlement had been agreed between both parties. The principal terms of the settlement are the withdrawal of the notice of termination by the Company and the continuation of the lease upon modified terms with the Company to resume the serviced apartment business at the Property. It is also a term of the settlement that Synod will proceed to terminate the arbitration proceedings unconditionally with costs thereof to be equally shared. The financial impact arising from the Group's continuation of the lease with modified terms has been made to financial statements as at 31 March 2022.

42. SIGNIFICANT EVENT

COVID-19 pandemic

In March 2020, the World Health Organisation has officially announced the outbreak of COVID-19 as a global pandemic. In order to combat the spread of COVID-19, the Government of Malaysia had declared a Movement Control Order ("MCO") which encompasses restriction of movement and closure of premises, except for those involved in essential services. The MCO which came into effect on 18 March 2020, followed by different MCO levels throughout 2020 and 2021 had resulted in restrictions in business activities and directly impacted the demand for the Group's products and services.

The financial statements have been prepared based upon conditions existing as at 31 March 2022 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 2022 and its impact is considered an event that existed as at the reporting date. Accordingly, the Group and the Company have accounted for the impact of the pandemic and the consequential effects on the results in their financial statements for the financial years ended 31 March 2022 and 31 March 2021. The Group and the Company will continue to assess the impact of the pandemic and the consequential effects on the results in their financial statements for the next financial year ending 31 March 2023, based on the performance for the remainder of the financial year.

43. SUBSEQUENT EVENT

Proposed Rights Issue

On 23 February 2022, the Company proposes to undertake a proposed renounceable rights issue of up to RM362,786,470.50 in nominal value of 5-year 3.80% irredeemable convertible unsecured loan stocks ("ICULS") at 100% of their nominal value of RM0.50 each on the basis of 1 ICULS for every 2 existing ordinary shares in the Company held on an entitlement date to be determined later ("Proposed Rights Issue of ICULS").

On 20 April 2022, the Company has submitted its application for the issuance of ICULS pursuant to the Proposed Rights Issue of ICULS to the Securities Commission Malaysia ("SC").

On 20 June 2022, the SC granted its approval under Section 214(1) of the Capital Markets & Services Act 2007 for the issuance of the ICULS pursuant to the Proposed Rights Issue of ICULS, subject to the compliance with the standard conditions and continuing obligations as stipulated in the SC's Guidelines on Issuance of Corporate Bonds and Sukuk to Retail Investors.

The Proposed Rights Issue of ICULS is pending the approval from Bursa Malaysia and the shareholders of the Company. The Proposed Rights Issue of ICULS is expected to be implemented in the first quarter of year 2023.

LOCATION	TENURE	YEAR OF ACQUISITION	APPROXIMATE LAND AREA/ UNITS	DESCRIPTION	AGE OF BUILDING (YEARS)	NET BOOK VALUE AS AT 31.03.2022 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	–	126,835
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
Lot No. 457 - 840 PT No. 18 - 21, 397 - 406	Freehold	2018	520,633.71 sq. mt.	Reclaimed Land	–	1,323,481
All within Bandar Tanjong Pinang Daerah Timor Laut Pulau Pinang	Lease expiring 30.1.2117	2018	34,220 sq. mt.	Reclaimed Land		
	Freehold	2018	16,202.29 sq. mt.	Currently Under Development	–	39,850
Lot No. 10014, H.S.(D) No. 166726 Bandar Tanjong Pinang Sek.1 Daerah Timor Laut Pulau Pinang	Freehold	2013	1 unit	Residential Condominium	10	1,172
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	–	108,670
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	15	38,000

LOCATION	TENURE	YEAR OF ACQUISITION	APPROXIMATE LAND AREA/ UNITS	DESCRIPTION	AGE OF BUILDING (YEARS)	NET BOOK VALUE AS AT 31.03.2022 RM'000
Dua Residency Condominium Jalan Tun Razak Geran 71700/M1-A/20/139 Bandar Kuala Lumpur Wilayah Persekutuan	Freehold	2009	1 unit	Residential Condominium	15	2,236
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 Pulau Pinang	Freehold Lease expiring 5.11.2111	2010 2010	total floor area of 422,915 sq. ft. together with accessories parcel of 183,373 sq. ft. 13,673 sq. mt.	Retail Mall Light House Marina	12	134,900
Geran 76431/M1/B1/1 Geran 76431/M1/B2/2 Bandar Kuala Lumpur Wilayah Persekutuan	Freehold	2010	4,312 sq. mt.	Retail Mall	9	38,000
Lot 10001, Seksyen 1 (Hakmilik 138146) Bandar Tanjong Pinang Sek. 1 Daerah Timor Laut Pulau Pinang	Freehold	2016	18,295 sq. ft.	Office building	6	56,000
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	–	187,504
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	–	161
37-39 Kingsway London WC2B 6TP United Kingdom Title Number NGL226475	Freehold	2012	2,490.90 sq. mt.	Serviced Apartment for hotel use and retail unit	–	168,354

GROUP'S PROPERTIES (CONT'D)

LOCATION	TENURE	YEAR OF ACQUISITION	APPROXIMATE LAND AREA/ UNITS	DESCRIPTION	AGE OF BUILDING (YEARS)	NET BOOK VALUE AS AT 31.03.2022 RM'000
London W6 9DP United Kingdom Title Number BGL4589 and NGL549314	Freehold	2015	1.329 acres	Vacant land for development	–	355,526
34 Palace Court London W2 4HY United Kingdom Title Number NGL947388	Freehold	2014	16,458 sq. ft.	Land with building	–	60,858
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	–	277,007

ANALYSIS OF SHAREHOLDINGS

AS AT 30 JUNE 2022

ORDINARY SHARE CAPITAL

Issued Shares	:	1,476,738,479 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	1,603	8.51	53,445	0.00
100 to 1,000	6,972	37.03	2,931,221	0.20
1,001 to 10,000	7,273	38.63	25,157,241	1.73
10,001 to 100,000	2,520	13.38	71,027,905	4.90
100,001 to less than 5% of issued Shares	458	2.43	478,297,233	32.96
5% and above of issued Shares	4	0.02	873,678,838	60.21
Total	**18,830**	**100.00**	**1,451,145,883#**	**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)*	569,159,619	39.22
2.	Public Nominees (Tempatan) Sdn Bhd *Pledged Securities Account for Paramount Spring Sdn. Bhd. (BDA)*	128,497,890	8.86
3.	Kumpulan Wang Persaraan (Diperbadankan)	90,180,135	6.21
4.	Cimsec Nominees (Tempatan) Sdn Bhd *CIMB Bank Berhad for Morning Crest Sdn Bhd (CBM)*	85,841,194	5.92
5.	Amsec Nominees (Tempatan) Sdn Bhd *Pledged Securities Account - Ambank (M) Berhad for Sweetwater SPV Sdn Bhd*	60,000,000	4.13
6.	Cimsec Nominees (Tempatan) Sdn Bhd *Pledged Securities Account for Tham Ka Hon (EDG)*	48,352,590	3.33
7.	CIMB Group Nominees (Tempatan) Sdn Bhd *Pledged Securities Account for Amcorp Group Berhad (AGB CBC2)*	29,130,277	2.01
8.	HSBC Nominees (Asing) Sdn Bhd *Exempt An for BNP Paribas Singapore Branch (A/C Clients-FGN)*	23,354,083	1.61

THIRTY LARGEST SHAREHOLDERS BASED ON THE RECORD OF DEPOSITORS (CONT'D)
(Excluding 25,592,596 Treasury Shares)

NO.	NAME OF SHAREHOLDERS	NO. OF SHARES	%
9.	Yayasan Bumiputra Pulau Pinang Bhd.	19,796,958	1.36
10.	UOB Kay Hian Nominees (Asing) Sdn Bhd *Exempt An for UOB Kay Hian Pte Ltd (A/C Clients)*	17,276,406	1.19
11.	Kerjaya Prospek Development (M) Sdn. Bhd.	14,928,046	1.03
12.	Maybank Nominees (Asing) Sdn Bhd *Cacona Pte Ltd (270700)*	13,400,000	0.92
13.	Magnum Berhad	11,321,622	0.78
14.	Kenanga Nominees (Tempatan) Sdn Bhd *Pledged Securities Account for Michael Heng Chun Hong*	9,423,200	0.65
15.	Alliancegroup Nominees (Tempatan) Sdn Bhd *Pledged Securities Account for Tan Pow Choo @ Wong Seng Eng (6000090)*	9,000,000	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	0.49
18.	HSBC Nominees (Asing) Sdn Bhd *Exempt An for Bank Julius Baer & Co. Ltd. (Singapore BCH)*	6,980,155	0.48
19.	Citigroup Nominees (Tempatan) Sdn Bhd *Employees Provident Fund Board (PHEIM)*	6,103,900	0.42
20.	HSBC Nominees (Asing) Sdn Bhd *Exempt An for Credit Suisse (SG BR-TST-Asing)*	5,500,000	0.38
21.	Citigroup Nominees (Tempatan) Sdn Bhd *Kumpulan Wang Persaraan (Diperbadankan) (AHAM Equity Fund)*	4,928,345	0.34
22.	CGS-CIMB Nominees (Asing) Sdn Bhd *Exempt An for CGS-CIMB Securities (Singapore) Pte. Ltd. (Retail Clients)*	4,796,097	0.33
23.	Tan Kim Heng.	3,682,500	0.25
24.	CIMB Islamic Nominees (Tempatan) Sdn Bhd *Principal Islamic Asset Management Sdn Bhd for Lembaga Tabung Haji*	3,630,000	0.25
25.	Maybank Nominees (Asing) Sdn Bhd *Future Equity Investments Limited (270832)*	3,000,000	0.21
26.	Kenanga Nominees (Tempatan) Sdn Bhd *Pledged Securities Account for Eric Tan Chwee Kuang*	2,700,000	0.19
27.	Chai Kim-Lyn	2,541,964	0.18
28.	Cartaban Nominees (Asing) Sdn Bhd *SSBT Fund ZYEF for Vanguard Global Ex-U.S. Real Estate Indexfund*	2,523,200	0.17

THIRTY LARGEST SHAREHOLDERS BASED ON THE RECORD OF DEPOSITORS (CONT'D)

(Excluding 25,592,596 Treasury Shares)

NO.	NAME OF SHAREHOLDERS	NO. OF SHARES	%
29.	TA Nominees (Tempatan) Sdn Bhd *Pledged Securities Account for Chor Sek Choon*	2,404,781	0.17
30.	Huang Phang Lye	2,190,802	0.15
	Total	**1,196,172,150**	**82.43**

SUBSTANTIAL SHAREHOLDERS BASED ON THE REGISTER OF SUBSTANTIAL SHAREHOLDERS AS AT 30 JUNE 2022

	SHAREHOLDINGS			
NAME OF SUBSTANTIAL SHAREHOLDERS	DIRECT	%	INDIRECT	%
Datuk Tee Eng Ho	–	–	712,585,555(1)	49.11
Tee Eng Seng	–	–	712,585,555(1)	49.11
Datin Toh Siew Chuon	284,494	0.02	569,159,619(2)	39.22
Dato' Seri Tham Ka Hon	48,352,590	3.33	93,015,168(3)	6.41
Amazing Parade Sdn Bhd	569,159,619	39.22	–	–
Paramount Spring Sdn Bhd	128,497,890	8.85	–	–
Summerchrome Sdn Bhd	–	–	128,497,890(4)	8.85
Bright Milestone Sdn Bhd	–	–	128,497,890(5)	8.85
Billford Holdings Limited	7,173,974	0.49	85,841,194(6)	5.92
Morning Crest Sdn Bhd	85,841,194	5.92	–	–
Kumpulan Wang Persaraan (Diperbadankan)	90,180,135	6.21	6,200,897	0.43

Notes:

(1) Deemed interest by virtue of Section 8(4) of the Companies Act 2016 held through Amazing Parade Sdn Bhd ("APSB"), Kerjaya Prospek Development (M) Sdn Bhd and Summerchrome Sdn Bhd ("SCSB"), which in turn holds 100% in Paramount Spring Sdn Bhd ("PSSB").
(2) Deemed interest by virtue of Section 8(4) of the Companies Act 2016 held through APSB.
(3) Deemed interest by virtue of Section 8(4) of the Companies Act 2016 held through Billford Holdings Limited ("BHL") and Morning Crest Sdn Bhd ("MCSB").
(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 SCSB, which in turn holds 100% in PSSB.
(6) 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 2022

	SHAREHOLDINGS			
NAME OF DIRECTORS	**DIRECT**	**%**	**INDIRECT**	**%**
Datuk Tee Eng Ho	–	–	712,870,049[(1)]	49.12
Tee Eng Seng	–	–	712,585,555[(2)]	49.11
Kok Tuck Cheong	800,000	0.06	–	–
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 ("APSB"), Kerjaya Prospek Development (M) Sdn Bhd ("KPDMSB") 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 APSB, KPDMSB and SCSB, which in turn holds 100% in PSSB.

NOTICE OF ANNUAL GENERAL MEETING

NOTICE IS HEREBY GIVEN that the Ninety-Fifth Annual General Meeting of Eastern & Oriental Berhad will be conducted on a virtual basis through live streaming and online remote voting via TIIH Online Website at https://tiih.online as provided by Tricor Investor & Issuing House Services Sdn Bhd, Malaysia on Thursday, 25 August 2022 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 2022 together with the Reports of the Directors and Auditors thereon.	**Please refer to Explanatory Note 1**
2.	To approve the payment of Directors' fees and meeting allowance of RM226,034 in respect of the financial year ended 31 March 2022.	**(Ordinary Resolution 1)**
3.	To approve the payment of Directors' benefits (excluding Directors' fees) up to an amount of RM50,000 for the period from 1 April 2022 until the next annual general meeting of the Company.	**(Ordinary Resolution 2)**
4.	To re-elect the following Directors who retire by rotation in accordance with Clause 109 of the Company's Constitution:	
	(a) Datuk Tee Eng Ho	**(Ordinary Resolution 3)**
	(b) Mr Kok Tuck Cheong	**(Ordinary Resolution 4)**
5.	To re-elect Mr Tee Eng Seng who retires in accordance with Clause 114 of the Company's Constitution.	**(Ordinary Resolution 5)**
6.	To re-appoint Messrs Ernst & Young PLT as Auditors of the Company and to authorise the Directors to fix their remuneration.	**(Ordinary Resolution 6)**

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 7)**

   "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 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 8)**

"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 ("Right Shares") 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 new securities on pro rata basis not exceeding 50% of the total number of issued shares (excluding treasury shares) of the Company for the time being;
(ii) The price of the Rights Shares to be issued are not priced at more than 30% discount to the theoretical ex-rights price;
(iii) An irrevocable letter of undertaking from the existing controlling shareholders to subscribe for their full entitlements is procured; and
(iv) 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 Enhanced Rights Issue Mandate shall continue to be in force until 31 December 2022, or any such other extended period as may be introduced by Bursa Securities and under such case, the 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 9)**

"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 25 August 2021 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 2022 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 10)**

"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-Fourth Annual General Meeting of the Company held on 25 August 2021, 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 2022

NOTES:

1. 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 Ninety-Fifth Annual General Meeting ("95th AGM") via the Remote Participation and Voting facilities ("RPV") provided by Tricor Investor & Issuing House Services Sdn. Bhd. A shareholder who has appointed a proxy or attorney or authorised representative to participate in this 95th 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 95th 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 18 August 2022 shall be entitled to participate or appoint proxy(ies) to participate in his/her stead in this 95th AGM via RPV.

3. As the 95th AGM is a virtual annual general meeting ("AGM"), shareholders who are unable to participate in this 95th 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 95th 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 Tuesday, 23 August 2022 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 to participate via RPV in the 95th AGM.

EXPLANATORY NOTES ON ORDINARY BUSINESS AND SPECIAL BUSINESS

Note 1 - Audited Financial Statements for the Financial Year ended 31 March 2022

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 and meeting allowance for financial year ended 31 March 2022

The proposed Directors' fees and meeting allowances for the financial year ended 31 March 2022 are based on the rates as follows:

Position	Directors' Fees (RM)	Meeting Allowance (RM)
Senior Independent Director	90,000 per annum	500 per meeting
Non-Executive Directors (excluding Senior Independent Director)	70,000 per annum	500 per meeting

Ordinary Resolution 2 – Payment of Directors' benefits (excluding Directors' fees) up to an amount of RM50,000 for the period from 1 April 2022 until the next annual general meeting of the Company

The Directors' benefits payable to the Directors are essentially the meeting allowance for attendance of Board/Board Committee meetings. The Directors' benefits from 1 April 2022 until the conclusion of the next AGM is estimated not to exceed RM50,000. The Board will seek shareholders' approval at the next AGM in the event the amount of the Directors' benefits is insufficient due to an increase in Board/ Board Committee meetings and/or increase in Board size.

Ordinary Resolutions 3 to 5 - Re-election of Directors

Clause 109 of the Constitution of the Company provides that one-third (1/3) of the Directors for the time being, or if their number is not a multiple of three (3) the number nearest to one-third (1/3) with a minimum of one (1), shall retire from office. Datuk Tee Eng Ho and Mr Kok Tuck Cheong are standing for re-election as Directors and being eligible, have offered themselves for re-election at the 95th AGM.

Clause 114 of the Constitution of the Company provides that any Director appointed shall hold office only until the next AGM and shall be eligible for re-election. Mr Tee Eng Seng who was appointed on 15 October 2021 is standing for re-election as Director and being eligible, has offered himself for re-election at the 95th AGM.

In deliberating the re-election of the retiring Directors, the Nomination, Remuneration and Scheme Committee ("NRSC") had taken into consideration the fit and proper criteria as set out in the Fit and Proper Policy. Each of the retiring Director has confirmed that he does not have any conflict of interest with the Company and its subsidiaries which may affect his ability to act in the best interest of the Company.

Based on the outcome of the assessment from NRSC, the Board is satisfied with the performance and contributions of the retiring Directors and had recommended to seek shareholders' approval for the re-election of the retiring Directors.

Ordinary Resolution 7 – Authority pursuant to Sections 75 and 76 of the Companies Act 2016

The proposed resolution 7, 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 AGM of the Company. The general mandate had also been sought for in the last AGM of the Company.

The Company had on 29 November 2021 issued and allotted 19,796,958 new ordinary shares at RM0.676 per share pursuant to the general mandate granted by the shareholders at the Company's Ninety-Fourth AGM held on 25 August 2021, for the purpose of acquisition of the remaining 10% equity interest in Permaijana Ribu (M) Sdn Bhd through its wholly-owned subsidiary, Bridgecrest Resources Sdn Bhd.

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 8 – 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 framework is a temporary relief measure to facilitate secondary fund raising by eligible listed issuers expeditiously which allow the listed issuer to undertake a right issue on pro rata basis through a higher general mandate ("Enhanced General Mandate") announced by The Securities Commission Malaysia and Bursa Malaysia Securities Berhad ("Bursa Securities") on 10 November 2020. Bursa Securities had on 23 December 2021 announced a 12-months extension of the temporary relief measures for the Enhanced General Mandate until 31 December 2022.

The purpose of the Enhanced Rights Issue Mandate is to allow the Company to undertake expedited right issue exercises to issue new shares on a pro rata basis, up to 50% of the total number of issued shares (excluding treasury shares) of the Company for the time being.

The Board is of the opinion that the Enhanced Rights Issue Mandate is in the best interest of the Company and its shareholders as 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.

Ordinary Resolution 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

The proposed resolution 9, 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 2022. This authority, unless revoked or varied at a general meeting, will expire at the next AGM of the Company.

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

The proposed resolution 10, 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 2022. This authority, unless revoked or varied at a general meeting, will expire at the next AGM of the Company.

STATEMENT ACCOMPANYING NOTICE OF ANNUAL GENERAL MEETING

The Directors standing for re-election at the Company's Ninety-Fifth Annual General Meeting of the Company are as follows:

(1) Pursuant to Clause 109 of the Company's Constitution:

(a) Datuk Tee Eng Ho
(b) Mr Kok Tuck Cheong

(2) Pursuant to Clause 114 of the Company's Constitution:

(a) Mr Tee Eng Seng

(3) The details of the above Directors standing for re-election are set out in the Directors' Profile on pages 18 to 19 in the Annual Report.

(4) The details of the above Directors' securities holding in the Company are set out on page 252 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 (Registration 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-Fifth Annual General Meeting of the Company to be conducted on a virtual basis through live streaming and online remote voting via TIIH Online Website at https://tiih.online as provided by Tricor Investor & Issuing House Services Sdn Bhd on Thursday, 25 August 2022 at 2.00 p.m. and at any adjournment thereof.

RESOLUTIONS		**FOR***	**AGAINST***
Ordinary Resolution 1	To approve payment of Directors' fees and meeting allowance of RM226,034 for financial year ended 31 March 2022		
Ordinary Resolution 2	To approve the payment of Directors' benefits (excluding Directors' fees) up to an amount of RM50,000 for the period from 1 April 2022 until the next annual general meeting of the Company		
Ordinary Resolution 3	To re-elect Datuk Tee Eng Ho as Director		
Ordinary Resolution 4	To re-elect Mr Kok Tuck Cheong as Director		
Ordinary Resolution 5	To re-elect Mr Tee Eng Seng as Director		
Ordinary Resolution 6	To re-appoint Messrs Ernst & Young PLT as Auditors of the Company		
Ordinary Resolution 7	To authorise the issue of shares pursuant to Sections 75 and 76 of the Companies Act 2016		
Ordinary Resolution 8	To authorise the issue of shares under Enhanced General Mandate for Rights Issue on Pro-Rata Basis		
Ordinary Resolution 9	To approve the Proposed Renewal of the Shareholders' Mandate for Recurrent Related Party Transactions		
Ordinary Resolution 10	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 2022 Signature of shareholder(s)/Seal

NOTES:

1. 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 Ninety-Fifth Annual General Meeting ("95th AGM") via the Remote Participation and Voting facilities ("RPV") provided by Tricor Investor & Issuing House Services Sdn. Bhd. A shareholder who has appointed a proxy or attorney or authorised representative to participate in this 95th 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 95th 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 18 August 2022 shall be entitled to participate or appoint proxy(ies) to participate in his/her stead in this 95th AGM via RPV.
3. As the 95th AGM is a virtual annual general meeting ("AGM"), shareholders who are unable to participate in this 95th 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 95th 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 Tuesday, 23 August 2022 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 to participate via RPV in the 95th AGM.

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AFFIX
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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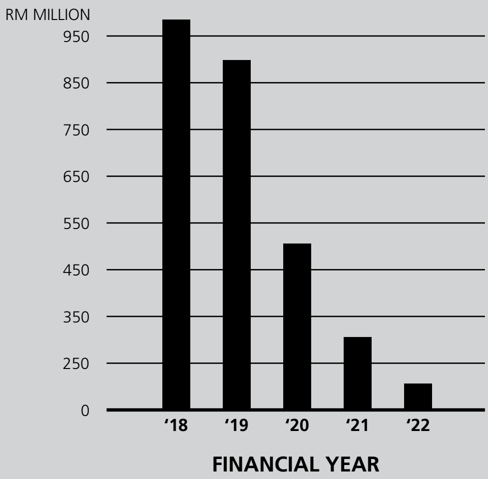
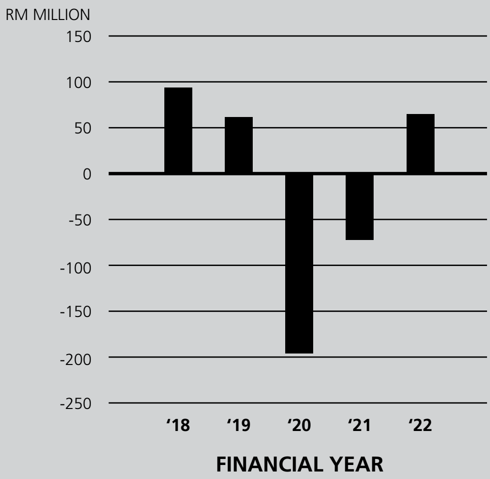
5-YEAR GROUP FINANCIAL HIGHLIGHTS

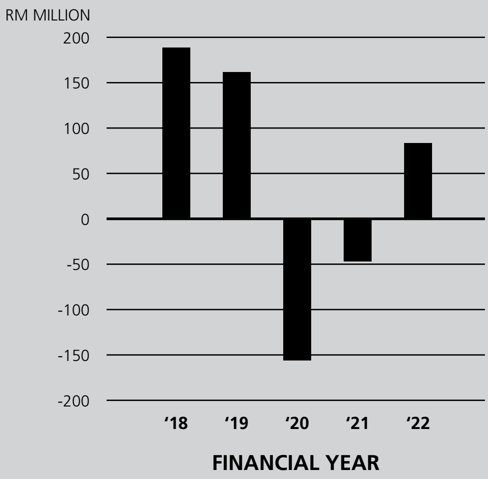
REVENUE



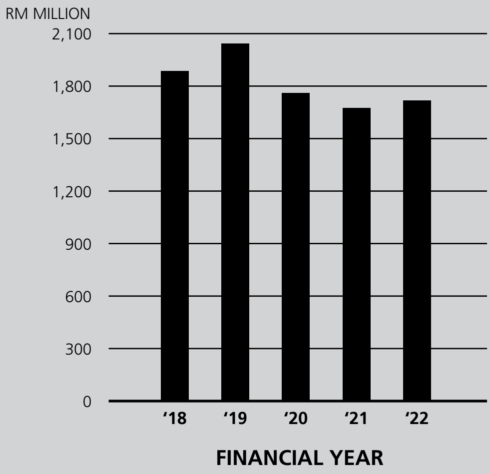
PROFIT/(LOSS) ATTRIBUTABLE TO OWNERS OF THE PARENT



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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Damansara Heights, 50490 Kuala Lumpur, Malaysia
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